

SECOND SUPPLEMENT DATED 12 OCTOBER 2009  
TO THE BASE PROSPECTUS DATED 29 MAY 2009



**BNP PARIBAS**

**BNP PARIBAS**  
*(incorporated in France)*  
*(as Issuer and Guarantor)*

**BNP PARIBAS ARBITRAGE ISSUANCE B.V.**  
*(incorporated in The Netherlands)*  
*(as Issuer)*

**€90,000,000,000**

**PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS**

This supplement constitutes a supplement for the purposes of Article 13.1 of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005.

This supplement (the **Second Supplement**) is supplemental to, and should be read in conjunction with the base prospectus dated 29 May 2009 (the **Base Prospectus**) and the first Supplement dated 17 August 2009 (the **First Supplement** and, when taken together with the Second Supplement, the **Supplements**) in relation to the €90,000,000,000 programme for the issuance of debt instruments of BNP Paribas and BNP Paribas Arbitrage Issuance B.V. (**BNPP B.V.**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Each of BNP Paribas (in respect of itself and BNPP B.V.) and BNPP B.V. (in respect of itself) accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of BNP Paribas and BNPP B.V. (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been produced for the following purposes:

- (a) to include the BNP Paribas Arbitrage Issuance B.V. Interim Financial Report for the 6 months period ended 30 June 2009 and the Auditors' Report thereon;
- (b) to incorporate by reference the English translation of the BNP Paribas "Second Update to the 2008 Registration Document and Semi Annual Financial Report filed with the *Autorité des marchés financiers* dated 7 August 2009" and insert the following table in the section "Documents incorporated by reference" of the Base Prospectus:

**ADDITIONAL INFORMATION INCORPORATED BY REFERENCE**

<b>INFORMATION INCORPORATED BY REFERENCE</b>	<b>REFERENCE</b>
<b>BNP PARIBAS</b>	
<b>ENGLISH TRANSLATION OF THE “SECOND UPDATE TO THE 2008 REGISTRATION DOCUMENT AND SEMI ANNUAL FINANCIAL REPORT FILED WITH THE AMF ON AUGUST 7, 2009”</b>	
<b>HALF YEAR MANAGEMENT REPORT</b>	<b>PAGES 3-63</b>
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<b>TABLE OF CONCORDANCE</b>	<b>PAGES 166-168</b>

*Any information not listed in the above cross-reference list but included in the English translation of the BNP Paribas “Second Update to the 2008 Registration Document and Semi Annual Financial Report filed with the Autorité des marchés financiers dated 7 August 2009” which is incorporated by reference is given for information purposes only.*

- (c) to add a risk factor relating to BNP Paribas at the end of the section “Risk Factors (Issuers)” of the Summary section of the Base Prospectus. The following paragraph, “**The Bank’s external growth policy carries certain risks, particularly with respect to the integration of acquired entities, and the Bank may be unable to realise the benefits expected from its acquisitions**” shall be added as an additional risk factor after, “Litigation in connection with the Fortis transaction could have an adverse impact on the integration process and on the Bank”;
- (d) to include the press release dated 21 August 2009 published by BNP Paribas in connection with the sale of its retail banking business in Argentina to Banco Santander Río; and
- (e) to include the press release dated 29 September 2009 published by BNP Paribas in connection with the launch of its €4.3 billion underwritten rights issue in order to reimburse the non-voting shares issued to the French State and which additionally supplements trend information appearing on pages 82-84 of the Information Statement dated 28 May 2009 with respect to the BNP Paribas Group for the third quarter of 2009.

Save as disclosed in this Supplement and in the English translation of the BNP Paribas “Second Update to the 2008 Registration Document and Semi Annual Financial Report filed with the *Autorité des marchés financiers* dated 7 August 2009” there has been no significant change in the financial position of the BNP Paribas Group, since the end of the last financial period for which interim financial statements have been published i.e., 30 June 2009.

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Supplement is published have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances.

This Supplement, prepared in connection with the Notes to be issued under the Base Prospectus, has not been submitted to the clearance procedures of the *Autorité des marchés financiers* in France.

