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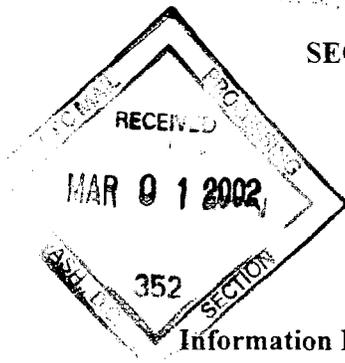


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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
OMB Number	3235-0123
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SEC FILE NUMBER
8-44765



ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/01 AND ENDING 12/31/01
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BNP Paribas Brokerage Services, Inc.

OFFICIAL USE ONLY
FIRM ID NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

555 Croton Road

(No. and Street)

King of Prussia

(City)

Pennsylvania

(State)

19406

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

John W. Pirner

(610) 491-1400

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report *

PricewaterhouseCoopers LLP

(Name - if individual, state last, first, middle name)

1177 Avenue of the Americas

(Address)

NY

(City)

NY

(State)

10036

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions

PROCESSED

FOR OFFICIAL USE ONLY
P THOMSON FINANCIAL

MAR 20 2002

* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for exemption. See section 240.17a-5(e)(2).

BB
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OATH OR AFFIRMATION

I, John W. Pirner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BNP Paribas Brokerage Services, Inc., as of December 31, 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

John W. Pirner
Signature

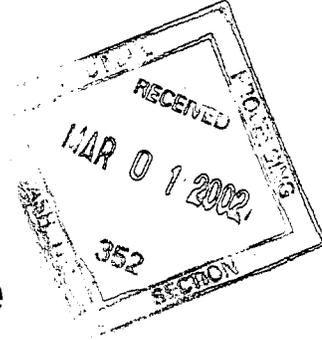
President
Title

Melissa S. Knox
Notary Public
Notarial Seal
Melissa S. Knox, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires Jan. 12, 2004
Member, Pennsylvania Association of Notaries

This report ** contains (check all applicable boxes)

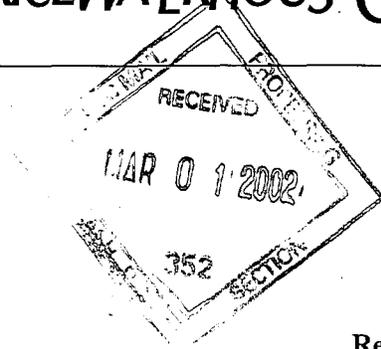
- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



BNP Paribas Brokerage Services, Inc.

**(A wholly owned subsidiary of BNP PARIBAS)
Statement of Financial Condition
December 31, 2001**



PricewaterhouseCoopers LLP
1177 Avenue of the Americas
New York NY 10036
Telephone (646) 471 4000
Facsimile (646) 471 4100

Report of Independent Accountants

To the Board of Directors
and Stockholder of
BNP Paribas Brokerage Services, Inc.

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of BNP Paribas Brokerage Services, Inc. at December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the Company's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement in accordance with auditing standards generally accepted in the United States of America which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

February 15, 2002

BNP Paribas Brokerage Services, Inc.
(A wholly owned subsidiary of BNP PARIBAS)
Statement of Financial Condition
December 31, 2001

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Assets

Cash	\$	211,778
Short-term investments		58,934,123
Cash and securities segregated under federal and other regulations		22,864,463
Marketable securities owned		1,073,616,497
Receivable from customers		2,509,544
Receivable from brokers, dealers and clearing organizations		63,054,569
Securities borrowed		61,747,300
Receivable from affiliates		336,438,061
Exchange memberships		4,893,000
Furniture, fixtures and leasehold improvements at cost (less accumulated depreciation and amortization of \$1,548,140)		686,758
Federal/state income tax receivable, including deferred taxes of \$641,000		1,136,848
Other assets		4,573,664
Total assets	\$	1,630,666,605

Liabilities and Stockholder's Equity

Liabilities

Short-term bank loans	\$	1,269,164
Securities loaned		27,680,400
Payable to customers		41,422,097
Payable to brokers, dealers and clearing organizations		5,139,761
Payable to affiliates		1,478,327,070
Accrued expenses and other liabilities		11,210,927

1,565,049,419

Subordinated borrowings

35,000,000

Stockholder's equity

Common stock - \$1 par value, 5,000 shares authorized, issued and outstanding		5,000
Additional paid-in capital		18,995,000
Retained earnings		11,617,186

Total stockholder's equity 30,617,186

Total liabilities and stockholder's equity \$ 1,630,666,605

The accompanying notes are an integral part of this financial statement.

