

Supplement n°2 dated 9 September 2011

to the Base Prospectus dated 7 June 2011



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

(the “Programme”)

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 7 June 2011 (the “**Base Prospectus**”) and the first supplement to the Base Prospectus dated 16 August 2011 (the “**First Supplement**”) in relation to the Programme of BNP Paribas and BNP Paribas Arbitrage Issuance B.V. The Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”). The *Autorité des marchés financiers* (the “**AMF**”) granted visa no. 11-208 on 7 June 2011 in respect of the Base Prospectus and visa no. 11-365 on 16 August 2011 in respect of the First Supplement.

Application has been made for approval of this Second Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive in France.

Unless the context otherwise requires, terms defined in the Base Prospectus and the First Supplement shall have the same meaning when used in this Second Supplement.

To the extent that there is any inconsistency between (a) any statement in this Second Supplement or any statement incorporated by reference into this Second Supplement and (b) any statement in, or incorporated by reference in, the Base Prospectus and the First Supplement, the statements referred to in (a) above will prevail.

Copies of this Second Supplement may be obtained free of charge at the registered offices of the Issuers and will be available on the website of BNP Paribas (www.invest.bnpparibas.com) and on the website of the AMF (www.amf-france.org).

This Second Supplement has been prepared in accordance with Article 16.1 of the Prospectus Directive as amended by Directive 2010/79/EU to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area, and pursuant to Article 212-25 of the AMF’s *Règlement Général* for the purposes of giving information with regard to the Issuer additional to the information already contained or incorporated by reference in the Base Prospectus and the First Supplement. This Second Supplement has been prepared for the purpose of incorporating the BNP Paribas Arbitrage Issuance B.V. interim financial report at 30 June 2011 including the auditor’s review report and amending the Forward-Looking Statements section of the Base Prospectus.

In accordance with Article 16.2 of the Prospectus Directive, investors who have already agreed to purchase or subscribe for Notes before this Second Supplement is published have the right, exercisable within two working days after the publication of this Second Supplement, to withdraw their acceptances.

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AMENDMENT TO THE FORWARD-LOOKING STATEMENTS SECTION

The section Forward-Looking Statements appearing on page 6 of the Base Prospectus is amended as follows. The first sentence of such statement is deleted in its entirety and replaced by the following:

“The section of this Document entitled "BNP Paribas Arbitrage Issuance B.V.", the Information Statement (as defined below) and the other documents incorporated by reference, contain forward-looking statements.”

**BNP PARIBAS ARBITRAGE ISSUANCE B.V. INTERIM FINANCIAL REPORT AT 30 JUNE
2011 INCLUDING THE AUDITOR'S REVIEW REPORT**

**Interim Financial Report
at 30 June 2011**

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 securities, such as warrants, certificates, private placements, notes, to enter into related OTC agreements and to issue and acquire financial instruments of any nature 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 which has an audit committee that complies with international corporate governance rules.

Operating result

The net profit for the period was EUR 11,341 (the six months' period ended 30 June 2010 profit EUR 13,282).

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, currency exchange rates and interest rates. However, all issued securities are hedged by OTC option and swap agreements with BNP Paribas group entities and therefore these risks are completely mitigated.

Market risk

The Company takes on exposure to market risks arising from positions in interest rate, currency, commodities 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

No subsequent events occurred. It is expected that the activities of the Company will remain on the same level in the second half of 2011. The Company will issue securities with pledged collateral on behalf of the investors.

Amsterdam, 29 August 2011
The Managing Director,

Signed by
BNP Paribas Trust B.V.

BNP Paribas Arbitrage Issuance B.V.

