



R.C.S. Luxembourg: B 24 784

67, Boulevard Grande-Duchesse Charlotte
L-1331 Luxembourg

Audited annual accounts
for the year ended
31 December 2012 and audit
report of the
réviseur d'entreprises agréé



BNP PARIBAS FORTIS

FUNDING

BNP Paribas Fortis Funding

Public limited company

Registered office: L-1331 Luxembourg, 67 boulevard Grande-Duchesse Charlotte
R.C.S. Luxembourg B 24 784
(hereinafter referred to as the « Company »)

Report from the Board of Directors

Dear Sirs,

We are pleased to submit to you for approval, the annual accounts for the financial year ended 31 December 2012.

As at December 31, 2012, the total balance sheet amounts to EUR 7,853,435,205 - compared to EUR 5,580,765,179 - as at December 31, 2011.

The Company issued securities (amongst which retail offers to the public in Belgium and in the Grand Duchy in Luxembourg) which are split as follows:

	December 31, 2012	December 31, 2011
Subordinated notes	1,773,357,566	2,060,515,241
Fixed interest rates notes	1,455,618,835	916,800,822
Floating rates notes	2,241,261,301	660,879,311
Variable coupon notes	852,515,819	834,018,681
Variable redemption notes Credit Linked	21,227,000	364,505,860
Variable redemption notes Index Linked	366,444,235	362,844,170
Variable redemption notes Other	100,942,470	93,951,129
Zero coupon notes	5,143,274	5,013,154
Commercial Papers	824,873,509	55,223,888
TOTAL	7,641,384,009	5,353,752,256

The sharp increase in the total issued securities is linked to the issuance of one puttable note for a total of Euro 1,750,000,000 that will mature in January 2013 and a higher outstanding of commercial papers at year end.

The amounts presented above represent the nominal of the issuances, to which accrued interest payable amounting to EUR 98,086,026 are added (31 December 2011: EUR 101,626,952).

During 2012, the Company issued several securities and faced several redemptions as follows (excluding the commercial papers issued):

Type of product	Issues		Redemptions/Reductions		Foreign exchange by category		Total
	Number	Ccy	In Euros	Number	Ccy	In Euros	
Subordinated notes	0		0	5	EUR	-273,618,671	
Total			0	5		-273,618,671	-287,157,675
Fixed interest rate notes	2	AUD	62,959,312	1	CHF	-90,975,255	
	1	CAD	19,049,410				
	2	TRY	21,624,855				
	7	NOK	324,453,544				
	4	EUR	215,028,000				
Total	16		643,115,121	1		-90,975,255	538,818,013
Floating rate notes	2	USD	17,811,955	1	EUR	-310,000,000	
	8	EUR	1,860,856,000				
	1	AUD	11,859,961				
Total	11		1,890,527,916	1		-310,000,000	1,580,381,990
Variable coupon notes	10	EUR	148,185,000	11	EUR	-129,395,000	
Total	10		148,185,000	11		-129,395,000	18,497,138
Credit linked notes	0	EUR	0	2	EUR	-323,007,000	
				3	USD	-14,118,101	
				1	SGD	-4,722,397	
Total	0		0	6		-341,847,498	-343,278,860
Index linked notes	8	EUR	44,125,000	6	EUR	-36,680,000	
	1	USD	6,262,595	2	JPY	-8,150,000	
Total	9		50,387,595	8		-44,830,000	3,600,065
Reversible convertible notes	0		0	0	EUR	0	
Total	0		0	0		0	0
Zero-coupon notes			130,120				
Total	0		130,120			0	130,120
Other	3	JPY	13,685,260	6	EUR	-20,456,000	
	4	EUR	22,568,000	1	JPY	-8,455,882	
Total	7		36,253,260	7		-28,911,882	6,991,341
TOTAL GENERAL	53		2,768,599,012	39		-1,219,578,306	1,517,982,132

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As at December 31, 2012, the Company shows a profit amounting to EUR 1,583,350 compared to a profit amounting to EUR 638,908 for the year 2011 which is summarized as below:

In EUR	December 31, 2012	December 31, 2011
Interests margin	3,783,003	3,613,061
Exchange result	-6,803	-308,437
Amortization fees 1) +2) +3) +4)	-1,248,985	-577,082-
Taxes	-647,525	-880,134
Other operating expenses	-48,846,747	-61,972,385
Other operating income	48,550,407	60,763,885
Total	1,583,350	638,908

The increase is mainly explained by the following elements:

- 1) Decrease of the global option premium received and paid amounting to EUR -7,898,996 for the year ended December 31, 2012 (2011: EUR -10,958,561) as follows:

In EUR	December 31, 2012	December 31, 2011
Amortization premium paid	-11,225,908	-14,057,521
Amortization premium received	1,379,738	3,098,960
Amortization premium equity swap received	1,947,174	-
Total	-7,898,996	-10,958,561

The option premiums are amortized over the life of the corresponding security issuance retrospectively as from January 1, 2010.