Copies of this Supplement, the First Supplement, the Base Prospectus and the document incorporated by reference are available at the office of BNP Paribas Securities Services, Luxembourg Branch (in its capacity as Principal Paying Agent), 33 rue de Gasperich, Howald-Hesperange, L-2085 Luxembourg and on the Luxembourg Stock Exchange’s website “[www.bourse.lu](http://www.bourse.lu)”.

**Interim Financial Report**  
at June 30, 2009

**BNP Paribas Arbitrage Issuance B.V.**

Reguliersdwarstraat 90  
1017 BN Amsterdam, the Netherlands  
Chamber of Commerce Amsterdam No. 33215278

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## **Managing Director's report**

### **Description and principal activity of the Company**

BNP Paribas Arbitrage Issuance B.V. ("the Company") was incorporated on November 10, 1989 under the laws of the Netherlands.

The principal objectives of the Company are to issue and acquire financial instruments of any nature and to enter into related agreements for account of various entities of the BNP Paribas Group.

### **Audit committee**

The Company qualifies as an organisation of public interest pursuant Dutch and EU law. By making use of the exemption for groups the Company did not install an audit committee. The Company belongs to the BNP Paribas group. BNP Paribas S.A. has an audit committee that complies with international corporate governance rules.

### **Operating result**

During the period under review there was a substantial decrease of issues in number and size. The net profit for the period decreased in line to EUR 17,519 (the six months' period ended June 30, 2008 profit EUR 30,589).

### **Liquidity and shareholder's equity**

No significant changes to liquidity resources occurred and equity increased with the result for the period. Liquidity and capital resources are considered sufficient given the size and nature of the company.

### **Risks and uncertainties**

Due to its activities the Company is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. However, all issued securities are hedged by OTC option and swap agreements and therefore these risks are completely mitigated.

#### **Market risk**

The Company takes on exposure to market risks arising from positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. However, the risks are mitigated by the above mentioned OTC contracts.

#### **Credit risk**

The Company has significant concentration of credit risks as all OTC contracts are acquired from its parent company and other group companies. Taking into consideration the objective and activities of the Company and the fact that the BNP Paribas group is a high credit quality financial institution under supervision of the French central bank, management considers these risks as acceptable.

BNP Paribas Arbitrage Issuance B.V.

Liquidity risk

The Company has significant liquidity risk exposure. To mitigate this exposure, the Company entered into netting agreements with its parent company and other group companies.

**Future outlook**

There are no significant subsequent events to report. Due to the new market conditions it is not expected that the activities of the Company will increase in the second half of 2009.

Amsterdam, August 21, 2009.

The Managing Director,

Signed by

BNP Paribas Trust B.V.

BNP Paribas Arbitrage Issuance B.V.

**BALANCE SHEET AT JUNE 30, 2009**

(before appropriation of the net result)

	Notes	<u>30.06.2009</u> EUR	<u>31.12.2008</u> EUR
<b>ASSETS</b>			
<b>Financial fixed assets</b>			
OTC contracts	1	<u>18,356,683,594</u>	<u>22,799,884,215</u>
<b>Current assets</b>			
OTC contracts	1	10,575,939,727	10,995,198,263
Accounts receivable		818,326	1,497,188
Cash at bank		21,406	298,857
		<u>10,576,779,459</u>	<u>10,996,994,308</u>
<b>TOTAL ASSETS</b>		<u><b>28,933,463,053</b></u>	<u><b>33,796,878,523</b></u>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
Share capital issued and paid up	2	45,379	45,379
Retained earnings		234,781	175,963
Result for the period		17,519	58,818
		<u>297,679</u>	<u>280,160</u>
<b>Long term liabilities</b>			
Issued securities	3	<u>18,356,683,594</u>	<u>22,799,884,215</u>
<b>Current liabilities</b>			
Issued securities	3	10,575,939,727	10,995,198,263
Other liabilities		542,053	1,515,885
		<u>10,576,481,780</u>	<u>10,996,714,148</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>28,933,463,053</b></u>	<u><b>33,796,878,523</b></u>

