

Addendum to the consolidated annual financial statements 2013 BNP Paribas Fortis, page 173

Clarification and amendment of the note 8.b to the consolidated annual financial statements 2013 relating to TEB

The terms “exclusive control”, “acquired exclusive control”, “acquisition of exclusive control” or similar may only be read from an accounting viewpoint and in connection with note 1.c.2. relating to consolidation methods. They do not imply anything else than the fact that, according to applicable accounting rules, the TEB entities are fully consolidated as of end 2013. In particular, the respective shareholdings of the parties have not changed.

In order to eliminate the possible discrepancy with the way BNP Paribas describes the same circumstances in its consolidated annual financial statements (note 8.d page 113), the bank deems it appropriate to amend the note 8.b relating to TEB and to replace it as follows:

TEB

An amendment to the shareholders' agreement between BNP Paribas, BNP Paribas Fortis, BNP Paribas Fortis Yatirimlar Holding and the Colakoglu Parties (holding 50% of TEB Holding A.S.) dated 23 July 2010, has been signed on 20 December 2013, enabling the full consolidation of the TEB entities based on IFRS 3 – Business Combinations.

Accordingly, BNP Paribas Fortis has:

- remeasured the identifiable assets and liabilities of the joint venture TEB at fair value. The difference between the fair value of TEB's net assets and its carrying net asset value plus historical goodwill is recognised as a gain in the profit and loss account, amounting to EUR 1.7 million.
- calculated a global goodwill of EUR 156 million, taking into account that the acquisition price is equivalent to the fair value of the net assets of TEB.

TEB Holding A.S., TEB Bank and TEB ShA were consolidated in BNP Paribas Fortis' consolidated balance sheet using the proportional method of consolidation prior to the amendment of the shareholders' agreement. As a consequence of the amendment, these entities are included at 100% in the consolidated balance sheet of BNP Paribas Fortis as at 31 December 2013, which resulted in an EUR 9,963 million increase in the balance sheet, mainly attributable to TEB Bank. Previously, TEB bank was consolidated at 58.63%, with 13.88% as a minority interest, compared to 100% consolidation, with a 55.25% minority following the change in consolidation method.

Further to such change, the outstanding put option granted by BNP Paribas Fortis to the Colakoglu parties is considered as from 31 December 2013, as a financial liability measured at the present value of the redemption amount and is reclassified from minority interests, in accordance with IAS 32 'Financial Instruments: Presentation'. The financial liability amounts to EUR 334 million as at 31 December 2013. Previously, this put option was accounted for as a financial derivative with the change in fair value of the put option recognised in the profit or loss account.

Business combinations in 2012

In 2012, the main acquisitions included the additional shareholding acquired by BGL BNP Paribas in BNP Paribas Leasing Solutions (BPLS) on 30 March 2012, and the transfer of activities from the BNP Paribas Norwegian branch to the new BNP Paribas Fortis Norwegian branch.

There were no material disposals in 2012.

Details of these transactions can be found in the BNP Paribas Fortis 2012 Annual Report, note 8.b 'Business combinations'.