The variation is mainly due:

- for around - € 1,700,000 to a decrease of the amortization on premium received linked to some issuances matured on 2012.
- for € 1,947,174 to an increase of the amortization on premium equity swap received linked to new issuances on 2012.
- For around - € 2,600,000 to a decrease of the amortization on premium paid linked to some issuances matured on 2011.

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- 2) Increase of the expenses relating to bond issuances amounting to EUR - 14,814,763 for the year ended December 31, 2012 (2011: EUR 12,960,091), which is as follows:

	December 31, 2012	December 31, 2011
Amortization of expenses related to bond issues	-252,065	-329,013
Amortization of syndication commissions	-11,205,161	-9,493,978
Subtotal	-11,457,226	-9,822,991
Amortization of disagio	-3,357,537	-3,137,100
Total	-14,814,763	-12,960,091

The expenses are amortized over the life of the corresponding security's issuance.

The variation is mainly due to the increase of the amortization of syndication commissions related to:

- for around - € 1,200,000 to a decrease of their amortization linked to some issuances matured on 2011 and 2012
- for around € 1,370,000 to an increase of their amortization linked to some new issuances on 2012
- for € 932,697.75 to their amortization one shot on 2012 linked to some matured issuances

- 3) Decrease of the net amortization of the upfront fees received and paid amounting to EUR 11,837,224 for the year ended December 31, 2012 (2011: EUR 14,338,862), which is as follows:

	December 31, 2012	December 31, 2011
Amortization of upfront fees paid	-37,250	-19,799
Amortization of upfront fees received	11,874,474	14,358,661
Total	11,837,224	14,338,862

The upfront fees are amortized over the life of the corresponding security's issuance. Furthermore, for the upfront fees received the residual life of the corresponding security's issuance is longer than for the upfront fees paid.

The variation is mainly due for around - € 2,600,000 to a decrease of the upfront fees received on IRS linked to some issuances matured on 2011.

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- 4) Increase of the premiums received on borrowings amounting to EUR 9,627,550 as at December 31, 2012 against EUR 9,002,708 as at December 31, 2011.

	December 31, 2012	December 31, 2011
Premium received on borrowings	9,627,550	9,002,708
Total	9,627.550	9,002,708

The variation is mainly due for around - € 650,000 to a decrease of the premium received on borrowing linked to some issuances matured on 2011 and 2012 and for around € 1,200,000 to an increase of these premium linked to some new issuances on 2012.

- Increase of the interest margin amounting to EUR 3,783,003 as at December 31, 2012 against EUR 3,613,061 as at December 31, 2011.
- Decrease of the taxes amounting to EUR -647,524 as at December 31, 2012 against EUR -880,134 as at December 31, 2011.
This decrease is related to the calculation of the corporate income tax and municipal business tax from 2012 linked to the agreement by the Tax Authorities on May 2012 on the analysis for the transfer pricing.
- Decrease of the netting between other operating expenses and income amounting to EUR -296,340 as at December 31, 2012 against EUR -1,208,500 as at December 31, 2011. This decrease is mainly explained by the gain on 2012, for around € 932,000, on some Credit Default Swaps on some issuances matured.
- Decrease of the exchange result amounting to EUR -6,803 as at December 31, 2012 against EUR - 308.437 as at December 31, 2011.
This decrease is mainly related to the foreign exchange on some buybacks on 2011.

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The previous year's profit brought forward amounts to EUR 1,457,431.

Following the release of an amount of EUR 656,450 from the reserve 2007 for the wealth tax, the crediting of the reserve 2012 for the wealth tax for an amount of EUR 201,325 (5 * EUR 40,265) derived from the net wealth tax 2012 (EUR 40,265), the dividends to distribute for EUR 1,200,000 and the result of the year for EUR 1,583,350, an amount of EUR 838,475, representing the result is to be carried forward.

Moreover, the Board of Directors decides to propose to the Shareholders' General Meeting the following allocation:

	Legal reserve EUR	Other reserve* EUR	Profit brought forward EUR
Balance as at 1st January 2012	50,000	3,546,121	1,457,431
Profit for year ended 2012	-	-	1,583,350
Transfer of the 2007 special reserve to profit brought forward	-	(656,450)	656,450
Allocation to the special reserve related to the net worth tax	-	201,325	(201,325)
Dividends	-	-	(1,200,000)
Balance after allocation	50,000	3,090,996	2,295,906

* In order to take advantage of the provisions of paragraph 8a of the Net Worth Tax Law, the Company has elected to get a tax credit for all or part of the net worth tax due for that year. This tax credit is, however, limited to the amount of the corporate income tax due for the same year before any tax credit. In order to benefit from this provision, the Company commits itself to post to a special reserve (classified in the annual accounts under the caption "Other reserves") before the end of the subsequent year an amount equal to five times the net worth tax to be credited, which has to be maintained for a period of five years.