## BNP Paribas Arbitrage Issuance B.V.

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED JUNE 30, 2009**

		<b>Period 1 January up to and including June 30, 2009</b>	<b>Period 1 January up to and including June 30, 2008</b>
	Notes	<u>EUR</u>	<u>EUR</u>
Net result financial instruments	4	0	0
Other income	5	252,601	357,647
<b>Operating income</b>		<u>252,601</u>	<u>357,647</u>
<b>Operating expenses</b>			
General and administrative expenses		<u>(229,627)</u>	<u>(325,134)</u>
<b>Operating result</b>		22,974	32,513
Interest income		227	7,215
Interest expenses and similar charges		(1,224)	(1,491)
Exchange gains/ (losses)		<u>(78)</u>	<u>0</u>
<b>Profit before taxation</b>		21,899	38,237
<b>Corporate income tax</b>	6	(4,380)	(7,648)
<b>Profit after taxation</b>		<u><u>17,519</u></u>	<u><u>30,589</u></u>

**CASH FLOW REPORT FOR THE PERIOD ENDED JUNE 30, 2009**

	<b>Period 1 January up to and including June 30, 2009</b>	<b>Period 1 January up to and including June 30, 2008</b>
	<u>EUR</u>	<u>EUR</u>
<b>Cash flow from operating activities</b>		
Issuing of securities against OTC coverage	0	0
Received reimbursed issuing expenses	1,870,775	2,833,697
Received reimbursed general expenses	661,506	216,782
Received interest & paid similar expenses	594	4,288
Paid issuing expenses	(2,794,541)	(2,925,106)
Paid general expenses	(253,642)	(3,748)
Paid corporate income tax	(12,143)	(11,873)
<b>Cash flow from operating activities</b>	<u>(527,451)</u>	<u>114,040</u>
<b>Cash flow from other activities</b>	250,000	(50,000)
<b>Increase/ (decrease) cash at bank</b>	<u>(277,451)</u>	<u>64,040</u>
<b>Movements in cash at bank</b>		
Cash at bank at January 1	298,857	392,240
In-/ (decrease) cash at bank	(277,451)	64,040
<b>Cash at bank</b>	<u>21,406</u>	<u>456,280</u>

Netting agreements between the Company and entities of the BNP Paribas group have been drawn up for all flows resulting from securities and OTC contracts to avoid that payments have to be made for these flows. This procedure is reflected in the cash flow report under the heading "Issuing of securities against OTC coverage".

## **NOTES TO THE INTERIM FINANCIAL REPORT AT JUNE 30, 2009**

### **GENERAL**

BNP Paribas Arbitrage Issuance B.V. (the Company), having its registered address at Reguliersdwarsstraat 90, Amsterdam, was incorporated under the law of the Netherlands on November 10, 1989 as a private limited liability company.

The principal objectives of the Company are to issue securities, such as warrants, certificates, private placements, notes, to enter into related OTC agreements and to issue and acquire financial instruments of any nature.

All outstanding shares of the Company are owned by BNP Paribas S.A., Paris, France, which company consolidates the figures of the Company. The annual reports of BNP Paribas S.A. can be found on the website [www.bnpparibas.com](http://www.bnpparibas.com).

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

The interim financial report of the Company is prepared in accordance with accounting principles generally accepted in the Netherlands and in conformity with Title 9, Book 2 of the Netherlands Civil Code. All amounts are stated in euros, the reporting currency, unless stated otherwise.

The accounting principles of the Company are summarised below. These accounting principles have all been applied consistently throughout the financial year and the preceding year.

#### **Accounting convention**

The accounts are prepared under the historical cost convention modified by the translation of foreign currencies.

#### **Financial instruments**

Financial instruments include accounts receivable and accounts payable, cash at bank and cash equivalents, issued securities and acquired OTC contracts. Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

#### **Valuation of assets and liabilities**

Issued warrants, certificates, private placements and the related OTC contracts having the same characteristics are stated at fair value. Notes and the related OTC contracts having the same characteristics are valued at nominal value.

Other assets and liabilities are stated at nominal value.