1. Organization

BNP Paribas Brokerage Services, Inc. (the "Company") is a wholly owned subsidiary of BNP PARIBAS ("BNP" or "the Parent"). The Company is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and as a futures commission merchant with the Commodity Futures Trading Commission ("CFTC"). In addition, the Company is a member of the National Association of Securities Dealers, Inc. ("NASD"), the New York Stock Exchange, Inc. ("NYSE"), the American Stock Exchange ("AMEX"), the Philadelphia Board of Trade ("PBOT"), the Chicago Mercantile Exchange ("CME"), the Chicago Board Options Exchange ("CBOE") and the Chicago Board of Trade ("CBOT"). The Company clears and executes securities and commodities transactions on the NYSE, AMEX, CME, CBOE, PBOT and the CBOT, primarily for affiliated companies.

2. Significant Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies.

Exchange memberships

Exchange memberships are recorded at cost, less any writedowns for other than temporary impairments.

Resale agreements

Securities purchased under agreement to resell ("resale agreements") are treated as collateralized financing transactions and are carried at the amounts at which the securities were initially acquired. Interest income is accrued ratably over the life of each agreement. It is the Company's policy to take possession of securities purchased under agreements to resell. The Company monitors the market value of the underlying securities, which are U.S. Government and agency securities, as compared to the related receivable plus accrued interest and, as necessary, requests additional collateral. At December 31, 2001, there were no resale agreements outstanding.

Depreciation and amortization

Depreciation on furniture and fixtures is provided on a straight line basis over periods ranging from three to five years. Amortization of leasehold improvements is provided on a straight line basis over the lesser of the estimated useful life of the improvement or remaining term of the lease.

Securities borrowing and lending activities

Securities borrowed and securities loaned are recorded at the amount of cash collateral advanced or received. Securities borrowed transactions require the Company to deposit cash or similar collateral with the lender. With respect to securities loaned, the Company receives collateral in the form of cash in an amount generally in excess of the market value of securities loaned. Interest income and interest expense are recorded on an accrual basis. The Company monitors the market

BNP Paribas Brokerage Services, Inc.
(A wholly owned subsidiary of BNP PARIBAS)
Notes to Financial Statements
December 31, 2001

value of securities borrowed and loaned on a daily basis with additional collateral obtained or refunded, as necessary. Substantially all of the Company's securities borrowed and securities loaned transactions are with an affiliated firm.

Securities received from customers and affiliates

Securities received from customers and affiliates in lieu of cash margin are not reflected on the Statement of Financial Condition.

3. Related Parties

The Company transacts its securities and commodities business primarily with the Parent and its affiliates. A summary of significant transactions follows:

- (a) At December 31, 2001, the Company had a \$300 million line of credit facility from the Parent. Borrowings under the line of credit bear a variable rate of interest ranging from 1/16 % to 1/2 % over the Parent's effective borrowing rate with the Federal Reserve Bank. Maximum borrowing under this and preceding credit facilities during the year was approximately \$340 million.
- (b) Receivable from affiliates consists primarily of trade-related balances from an affiliate.
- (c) Payable to affiliates consists of equity balances in the trading accounts of affiliates in the amount of \$1,476,378,675 and certain nontrading-related payables.

4. Fair Value of Financial Instruments

SFAS No. 107 entitled, "Disclosures about Fair Value of Financial Instruments," requires entities to disclose information about the estimated fair values of their financial instruments. Substantially all of the Company's assets and liabilities are considered financial instruments as defined by SFAS No. 107 and are either already carried at fair value or are short-term in nature, bear interest at current market rates or are subject to frequent repricing. Therefore, their carrying amounts approximate their fair value.

5. Commitments

The Company has an arrangement with an affiliate under which it is obligated under a noncancelable operating lease for office space used by the Company. Rental expense under this lease amounted to \$101,081 during the year. Future minimum rental commitments under this lease are as follows:

Year ending December 31,
2002

\$ 105,743
\$ 105,743

6. Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Company executes, as agent, transactions on behalf of affiliates and its customers. If the agency transactions do not settle because of failure to perform by either the affiliates or the counterparties, the Company may be required to discharge the obligation of the nonperforming party and, as a result, may incur a loss if the market value of the security or commodity is different from the contract amount of the transaction. The Company does not expect nonperformance by affiliates or counterparties.