Reporting obligations

The Company fulfils its reporting obligations towards the local authorities and, with regard to the law of January 11, 2008 (as supplemented or amended from time to time) on transparency requirements for issuers of securities (the "Transparency Law"), the Company has signed on 2009 an agreement for OAM (Officially Appointed Mechanism) with BNP Paribas Securities Services, Luxembourg Branch (following the transfer on April 1, 2010 of the securities services activities of BGL BNP Paribas - Luxembourg to BNP Paribas Securities Services, Luxembourg branch).

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The Board of Directors will also give a general overview, below, of the main inherent risks faced by BNP Paribas Fortis Funding and of the relevant mitigating factors. This overview is given as of the date of this report. The risks applicable to BNP Paribas Fortis Funding and the corresponding risk management methods can change from time to time.

It has to be noted that the Company doesn't provide post issuance information to the investors of its notes. In case of public offers of structured notes in Belgium, it is the relevant distributor of such notes that shall comply with the terms of the Moratorium on particularly complex products proposed by the Belgian FSMA. It includes the obligation to publish information on the value of the notes and of the underlying(s) during the life of the notes. It has to be noted that such Moratorium, applicable as from 01/08/2011, was expected to be converted by the FSMA into (mandatory) rules but this is not yet the case as of the date of this report.

Main inherent risks

The main inherent risks faced by BNP Paribas Fortis Funding can be broken down into the following categories:

1) Operational risk:

The operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, human error, external events or changes in the competitive environment that damage the franchise or operating economics of a business.

Furthermore, in order to mitigate the risks, the Company hired two part time employees of BNP Paribas Fortis SA/NV (hereafter "BNPPF").

The verification of the outstanding amount of the EMTN and ECP Programmes versus its relevant limit is done by the agent of such programmes with a check performed by BNP Paribas Fortis Funding (general exposure limits as approved by the Board of Directors (controlling risk)).

Before issuing any EMTN or ECP Programme, the Directors have to acknowledge that:

The terms of the paragraphs 1 and 2 of Article 57 of the Luxembourg Law on commercial companies dated 10 August 1915, as amended disclosing that "The Director who has an interest which is opposed to the company's interest in a transaction submitted to the Board of Directors for authorization, is obliged to disclose such opposed interest to the Board and to procure that the existence of such opposed interest be mentioned in the minutes of the Board meeting. He cannot take part in the vote of the relevant resolutions of the Board. The existence of transactions in relation to which a Director has an opposed interest to that of the company has to be specifically reported to the first succeeding general meeting of shareholders prior to any other resolution is put to vote" are respected.

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BNP Paribas Fortis Funding publishes from time to time prospectuses to offer, place or/and list securities within the framework of its business activity as foreseen in its article of association.

As required by the Luxembourg law on prospectuses and the relevant regulations as the case maybe, the Company takes responsibility for the information contained in these prospectuses (with the limitations specified in these ones).

The EMTN base prospectus of the Company was updated and approved by the CSSF on 13 June 2012 and has been supplemented on 28 June 2012 t and on October 30 2012 due to some rating events.

It has to be noted that the EMTN base prospectus is valid in its current form till 12 June 2013 but that it will then have to be deeply reviewed and updated in order to comply with the amended prospectus directive and its regulations (the main upcoming changes being at the level of the content of the summary and of the form of final terms).

2) Legal risk:

In case of any potential legal risk (e.g. license requested by a sponsor of an index, claim received from a note holder or an investor), the Company will request advices from the legal department of its parent company and advices from an external legal advisor if it is required by one member of the Board of Directors.

The Luxembourg prospectus law contains administrative sanctions in case of breach. As the Company also makes offers to the public in other jurisdictions, it may be exposed to the penal or/and administrative sanctions foreseen in the relevant local prospectus law.

Furthermore, the Company follows the compliance rules defined by its parent company in term of reputational risk and compliance with laws and regulations applicable to the Company.

3) Tax risk:

In case of any potential tax risk, the Company requests advices from the tax specialists of its parent company and advices from an external tax advisor if it is required by one member of the Board of Directors.

4) Financial risk:

It encompasses two types of risk: credit risk and market risk as defined below:

- Credit risk is the risk that a borrower or counterparty will no longer be able to repay its debt;
- Market risk refers to the potential loss resulting from unfavourable market movements, which can arise from trading or holding positions in financial instruments.

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Within the framework of the funding operations, BNP Paribas Fortis Funding hedges with BNPPF or BNP Paribas Arbitrage S.N.C. its exposures to various types of risks by using common OTC/derivatives instruments such as swaps and options from the issue date or strike date of each funding operation, for all the duration of such funding operation, and for the full amount of the related funding operation. As a general rule, the documentation of a derivative transaction of the Company shall refer to the documentation of the related funding transaction. Therefore the structure of each funding operation matches with the various related hedging transactions in terms of economics and in terms of documentation.