**Method of determining fair value of issued securities and related OTC contracts**

Fair value is determined on the basis of quoted prices in an active market; or using valuation techniques involving mathematical calculation methods based on accepted financial theories, and parameters derived in some cases from the prices of instruments traded in active markets, and in others from statistical estimates or other quantitative methods. The distinction between the two valuation methods is made according to whether or not the instrument is traded in an active market. Whether or not a market is active is determined on the basis of a variety of factors. Characteristics of an inactive market include a significant decline in the volume and level of trading activity in identical or similar instruments, the available prices vary significantly over time or among market participants or observed transaction prices are not current.

At determining the fair values the three categories of financial instruments are distinguished based on the characteristics of the instrument and the measurement method used:

Category 1: financial instruments quoted on an active market;

Category 2: financial instruments measured using valuation models based on observable parameters;

Category 3: financial instruments measured using valuation models based wholly or partly on non-observable parameters. A non-observable parameter is defined as a parameter whose value results from assumptions or correlations which are not based on observable current market transactions in the same instrument at the valuation date, or on observable market data at that date.

The OTC contracts have the same values as their related securities.

**Recognition of income and expenses**

Issuing income and issuing expenses are taken in the year the invoices are forwarded and received. Other income and general and administrative expenses are taken in the year to which they relate. Profits are recognised in the year they are realised; losses are taken as soon as they are foreseeable.

If securities are exercised against the Company, the Company fulfils its obligation by exercising the related OTC contracts with entities of the BNP Paribas group as the case may be. Issued securities and related OTC contracts are released simultaneously. Issued securities not exercised at maturity and the related OTC contracts are released without any further future obligation for the Company.

**Foreign currencies**

Balance sheet items relating to assets and liabilities denominated in currencies other than the euro are translated at the rate of exchange prevailing on balance sheet date in principle as given by the European Central Bank, except insofar as the exchange risk has been hedged. In those cases valuation occurs at the forward rates agreed upon. The resulting exchange rate differences are credited or charged to the profit and loss account.

Transactions in foreign currencies during the reporting period have been incorporated at the rate of settlement.

**Corporate income tax**

Tax on result is calculated by applying the rates for the financial year to the result in the profit and loss account.

**FINANCIAL RISK MANAGEMENT**

Due to its activities the Company is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, currency exchange rates and interest rates. However, all issued securities are hedged by OTC option and swap agreements and therefore these risks are completely mitigated.

**Market risk**

The Company takes on exposure to market risks arising from positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. However, the risks are mitigated by the OTC derivative financial instruments.

**Credit risk**

The Company has a significant concentration of credit risks as all OTC contracts are acquired from its parent company and other group companies. Taking into consideration the objective and activities of the Company and the fact that BNP Paribas S.A. is a high credit quality financial institution under supervision of the French central bank, management considers these risks as acceptable.

**Liquidity risk**

The Company has significant liquidity risk exposure. To mitigate this exposure, the Company entered into netting agreements with its parent company and other group companies.

**RELATED PARTY TRANSACTIONS**

The Company has entered into various agreements with its parent company and other group companies relating to the issuing of financial instruments, the hedging of the related exposures and the reimbursement of costs. These agreements are at arms-length and have as objective to limit cash flow, credit and market risks.

## NOTES TO THE BALANCE SHEET

**1. OTC contracts**

For all issued securities OTC contracts with BNP Paribas group companies are agreed having the same characteristics as the issued securities. This means that the underlying quantity, issue price, strike, parity, maturity and quoted price for exercise are identical. Refer to note 3 for the details of the issued securities and hence the OTC contracts.

**2. Shareholder's equity**

Share capital:

The Company's authorised share capital amounts to EUR 225,000 (225,000 common shares of EUR 1 each), of which 45,379 shares are issued and fully paid-up.

During the financial year under review, there have been no changes in the authorised, issued or paid in capital.

Retained earnings:

The movement is as follows:

	EUR	EUR
	2009	2008
Opening balance 01.01.	175,963	124,116
Appropriation result previous year	58,818	51,847
Closing balance 30.06.	<u>234,781</u>	<u>175,963</u>

**3. Issued securities**

The Company establishes securities programmes and issues warrants and certificates exercisable pursuant to the terms and conditions of such securities programmes. Entities of the BNP Paribas group have agreed to purchase the securities at the same time. The entities of the BNP Paribas group distribute the securities to third parties. BNP Paribas S.A. acts as guarantor for the securities programmes towards the third parties.