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to its customers, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customers' accounts. In connection with these activities, the Company executes and clears customer transactions involving the sale of securities not yet purchased, substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices to fulfill the customer's obligations. The Company seeks to control the risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the customer to deposit additional collateral or to reduce positions when necessary.

The Company's customer financing and securities settlement activities require the Company to pledge customer securities as collateral in support of various secured financing sources such as bank loans and securities loaned. In the event the counterparty is unable to meet its contractual obligation to return customer securities pledged as collateral, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its customer obligations. The Company controls this risk by monitoring the market value of securities pledged on a daily basis and by requiring adjustments of collateral levels in the event of excess market exposure. In addition, the Company establishes credit limits for such activities and monitors compliance on a daily basis.

7. Collateral Arrangements

At December 31, 2001, the approximate market value of collateral received in securities borrowed transactions that can be sold or repledged by the Company was \$59 million. In addition, securities in customer and affiliate accounts with a fair value of approximately \$5.9 billion can be sold or repledged by the Company. At December 31, 2001, the approximate market value of collateral received that was sold or repledged by the Company was \$26 million of securities loaned and \$59 million to effect deliveries at clearing corporations.

The Company has pledged \$238 million of short term investments which may not by custom or contract be sold or repledged by the secured counterparty.

8. Income Taxes

At December 31, 2001, the Company has recorded a deferred tax asset of \$641,000 due primarily to temporary tax and accounting differences resulting from writedown of exchange memberships. As of December 31, 2001, the Company had no valuation allowance.

9. Employee Benefit Plans

The Company's employees participates in various plans sponsored by the Parent.

The Parent maintains a 401(k) profit-sharing plan (the "Plan") covering substantially all of the employees of the Company. The Company's contributions to the Plan are based upon a percentage of employees' contributions.

Noncontributory defined benefit pension plans cover most regular employees of the Company. There is no separate plan solely for the employees of the Company and pension expense is determined by an intercompany charge from the Parent.

10. Subordinated Borrowings

The Company has two subordinated loan agreements totaling \$35,000,000 with affiliates. The borrowing for \$25,000,000 bears interest at the three month London Interbank Offered Rate plus one half of one percent and matures on March 31, 2002. The borrowing for \$10,000,000 bears interest at the three month London Interbank Offered Rate plus one half of one percent and matures on October 31, 2002. The subordinated loans have been approved by the NYSE and CME and are available in computing the Company's net capital under SECC Rule 15c3-1 and CFTC Regulation 1.17. To the extent such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

11. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule ("Rule 15c3-1"), which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by Rule 15c3-1, which requires that the Company maintain minimum net capital, as defined, equal to the greater of \$250,000 or 2% of aggregate debit items arising from customer transactions, as defined. The Company is also subject to CFTC Regulation 1.17 which requires the maintenance of net capital of 4% of the funds required to be segregated in accordance with Section 4d(2) of the Commodity Exchange Act or \$250,000, whichever is greater. The Company is required to maintain net capital in accordance with Rule 15c3-1 or CFTC Regulation 1.17, whichever is greater. At December 31, 2001, the higher net capital requirement was Rule 15c3-1. At December 31, 2001, the Company had net capital of \$28,695,486 which was \$28,206,254 in excess of required net capital.

As of December 31, 2001, the Company made a computation related to the reserve requirement for Proprietary Accounts of Introducing Brokers ("PAIB"). The reserve requirement and amounts held on deposit in the Reserve Bank account were \$13 and \$106,738, respectively.

12. Cash and Securities Segregated under Federal and Other Regulations

A U.S. Treasury Note purchased under agreement to resell with a contract value of \$16,940,000 is segregated in a special reserve bank account for the exclusive benefit of customers pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934. A U.S. Treasury Note purchased under agreement to resell with a contract value of \$100,000 is segregated in a special reserve account in accordance with the PAIB reserve requirement as described in Note 11.

Cash of \$10,100 and money market investments with a market value of \$5,800,000 have been segregated under the Commodities Exchange Act and represent funds deposited by customers and funds accruing to customers as a result of trades or contracts.