BNP Paribas Fortis Funding is currently only exposed to a counterparty risk (i) on BNPPF (as hedging counterpart (e.g. BNP Paribas Fortis SA/NV as buyer of credit protection under Credit Default Swaps and buyer or seller under options or other derivatives transactions) and as borrower under the loans granted by the Company), and (ii) on BNP Paribas Arbitrage S.N.C. (as hedging counterpart).

It has to be noted that the Company is envisaging the possibility to enter into derivatives transactions with BNP Paribas SA (London) under the ISDA Master Agreement that is in place since 2010.

To avoid exposure to a credit risk on a paying agent under its EMTN and ECP Programmes, BNP Paribas Fortis Funding has followed the market practice and has included a wording in the documentation of these programmes to be discharged from its payment obligations towards the noteholders as soon as the payments have been made on time to the relevant principal paying agent.

For the avoidance of any doubt, BNP Paribas Fortis Funding does not hold a trading portfolio and is then not exposed to a trading risk, i.e. in case of changes in the market price of positions held in capital market instruments.

5) Liquidity risk:

The liquidity risk is the risk that BNP Paribas Fortis Funding, though solvent, either does not have sufficient financial resources available to meet its obligations when they fall due, or can secure or sell its assets only at excessive cost.

This risk is mitigated by the Board that follows the Liquidity Risk Policy published by the parent company of BNP Paribas Fortis Funding by applying it to the Company. Such policy explicitly mentions that the bank must maintain sufficient cash and liquid assets to meet its current and future financial obligations at all times, in normal and in stressed circumstances, for all its banking and financial activities, including special purpose vehicles and all legal entities.

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6) Settlement risk:

BNP Paribas Fortis Funding is responsible for the cash management on a daily basis by monitoring the cash balances of the Company. Furthermore, the Company has implemented a payment procedure approved by the Board of Directors and agreed by BGL BNP Paribas S.A., which can be summarised as follows:

- Each payment or repayment of principal amounts requires both the signature of one Director and the signature of one proxy holder;
- Each payment of interests to investors requires the signature of two proxy holders;
- Each payment of fees relating to Intertrust Luxembourg S.A. requires the approval of the Board of Directors and then the signature of two proxy holders;
- For other costs:
 - each payment above EUR 10,000 requires the signature of one Director and one proxy holder;
 - other payments require the signature of two proxy holders.
- For payments with value retro-active: a letter has been signed by two directors to authorize them, after the new amendment on 1st November 2009 of the PSD (directive on payment services).

Information to be sent to the parent company

BNP Paribas Fortis Funding is a subsidiary of BNP Paribas Fortis SA/NV.

The National Bank of Belgium, BNPPF's supervisor on a consolidated basis, has granted its approval for using the most advanced approaches for calculating the own funds requirements under Basel II. This means that BNPPF applies the Advanced Internal Ratings Based Approach (AIRBA) to credit risk and the Advanced Measurement Approach (AMA) to operational risk for the majority of its portfolio.

Besides, BNPPF uses 'economic capital' as a consistent and comparable measure of risk across all risk types and geographies. It serves as an indicator of Value at Risk (VaR).

BNP Paribas Fortis Funding shall report to its parent company with the relevant information to enable BNPPF to apply these methods on a consolidated basis.

The Board of Directors examined the annual accounts as at 31 December 2012 of BNP Paribas Fortis Funding on 15 March 2013 and authorized their publication.

The Board of Directors of BNP Paribas Fortis Funding declares that, to its knowledge, the annual accounts - as at 31 December 2012 of BNP Paribas Fortis Funding established in accordance with the body of applicable accounting standards, give a faithful and honest image of the assets and liabilities, financial position and profits or losses of BNP Paribas Fortis Funding. The management report presents the evolution

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accurately, the results and the situation of BNP Paribas Fortis Funding and a description of the principal risks and uncertainties with which they are confronted.

No material subsequent events occurred to the Company since 31 December 2012.

Strategy related to BNP Paribas Fortis Funding

The issuances that the Company is proposing, via distributors, to different investor types and the lending of the proceeds of these transactions to its parent company is an important element of the funding policy of BNP Paribas Fortis SA/NV.

The selling of structured notes and other types of bonds demanded by the Retail and Private Banking divisions of BGL BNP Paribas S.A. in Luxembourg and BNP Paribas Fortis NV/SA in Belgium is a stable element of the funding mix of BNPPF. On top of this, the Company also proposes tailor made issues (listed or not) for institutional investors.

The Company is independent regarding the issuance decisions.

It is in line with the BNP Paribas group organization to maintain BNP Paribas Fortis SA/NV, directly or via its subsidiaries, in a position of independency concerning its liquidity and funding management. The Company, with a volume of issuances above EUR 7 billion, is an element of diversification in the funding mix of BNPPF. It is a stable element as the demand for this type of investments by the investors has proved to be constant over time.