**Specification of the outstanding issued securities and related OTC contracts at balance sheet date:**

	Market value	Nominal value	Underlying contract volume
	EUR	EUR	EUR
<b>Listed</b>			
<b>Warrants</b>			
- Up to 1 year	3,943,806,660	4,580,256,851	35,460,742,190
- From 1- 5 years	450,082,860	526,558,056	2,110,896,757
- Exceeding 5 years	336,101,473	397,668,957	334,465,574
<b>Certificates</b>			
- Up to 1 year	2,124,489,340	2,490,957,825	6,629,353,588
- From 1- 5 years	5,074,469,689	6,242,047,004	11,367,225,201
- Exceeding 5 years	1,082,234,817	1,403,406,481	2,677,102,273
<b>Notes</b>			
- Up to 1 year	5,219,108	5,191,857	5,372,654
- From 1- 5 years	4,937,725	4,715,737	5,550,000
- Exceeding 5 years	3,684,709	4,000,000	4,000,000

BNP Paribas Arbitrage Issuance B.V.

(specification continued)	Market value	Nominal value	Underlying contract volume
	EUR	EUR	EUR
<b>Private placements</b>			
<b>Warrants</b>			
- Up to 1 year	116,428,820	195,363,567	168,756,310
- From 1- 5 years	63,935,171	60,025,955	417,324,154
- Exceeding 5 years	381,621,414	492,678,494	273,608,125
<b>Certificates</b>			
- Up to 1 year	4,211,159,062	5,392,172,841	6,301,910,525
- From 1- 5 years	8,366,649,564	10,816,049,144	11,505,925,977
- Exceeding 5 years	2,056,403,598	2,572,439,761	3,513,821,635
<b>Notes</b>			
- Up to 1 year	174,857,379	174,863,988	186,178,991
- From 1- 5 years	355,812,158	357,355,408	716,113,965
- Exceeding 5 years	165,191,871	179,113,863	179,444,516
<b>Total as per June 30, 2009</b>	<b>28,917,085,418</b>	<b>35,894,865,789</b>	<b>81,857,792,435</b>
Total as per December 31, 2008	33,804,082,218	44,997,146,303	131,261,470,316

Represented in the balance sheet as per June 30, 2009 as follows:

	EUR
- under financial fixed assets and long term liabilities	18,356,683,594
- under current assets and current liabilities	10,575,939,727
	<u>28,932,623,321</u>

When issued, securities are publicly offered or privately placed. Sometimes privately placed securities are listed for the secondary market. Listed securities are listed on the regulated or non-regulated markets of the stock exchanges of NYSE Euronext Paris, Luxembourg, Barcelona, Bilbao, Madrid, Milan, Bern, Zurich, Dublin, Frankfurt, Vienna, Warsaw, Hong Kong, Singapore, Tokyo and or Mexico.

The related OTC contracts are not listed.

The premiums of the issued securities and the cost of the related OTC contracts are denominated in different currencies. Moreover, the underlying contracts of the securities have their own currency denominations, which are often based on a basket of currencies. The net effect of the currency risk is nil though, as this risk is completely hedged. The currency risk is not specified, as this information is not readily available and can only be obtained at unreasonable high cost.

No accrued interest is presented in the balance sheet for the following reasons. The accrued interest is part of the market value of the financial instruments as disclosed in the balance sheet. The net result on the financial instruments equals zero and is recorded on a net basis in the profit and loss account, see note 4. Furthermore accrued interest income and expenses of many warrants, certificates and related OTC contracts is not available as they are dependent and conditional to developments of underlying equities or other

## BNP Paribas Arbitrage Issuance B.V.

financial instruments. The net effect on the equity and result of the non-recorded accrued interest income and expenses is nil, as the interest risk is completely hedged.

### NOTES TO THE PROFIT & LOSS ACCOUNT

#### **4. Net result financial instruments**

The net result financial instruments includes capital gains and losses, currency results, interest income and expense and changes in fair value on the issued securities and related OTC contracts.