BALANCE SHEET AT 30 JUNE 2011
(before appropriation of the net result)

	Notes	<u>30.06.2011</u> EUR	<u>31.12.2010</u> EUR
ASSETS			
Financial fixed assets			
OTC contracts	1	24,377,324,414	22,527,434,243
Current assets			
OTC contracts	1	10,307,038,687	10,429,808,218
Taxes receivable		52,578	59,552
Accounts receivable group		779,438	1,101,547
Cash at banks		279,048	337,838
		<u>10,308,149,751</u>	<u>10,431,307,155</u>
TOTAL ASSETS		<u>34,685,474,165</u>	<u>32,958,741,398</u>
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital issued and paid up	2	45,379	45,379
Retained earnings		300,271	271,734
Result for the period		11,341	28,537
		<u>356,991</u>	<u>345,650</u>
Long term liabilities			
Issued securities	3	24,377,324,414	22,527,434,243
Current liabilities			
Issued securities	3	10,307,038,687	10,429,808,218
Other liabilities – non group		244,051	603,951
– group		510,022	549,336
		<u>10,307,792,760</u>	<u>10,430,961,505</u>
TOTAL EQUITY AND LIABILITIES		<u>34,685,474,165</u>	<u>32,958,741,398</u>

BNP Paribas Arbitrage Issuance B.V.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2011

		Period 1.1 to 30.6.2011	Period 1.1 to 30.6.2010
	Notes	EUR	EUR
Net result derivatives	4	0	0
Other income	5	167,928	192,493
Operating income		167,928	192,493
Operating expenses			
General and administrative expenses		(152,662)	(174,994)
Operating result		15,266	17,499
Interest income		0	0
Interest expenses and similar charges		(1,090)	(897)
Profit before taxation		14,176	16,602
Corporate income tax	6	(2,835)	(3,320)
Profit after taxation		11,341	13,282

BNP Paribas Arbitrage Issuance B.V.

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2011

	Period 1.1 to 30.6.2011	Period 1.1 to 30.6.2010
	EUR	EUR
Issuing of securities against OTC coverage	0	0
Received reimbursed issuing expenses	2,065,338	1,976,878
Received reimbursed general expenses	311,452	252,318
Paid issuing expenses	(2,235,504)	(2,102,724)
Paid general expenses	(206,017)	(204,593)
Received / (paid) taxes	5,941	(38,569)
Cash flow from operating activities	<u>(58,790)</u>	<u>(116,689)</u>
Cash flow from financing activities	0	0
Decrease cash at banks	<u>(58,790)</u>	<u>(116,689)</u>
Movements in cash at banks		
Cash at banks at January 1	337,838	144,917
Decrease cash at banks	<u>(58,790)</u>	<u>(116,689)</u>
Cash at banks	<u>279,048</u>	<u>28,227</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL

BNP Paribas Arbitrage Issuance B.V. (the Company), having its registered address at Reguliersdwaarsstraat 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 for account of various entities of the BNP Paribas Group.

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.

SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The interim financial statements of the Company are 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 unless indicated otherwise.

Accounting convention

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

Recognition of income and expenses

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.

Valuation of assets and liabilities - general

Unless indicated otherwise, assets and liabilities are stated at nominal value.

Derivatives

Derivatives include the issued securities such as warrants, certificates and notes and the related OTC contracts having the same characteristics. Derivatives are recognised on the balance sheet when the Company becomes a party to its contractual provisions.

Derivatives are stated at market value. The market value is determined by BNP Paribas SA from either

- the listed price, if one is available;
- or a valuation method using recognised financial models and theories with parameters calculated from transactions observed on active markets, or from statistical or other quantitative methods.

In both cases value adjustments to account for modelling, counterparty and liquidity risks are made. Some complex securities, which are typically custom-made from combined instruments and highly-illiquid, are valued using models where certain parameters are not observable on active markets.

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

Currency translation

Balance sheet items not being derivatives 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. Transactions in foreign currencies during the reporting period have been incorporated at the rate of settlement.

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.

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 with BNP Paribas group entities and therefore these risks are completely mitigated.

BNP Paribas Arbitrage Issuance B.V.

Market risk

The Company takes on exposure to market risks arising from positions in interest rate, currency, commodities 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 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 securities, 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.

PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement is prepared according to the direct method and consists of cash only, interest is taken into account under paid general expenses.

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".

BNP Paribas Arbitrage Issuance B.V.

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 up capital.