We also take into consideration that, for the structured notes, the use of the Company remains a practical solution to circumvent the fact that the Belgian National Bank's clearing system cannot handle certain structured financial products.

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Corporate Governance:

The articles of association do not provide any restriction regarding the voting rights of the shareholders and therefore said voting rights are exercise in accordance with the legal provisions in force.

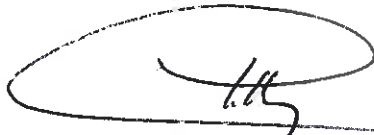
Further to the articles of association, the directors shall be elected by the shareholders at a general meeting, which shall determine their number, remuneration and term of office. The term of the office of a director may not exceed six years and the directors shall hold office until their successors are elected. The directors may be re-elected for consecutive terms of office. The Company does not hold any quoted participations.

The company may, to the extent and under the terms permitted by the Law, purchase its own shares; as of today the Company does not hold any own share. As in the articles of association there is no provision regarding authorized capital, the board of directors is not allowed to issue new shares.

There is no specific provision in the articles of association regarding the possibility of amending the articles of association and therefore the articles of association can be amended according to the legal provision set for in article 67-1 of the amended Law dated August 10, 1915 on commercial companies.

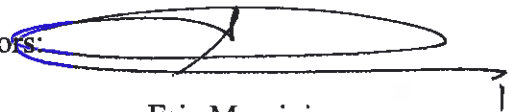
There is no specific provision in the articles of association regarding the rights of controls of the shareholders and therefore the shareholders can exercise their rights of controls to the extent and within the limits provided by the relevant Luxembourg applicable legislation.

Luxembourg, 15 March 2013



Christian Pithsy
Chairman of the Board of Directors

For the Board of Directors:



Eric Magrini
Director

BNP Paribas Fortis Funding

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To the Shareholders of
BNP Paribas Fortis Funding S.A.
67, Boulevard Grande-Duchesse Charlotte
L-1331 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

We have audited the accompanying annual accounts of BNP Paribas Fortis Funding S.A., which comprise the balance sheet as at December 31, 2012 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the *réviseur d'entreprises agréé*'s judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of BNP Paribas Fortis Funding S.A. as of December 31, 2012, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

For Deloitte Audit. *Cabinet de révision agréé*



Olivier Lefèvre, *Réviseur d'entreprises agréé*
Partner

Luxembourg, March 15, 2013

BNP Paribas Fortis Funding

Balance sheet as at 31 December 2012
(in EUR)

	Notes	31.12.2012 EUR	31.12.2011 EUR
ASSETS			
<i>Formation expenses</i>		622,480	807,573
<i>Fixed assets</i>			
Financial assets	3		
Loans to affiliated undertakings	3	6,763,911,498	5,261,088,495
<i>Current assets</i>			
Debtors			
Amounts owed by affiliated undertakings			
becoming due and payable after less than one year	4	933,735,013	170,106,379
Other debtors			
becoming due and payable after less than one year		600,000	803,546
		934,335,013	170,909,925
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		7,079,505	7,880,700
<i>Prepayments and accrued income</i>	5	147,486,709	140,078,486
		7,853,435,205	5,580,765,179

The accompanying notes form an integral part of these annual accounts.

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Balance sheet as at 31 December 2012
(in EUR)
(continued)

	Notes	31.12.2012 EUR	31.12.2011 EUR
LIABILITIES			
<i>Capital and reserves</i>	6		
Subscribed capital		500,000	500,000
Reserves			
Legal reserve		50,000	50,000
Other reserves		3,546,121	3,726,930
Profit or loss brought forward		1,457,431	3,137,715
Result for the financial year		1,583,350	638,908
		7,136,902	8,053,553
 <i>Subordinated creditors</i>	 7		
		1,811,125,851	2,119,719,386
 Provision			
– Provision for taxation		638,784	870,954
 <i>Non-subordinated debts</i>	 8		
Debenture loans			
Convertible loans			
– becoming due and payable after less than one year		18,305,000	12,130,000
– becoming due and payable after less than one year		=	19,771,000
Non-convertible loans			
– becoming due and payable within one year		2,043,358,203	893,492,429
– becoming due and payable after more than one year		3,040,052,136	2,354,947,039
		5,101,715,339	3,280,340,468
Tax and social security			
– tax		40,858	94,191
Other creditors	12		
– becoming due and payable within one year		836,393,449	67,408,941
 <i>Accruals and deferred income</i>	 5		
		96,384,022	104,277,686
		7,853,435,205	5,580,765,179

The accompanying notes form an integral part of these annual accounts.