As the Company enters into an OTC option or swap agreement with a BNP Paribas group company at each issue of securities at exactly the same terms and conditions of the issued security, there is a complete hedge of the economic risk of the Company. Therefore, the net result on the financial instruments equals zero and is recorded on a net basis.

#### **5. Other income**

Other income concerns general and administrative expenses of the Company increased with an up-count of 10%, based on a cost plus agreement concluded for an indefinite period of time. These costs have been or will be invoiced to BNP Paribas group companies.

#### **6. Corporate income tax**

The corporate income tax is the estimated charge for the period. The rates for the financial year 2009 are 20 and 25.5%. The effective rate for the period is 20%.

#### **Issuing expenses**

Issuing expenses are all expenses related to the issuing of the securities for account of the Company and are reimbursed by BNP Paribas group companies, if charged to the Company.

#### **Employees**

The Company employs no personnel.

Amsterdam, August 21, 2009

The Managing Director,

Signed by  
BNP Paribas Trust B.V.

## OTHER INFORMATION

### STATUTORY ARRANGEMENTS CONCERNING THE APPROPRIATION OF PROFITS

In accordance with article 20 of the articles of association of the Company profits are at the disposal of the general meeting of shareholders.

No dividends can be declared if the shareholder's equity is less than the total of the paid in capital and the legal reserves.

### APPROPRIATION OF THE RESULT FOR THE YEAR 2008

The profit of the year 2008 has been added to the retained earnings.

### SUBSEQUENT EVENTS

There are no significant subsequent events to report.

### OFFICERS' STATEMENT

To the best of our knowledge we declare that:

1. the interim financial report at June 30, 2009 gives a fair view of the assets, the financial position and the profit of the Company; and
2. the interim financial report at June 30, 2009 gives a fair view of the Company's condition on the balance sheet date, the development of the Company during the financial year and all material risks to which the Company is exposed.

Amsterdam, August 21, 2009

Signed by

H.E. Sijsling

Director

BNP Paribas Trust B.V.

C. Toelaram

Administrator

To the Shareholders of BNP Paribas Arbitrage Issuance B.V.  
Amsterdam

Date  
August 21, 2009

From  
R. Koppen

Reference  
3100235483/OP9988/pr

## Review report

### Introduction

We have reviewed the accompanying company interim financial information for the six months period ended June 30, 2009 of BNP Paribas Arbitrage Issuance B.V., Amsterdam, which comprises the balance sheet as at June 30, 2009, the profit and loss account, and the notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the Dutch Guideline for Annual Reporting 394, Interim Reports. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope

We conducted our review in accordance with Dutch law including standard 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



August 21, 2009  
3100235483/OP9988/pr

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying company interim financial information as at June 30, 2009 is not prepared, in all material respects, in accordance with the Dutch Guideline for Annual Reporting 394, Interim Reports.

Deloitte Accountants B.V.

already signed: R. Koppen



Buenos Aires, August 21<sup>st</sup> 2009

## PRESS RELEASE

# BNP Paribas sells its retail banking business in Argentina to Banco Santander Río

## BNP Paribas remains in Argentina with an improved strategy focused on corporate and institutional clients

BNP Paribas' Buenos Aires (Argentina) Branch has signed an agreement to sell its retail banking business in Argentina to Banco Santander Río. This network consists of 17 branches in the City and Province of Buenos Aires and offers services to more than 30,000 private customers and 900 corporations. Employees of the retail banking business will also be transferred to Banco Santander Río under the terms of the agreement.

BNP Paribas has been present in Argentina since 1914 and remains committed to its corporate clients in the country. The bank will focus exclusively on providing its extensive platform of products and services to corporate clients and institutional investors.

The closing of the transaction is subject to the approval of the Central Bank and other authorities. The terms of the deal will not be disclosed.

### About BNP Paribas

BNP Paribas ([www.bnpparibas.com](http://www.bnpparibas.com)) is one of the 6 strongest banks in the world according to Standard & Poor's\*. With a presence in 85 countries and more than 205,000 employees, 165,200 of which in Europe, BNP Paribas is a global-scale European leader in financial services. It holds key positions in its three activities: Retail banking, Investment Solutions and Corporate & Investment Banking. The Group benefits from its four domestic markets: Belgium, France, Italy and Luxembourg. BNP Paribas also has a significant presence in the United States and strong positions in Asia and the emerging markets.