Retained earnings:

The movement is as follows:

	EUR	EUR
	2011	2010
Opening balance	271,734	234,781
Appropriation result previous year	28,537	36,953
Closing balance	300,271	271,734

3. Issued securities

The Company establishes securities programmes and issues securities such as warrants, notes 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
	EUR	EUR
- Up to 1 year	10,307,038,687	11,812,009,509
- From 1- 5 years	20,365,006,961	23,080,881,550
- Exceeding 5 years	4,012,317,453	4,462,902,787
Total as per 30 June 2011	34,684,363,102	39,355,793,845
Total as per 31 December 2010	32,957,242,461	37,463,691,924

BNP Paribas Arbitrage Issuance B.V.

Represented in the balance sheet as per 30 June 2011 as follows:

	EUR
- under financial fixed assets and long term liabilities	24,377,324,414
- under current assets and current liabilities	10,307,038,687
	<u>34,684,363,102</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 stock exchanges in and outside the European Union; the related OTC contracts are not listed.

No accrued interest is presented in the balance sheet because the accrued interest is part of the market value of the derivatives as disclosed in the balance sheet. The net result on the derivatives equals zero and is recorded on a net basis in the profit and loss account, see note 4.

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.

NOTES TO THE PROFIT & LOSS ACCOUNT

4. Net result derivatives

The net result derivatives 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 derivatives 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 amounting to EUR 2,835. The rates for the financial year 2011 are 20 and 25%. The effective rate for the period is 20%.

Issuing expenses and remunerations

Issuing expenses are 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.

The sole director of the Company has charged a management fee of EUR 22,424 over the reporting period (over the first six months of 2010: EUR 26,080).

A fee amount of EUR 23,500 will be charged to the Company for the financial year 2011 as audit fee (2010: EUR 23,500). No additional amount has been charged by Deloitte Accountants B.V. to the Company during the reporting period for audit-related fees (2010: EUR 13,500). No other fees were paid to member firms and affiliates of Deloitte Accountants B.V. in 2011 and 2010.

Employees

The Company employs no personnel.

Amsterdam, 29 August 2011
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 2010

The profit of the year 2010 has been added to the retained earnings.

SUBSEQUENT EVENTS

No subsequent events occurred.

REVIEW

The independent auditor's review report is included on the next pages.

OFFICERS' STATEMENT

Amsterdam, 29 August, 2011

To the best of our knowledge we declare that:

1. the interim financial statements at 30 June 2011 give a fair view of the assets, the financial position and the profit of the Company; and
2. the interim financial report at 30 June 2011 gives a fair view of the Company's condition on the balance sheet date, the development of the Company during the period and all material risks to which the Company is exposed.

Signed by
H.E. Sijlsling C. Toelaram
Director Administrator
BNP Paribas Trust B.V.

Review report

To the Shareholder of BNP Paribas Arbitrage Issuance B.V.

Introduction

We have reviewed the accompanying interim financial information of BNP Paribas Arbitrage Issuance B.V., Amsterdam for the six months period ended June 30, 2011 (as set out on pages 1 to 14), which comprises the balance sheet as at June 30, 2011, the profit and loss account for the period of 6 months ended at June 2011, 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 on 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at June 30, 2011 is not prepared, in all material respects, in accordance with the Dutch Guideline for Annual Reporting 394 on Interim Reports.

Amsterdam, August 29, 2011

Deloitte Accountants B.V.

Already signed: R.J.M. Maarschalk

RESPONSIBILITY STATEMENT

I hereby certify, having taken all reasonable care to ensure that such is the case that, to the best of my knowledge, the information contained in this Second Supplement is in accordance with the facts and contains no omission likely to affect its import.

BNP Paribas

16 boulevard des Italiens
75009 Paris
France

Represented by Philippe Bordenave
in his capacity as *Directeur Général Adjoint, responsable de la fonction Finances-Développement*
Groupe

Dated 9 September 2011



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* ("AMF"), in particular Articles 211-1 to 216-1, the AMF has granted to this Second Supplement the *visa* n° 11-405 on 9 September 2011. This Second Supplement has been prepared by BNP Paribas and its signatories assume responsibility for it. This Second Supplement, the First Supplement and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This *visa* has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.