BNP Paribas Fortis Funding

Profit and loss account
for the year ended 31 December 2012
(in EUR)

	Notes	31.12.2012 EUR	31.12.2011 EUR
Charges			
Other external charges		3,302,900	2,944,347
Staff costs	15	27,551	28,291
Wages and salaries		19,978	19,317
Social security costs		7,573	8,974
Value adjustments			
– on formation expenses and on tangible and intangible fixed assets		14,814,763	12,960,091
Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities		56,778,899	73,076,951
Interest payable and similar charges	9		
– concerning affiliated undertakings		60,016,382	58,220,142
– other interest payable and similar charges		231,622,192	252,202,250
		<u>291,638,574</u>	<u>310,422,392</u>
Tax on profit or loss	14	638,782	870,954
Other taxes not included in the previous caption		8,741	9,180
Profit for the financial year		1,583,350	638,908
		<u>368,793,560</u>	<u>400,951,114</u>
Income			
Income from financial fixed assets			
– derived from affiliated undertakings		164,102,344	149,938,055
Income from financial current assets	10	46,886,809	58,422,177
– derived from affiliated undertakings		4,107,898	12,308,361
– other income		42,778,911	46,113,816
Other interest and other financial income	11		
– derived from affiliated undertakings		117,523,491	84,595,819
– other interest and financial income		40,280,916	107,995,063
		<u>157,804,407</u>	<u>192,590,882</u>
		<u>368,793,560</u>	<u>400,951,114</u>

The accompanying notes form an integral part of these annual accounts.

BNP Paribas Fortis Funding

Notes to the annual accounts ended
31 December 2012

1 General information

BNP Paribas Fortis Funding (the "Company") was incorporated on 24 September 1986 in Luxembourg as a limited liability company (Société Anonyme) for an unlimited period under the name GENFINANCE LUXEMBOURG S.A., which was then changed to FORTIS LUXEMBOURG FINANCE S.A. on 12 November 2001 and to BNP Paribas Fortis Funding on 22 February 2010.

The registered office of the Company is established in Luxembourg. The Company's financial year starts on 1st January and ends on 31 December each year.

The Company's object is to provide any direct or indirect financing, by any means, to its subsidiaries, to BNP Paribas Fortis and to companies controlled by BNP Paribas Fortis SA/NV and to provide to these companies any assistance, loans, advances or guarantees and/or any services for financial or administrative assistance linked to such assistance, loans, advances, guarantees, and services.

Loans are granted under the same conditions as for borrowings, setting aside an intermediation margin.

The Company may conduct any transaction that it deems necessary to accomplish and develop its object, remaining however within the limits allowed by the Law of 10 August 1915 on corporations.

The Company is included in the consolidated accounts of BNP Paribas S.A. forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The consolidated accounts and the consolidated management report of BNP Paribas S.A. are available at its registered office: 16, Boulevard des Italiens, 75009 Paris, France.

In addition, the Company is also included in the consolidated accounts of BNP Paribas Fortis forming the smallest body of undertakings included in the body of undertakings referred to in the above mentioned paragraph of which the Company forms part as a subsidiary undertaking. The consolidated accounts and the consolidated management report of BNP Paribas Fortis are available at its registered office located at: 3 Montagne du Parc, B-1000 Brussels.

2 Significant accounting policies

The Company prepares its accounts in compliance with the legal requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg. The accounting principles and valuation criteria are defined and implemented by the Board of Directors, apart from those stipulated by the law. The Company applied the "Normalised accounting plan" for the purpose of these audited annual accounts.

BNP Paribas Fortis Funding
Notes to the annual accounts ended
31 December 2012
(continued)

2.1 Premiums on options

The Company may take hedge positions through options. Premiums on options are accounted for in deferred charges and income and are amortised prorata temporis over the life of the borrowings to which they are related.

2.2 Foreign currency translation

The subscribed capital of the Company is expressed in euros (EUR) and the annual accounts and the interim financial information are established in the same currency.

During the financial year, the transactions, income and expenses denominated in currencies other than the EUR were recorded using the exchange applicable on the transaction date.

At the closing date, the assets and debts expressed in currencies other than EUR are valued on the basis of the exchange rates applicable on that date. Unrealized gains and losses are booked as other financial income / charges in the profit and loss account due to the direct economic link between the transactions. Furthermore, where there is said economic link between two items within a transaction, accounted for in assets and liabilities respectively, and denominated in the same currency, the balance sheet entries are revalued at the closing exchange rate without impacting the profit and loss account.

2.3 Debtors

Debtors are valued at the lower of nominal or estimated net realisable value. A value adjustment is accounted for if, in the opinion of the Board of Directors, a permanent impairment in value has occurred, unless the loss is economically linked to an increase in the value of the loans.

2.4 Premiums on amounts receivable

Premiums on amounts receivable are amortised prorata temporis over the life of the receivable to which they are related.

2.5 Prepayments and accrued income

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

2.6 Accruals and deferred income

This liabilities item includes income received during the financial year but relating to a subsequent financial year.

2.7 Creditors

Creditors are valued at the higher of nominal or repayment value.

2.8 Premiums on borrowings

Premiums on borrowings are accounted for in deferred charges and income, independently of borrowings to which they are associated and are amortised prorata temporis over the life of the borrowings to which they are related.