\* Within its peer group

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*This announcement is not an offer of securities in the United States or any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. BNP PARIBAS does not intend to register any portion of the planned offer in the United States or to conduct a public offering of securities in the United States.*

**Paris, September 29, 2009**

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**BNP Paribas is launching a €4.3 billion underwritten rights issue and will reimburse the non-voting shares issued to the French State.**

**This combined transaction, which will be approximately 8.4% accretive to earnings per ordinary share, will have a marginal impact on the Tier 1 ratio. The subscription ratio has been set at 1 new ordinary share for 10 existing ordinary shares with a subscription price of €40 per new ordinary share.**

BNP Paribas has decided to launch a capital increase of €4.3 billion with preferential subscription rights for ordinary shareholders. This capital increase, combined with new shareholders' equity resulting from the scrip dividend (€0.75 billion) and a capital increase reserved for employees (€0.26 billion), will finance the reimbursement of all of the non-voting shares issued on March 31, 2009 to the *Société de Prise de Participation de l'Etat* (SPPE) pursuant to the French State's plan to support the economy.

In addition, the net income generated by the Group (net income of €3.2 billion for the first half of 2009) and the resulting organic generation of shareholders' equity ensure that it maintains financial flexibility adapted to its continued organic growth against a background of strengthened capital requirements.

This reimbursement of non-voting shares, in an amount of €5.1 billion plus a remuneration of €226 million over a period of approximately 7 months, has been authorized by the French Banking Commission.

The combined transaction will be 8.4% accretive to earnings per ordinary share (on the basis of the analyst consensus for the 2010 net income). The net impact on the book value per share and Tier 1 ratio will be marginal: +0.9% on the book value per ordinary share and -14bps on the Tier 1 ratio. This ratio remains above 9% (pro forma June 30, 2009).

BNP Paribas maintains all of the commitments it has made to the French authorities, including:

- to pursue actively its efforts to finance the real economy, in particular in France, but also in its other home markets: Belgium, Italy and Luxembourg;
- to respect the provisions relating to compensation and granting of stock options to top management for companies benefitting from the support of the



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State (agreements dated October 23, 2008 and December 9, 2008; amendment dated March 30, 2009 applicable through December 31, 2010: method of determining variable compensation and no granting of stock options);

- to implement in 2009 the framework established on August 23, 2009 by the Federation of French Banks with respect to the variable compensation of market professionals, pursuant to the recommendations of the G20.

Finally, the business and results of the Group for the third quarter for each of its three core businesses should not differ significantly as compared to the previous quarter, beyond the usual seasonal effects.

### **Terms of the capital increase**

One preferential subscription right will be granted per ordinary share. The non-voting shares will not receive any preferential subscription rights.

10 rights will entitle their holder to subscribe for 1 new share, at a subscription price of €40 per new share.

107,644,076 new ordinary shares will be issued, corresponding to gross issuance proceeds of €4,305,763,040.<sup>1</sup>

The subscription period for new shares will begin on Wednesday, September 30, 2009 and end on Tuesday, October 13, 2009 (inclusive). During such period, the preferential subscription rights will be listed and traded on Euronext Paris.

Subscriptions for excess shares will be permitted.

The offer will be open to the public in France, Belgium, Italy, Luxembourg, Germany, the United Kingdom and Switzerland.

Settlement and delivery and listing of the new shares are expected to occur on October 26, 2009.

The new shares will be entitled to dividends paid with respect to the 2009 fiscal year and subsequent years. They will be immediately fungible with the existing ordinary shares already listed on Euronext Paris.

The AXA Group, which holds approximately 5.2% of the Bank's ordinary share capital has undertaken to subscribe for new shares by exercising all of the preferential subscription rights it will be granted.

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<sup>1</sup> The number of shares issued and the gross proceeds of the issuance may be higher if stock options are exercised.



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BNP Paribas is not aware of the intentions of any other shareholders in respect of the present capital increase.