BNP Paribas Fortis Funding

Notes to the annual accounts ended

31 December 2012

(continued)

2.9 Presentation of the comparative financial data

The figures for the balance sheet as at 31 December 2011 have been reclassified to ensure the comparability with the "Normalised accounting plan" without any impact on the net profit or loss of the Company.

3 Loans to affiliated undertakings

No value adjustment has been made on financial fixed assets, following the historical cost model.

The loan structure granted to BNP Paribas Fortis the parent company is as follows:

	31.12.2012 EUR	31.12.2011 EUR
Amounts due within less than one year	2.185.331.476	1.171.775.515
Amounts due over 1 year		
1 to 5 years	3.574.663.028	3.276.700.582
5 years or more	1.003.916.994	812.612.398
	<u>4.578.580.022</u>	<u>4.089.312.980</u>
Total	<u>6.763.911.498</u>	<u>5.261.088.495</u>

4 Debtors becoming due and payable after less than one year

The item "debtors becoming due and payable after less than one year" is essentially made up of loans granted to BNP Paribas Fortis S.A./N.V. in the form of commercial papers issued under the "Euro Medium Term Notes" programme, interest receivable on these commercial papers, interest receivable on loans granted and interest receivable on derivatives.

5 Prepayments and accrued income, accruals and deferred income

These captions under assets or under liabilities in the balance sheet primarily include the option premiums paid and received, the commissions payable or receivable during the issuance of certain borrowings and the premiums connected to the issuance of certain borrowings, less accumulated amortisation over the expected useful life of the related borrowings. Also, this caption includes the revaluation of the foreign exchange derivative financial instruments at the closing foreign exchange rate.

6 Capital and reserves

As at 31 December 2012, the issued and fully paid-up share capital of the Company amounts to EUR 500,000 consisting of 20,000 registered shares each having a nominal value of EUR 25.

BNP Paribas Fortis Funding

Notes to the annual accounts ended

31 December 2012

(continued)

The movements for the interim period ended at December 31, 2012 are as follows:

	Legal reserve	Other Reserve*	Profit brought forward
	EUR	EUR	EUR
Balance as at 1 st January 2012	50,000	3,726,930	3,137,714
Profit for year ended 2011	-	-	638,908
Transfer of the 2006 special reserve to profit brought forward	-	(366,175)	366,175
Allocation to the special reserve related to the net worth tax	-	185,366	(185,366)
Dividends	-	-	(2,500,000)
Balance as at 31 December 2012	<u>50,000</u>	<u>3,546,121</u>	<u>1,457,431</u>

Legal reserve

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Other reserve*

In order to take advantage of the provisions of paragraph 8a of the Net Worth Tax Law, the Company has elected to get a tax credit for all or part of the net worth tax due for that year. This tax credit is, however, limited to the amount of the corporate income tax due for the same year before any tax credit. In order to benefit from this provision, the Company commits itself to post to a special reserve (classified in the annual accounts under the caption "Other reserves") before the end of the subsequent year an amount equal to five times the net worth tax to be credited, which has to be maintained for a period of five years.

This reserve is non-distributable during the period of five years from the year following that during which the Net Wealth Tax was reduced.

BNP Paribas Fortis Funding
Notes to the annual accounts ended
31 December 2012
(continued)

7 Subordinated creditors

Amounts due and payable for the accounts shown under "Subordinated creditors" are as follows:

	31.12.2012	31.12.2011
	EUR	EUR
Within one year	134,206,103	289,590,794
After one year and within five years	1,556,324,557	1,373,761,396
More than five years	120,595,191	456,367,196
	<u>1,811,125,851</u>	<u>2,119,719,386</u>

This item also includes the accrued interest payable as at 31 December 2012 that amounts to EUR 37,768,285 (EUR 59,204,144 as at 31 December 2011).

8 Non-subordinated debts

Amounts due and payable for the accounts shown under "Non-subordinated debts" are as follows:

Convertible loans	31.12.2012	31.12.2011
	EUR	EUR
Within one year	18,305,000	12,130,000
After one year and within five years	-	19,771,000
	<u>18,305,000</u>	<u>31,901,000</u>
 Non-convertible loans	 31.12.2012	 31.12.2011
	EUR	EUR
Within one year	2,043,358,204	893,492,429
After one year and within five years	2,131,300,056	1,979,606,739
After more than five years	908,752,079	375,340,300
	<u>5,083,410,339</u>	<u>3,248,439,468</u>

This item also includes the accrued interest payable as at 31 December 2012 that amounts to EUR 58,562,405 (EUR 42,327,341 as at 31 December 2011).