The reimbursement of the non-voting shares is conditional upon the completion of the share capital increase

### **Underwriting syndicate**

The offering will be lead-managed by BNP Paribas as Global Coordinator and Joint Bookrunner and underwritten by a syndicate led by BNP Paribas, HSBC as Joint Bookrunner and Calyon as Co-Bookrunner.

### **Centralizing agent**

BNP Paribas Securities Services

### **Publicly available information**

A free hotline is available to the public: 0800 272 000. From Monday to Friday, 9 a.m. to 7 p.m. (Paris time) and on Saturday, 9 a.m. to 5 p.m. (Paris time), advisers are available to answer questions regarding the capital increase process. All information concerning subscription procedures will also be available on the Internet: "invest.bnpparibas.com". A *prospectus* in the French-language that has received *visa* Nr. 09-275 from the French *Autorité des marchés financiers* (the "AMF") dated September 28, 2009 is available free of charge at the registered office of BNP Paribas and on the websites of BNP Paribas ("invest.bnpparibas.com") and the AMF ([www.amf-france.org](http://www.amf-france.org)). This *prospectus* consists of (i) an annual report (*Document de référence*), consisting of the *Document de référence* filed with the AMF on March 11, 2009 under the number D.09-0114, the first update of the *Document de référence* filed with the AMF on May 14, 2009 under the number D. 09-0114-A01, the second update of the *Document de référence* filed with the AMF on August 7, 2009 under the number D. 09-0114-A02 and a *note d'opération* (which includes a summary of the *prospectus*).

BNP Paribas reminds the public that sections regarding risk factors are included in the *prospectus* that received the AMF's *visa*.

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*No communication and no information in respect of the offering by BNP PARIBAS of subscription rights or new shares may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction outside France, Belgium, Germany, Italy, Luxembourg, the United Kingdom and Switzerland where such steps would be required. The offering of the subscription rights and new shares may be subject to specific legal or regulatory restrictions in certain jurisdictions. BNP PARIBAS takes no responsibility for any violation of any such restrictions by any person.*

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*This announcement does not, and shall not, in any circumstances constitute a public offering nor an invitation to the public in connection with any offer.*

*The offer is open to the public in France only after the delivery of the visa by the French Autorité des marchés financiers. The offer will be open to the public in Belgium, Germany, Italy, Luxembourg and the United Kingdom only after the passporting of the prospectus in the French language, pursuant to the EU Directive 2003/71/EC.*

*The subscription rights and new shares are not being offering to the public in or from Switzerland for the time being, and neither this press release, nor any other offering materials relating to the subscription rights or new shares may be distributed in or from Switzerland in connection with any such public offering. It is currently contemplated to extend the offering of the new shares to Swiss holders at a later stage.*

*Any offer of subscription rights or new shares in any Member State of the European Economic Area ("EEA") which has implemented the Prospectus Directive (each, a "Relevant Member State") (other than the offers: in France once a prospectus has been approved by the AMF and published; and in Belgium, Germany, Italy, Luxembourg and the United Kingdom when notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in such Relevant Member State), no action has been undertaken or will be undertaken to make an offer to the public of the subscription rights or shares requiring a publication of a prospectus in any Relevant Member State. As a result, the subscription rights or shares may only be offered in Relevant Member States:*

- (I) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to place securities;*
- (II) to any legal entity which has two or more of the following criteria: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than € 43 million; and (3) an annual net turnover of more than € 50 million, as per its last annual or consolidated accounts;*



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(III) *in any other circumstances, not requiring the issuer to publish a prospectus as provided under article 3(2) of the prospectus directive.*

*This press release is directed only at persons who (i) are located outside the United Kingdom, (ii) have professional experience in matters relating to investments and fall within Article 19(5) (“investment professionals”) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iv) are persons to whom this communication may otherwise lawfully be communicated (all such persons together being referred to as “Relevant Persons”). The subscription rights and new shares are directed only at Relevant Persons and no invitation, offer or agreements to subscribe, purchase or otherwise acquire subscription rights or new shares may be proposed or made other than with Relevant Persons. Any person other than a Relevant Person may not act or rely on this document or any provision thereof. Persons distributing this document must satisfy themselves that it is lawful to do so. Past performance of BNP PARIBAS securities should not be relied on as an indication of future performance.*

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