BNP Paribas Fortis Funding

Notes to the annual accounts ended

31 December 2012

(continued)

9 Interest payable and similar charges

Interest payable and similar charges are composed of the following items:

	31.12.2012	31.12.2011
	EUR	EUR
Interest on borrowings, commercial papers, interest rate swaps, equity options, equity swaps	277,842,832	230,920,813
Interests on bank accounts	557	117
Loss on foreign exchange on securities	13,795,185	79,501,462
	<u>291,638,574</u>	<u>310,422,392</u>

Interest and other financial charges with affiliated undertakings amount to EUR 60,016,939 as at 31 December 2012 (2011: EUR 58,220,259).

10 Income from financial current assets

Income from financial current assets is composed of the following items:

	31.12.2012	31.12.2011
	EUR	EUR
Gain on derivatives	4,107,898	12,308,361
Gain on securities	42,778,911	46,113,816
	<u>46,886,809</u>	<u>58,422,177</u>

Income from financial current assets with affiliated undertakings amount to EUR 4,107,898 as at 31 December 2012 (2011: EUR 12,308,361).

BNP Paribas Fortis Funding

Notes to the annual accounts ended

31 December 2012

(continued)

11 Other interests and other financial income

Other interest and other financial income are composed of the following items:

	31.12.2012 EUR	31.12.2011 EUR
Interests on commercial papers and derivatives	117,523,491	84,595,819
Amortisation of premiums on borrowings	9,627,550	9,002,708
Amortisation of option premiums received	3,326,913	3,098,960
Interest on bank accounts	45,997	41,559
Upfront fees received	11,874,474	14,358,662
Gain on foreign exchange securities	13,788,382	79,193,025
Commissions	1,605,771	2,275,252
Other	11,829	24,897
	<u>157,804,407</u>	<u>192,590,882</u>

Other interest and other financial income from affiliated undertakings amount to EUR 134.376.646 as at 31 December 2012 (2011: EUR 104.370.252).

12 Other creditors

As at 31 December 2012 and 31 December 2011, the item "other creditors" was essentially made up of commercial papers, interest payable on commercial paper, on interest rate swap contracts and other contracts on derivative products related to certain borrowings and other fees payable.

13 Advances and loans granted to the members of the management and supervisory bodies

The Company has not granted any advances or loans to members of administrative or supervisory bodies as at 31 December 2012.

14 Tax position

The Company is subject to Luxembourg tax laws.

BNP Paribas Fortis Funding
Notes to the annual accounts ended
31 December 2012
(continued)

15 Staff

As at 31 December 2012 and 2011, the Company employed one person on a part time basis.

16 Derivative financial instruments

The Company uses various derivative instruments contracted with BNP Paribas Fortis SA/NVs and BNP Paribas Arbitrage S.N.C. for hedging purposes as part of its bond issuing and financing activities to hedge against potential market, foreign exchange or interest rate risk.

The nominal of these derivatives financial instruments are as follows:

	31.12.2012	31.12.2011
	Nominal	Nominal
	EUR	EUR
Interest Rate Swap	1,620,307,444	1,711,239,745
Equity Swap	1,196,456,524	1,191,683,980
Cross Currency Interest Rate Swap	990,582,824	749,952,029
Equity Option	=	3,522,000
Currency Option	=	2,450,000
Swaption	=	25,988,000
Credit Default Swap	51,373,105	394,035,411
Cap/Floor	3,993,000	276,577,645

BNP Paribas Fortis Funding

Notes to the annual accounts ended

31 December 2012

(continued)

17 Related parties transactions

During the financial year 2012, the following significant transactions entered into with related parties have been done at arm's length:

	BNP Paribas Fortis S.A./NV	Other companies of the group BNP Paribas
	EUR	EUR
Assets		
Loans to affiliated undertakings	6,763,911,498	-
Amounts owed by affiliated undertakings becoming due and payable within one year	928,284,341	5,450,672
Other debtors	36,610,079	-
Cash at bank	-	7,079,505
Prepayments and accrued income	102,293,444	-
	<u>7,831,099,362</u>	<u>12,530,177</u>
Liabilities		
Subordinated creditors*	779,738	23,303,614
Non-subordinated debts*	70,031,274	103,107,146
Other creditors	7,857,199	1,675,092
Accruals and deferred income	30,548,280	2,005,011
	<u>109,216,491</u>	<u>130,090,863</u>
Charges		
Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	27,851,871	25,768,030
Interest payable and similar charges*	44,657,224	15,359,716
	<u>72,509,095</u>	<u>41,127,746</u>
Income		
Income from financial fixed assets	164,102,344	-
Income from financial current assets	953,698	3,154,200
Other interest and other financial income	115,383,804	18,992,842
	<u>280,439,846</u>	<u>2,2147,042</u>

* These amounts are a result of acquisitions of bonds by the respective related parties on behalf of third parties (investors) for a short period of time.

18 Auditor's fees

The total auditor's fees, V.A.T. included, are presented as follows:

	31.12.2012 EUR	31.12.2011 EUR
Audit fees	60,398	41,096
Audit related fees	17,632	35,172
Other fees	28,821	27,819
Total	<u>106,851</u>	<u>104,087</u>