REPORT OF THE BOARD OF DIRECTORS TO THE EXTRAORDINARY GENERAL MEETING OF MARCH 27, 2009

I – Capital increase through the issue of preferred shares for the Company to Société de Prise de Participation de l'Etat – Resulting Adoption of New Articles of Association of the Company

Within the framework of the second phase of the French plan to recapitalize banks, as approved by the European Commission on January 28, 2009, and to strengthen our Company's "Tier 1" capital, which is being used to support its commitment to growth in its loan outstandings to the French economy in 2009, the Board of Directors proposes that you vote on the First and Second Resolutions to increase the capital of the Company for the benefit of Société de Prise de Participation de l'Etat in a maximum total amount of €608,064,070 by creating a maximum of 304,032,035 preferred shares (called "B Shares") in the context of new Articles of Association whose text appears in the Appendix of Proposed Resolutions (hereinafter "the Articles of Association") as required by the provisions of Articles L. 228-11 *et seq*. of the Commercial Code. This issue is being carried out for the benefit of Société de Prise de Participation de l'Etat, and it is therefore requested that the General Meeting eliminate the preferential subscription rights of ordinary shareholders.

It should be noted that the €2.55 billion of super-subordinated notes ("TSS") issued in December 2008 and subscribed by the Société de Prise de Participation de l'Etat as part of the first phase of the French plan for the recapitalization of banks, as approved by the European Commission on December 8, 2008, will be simultaneously redeemed.

From a regulatory perspective, the preferred shares represent "Core Tier 1" capital with unlimited eligibility.

The information required by Article R. 225-113 of the Commercial Code pertaining to developments in the Company's business appears in the Reference Document prepared for the 2008 fiscal year.

In voting on the First Resolution, and subject to the vote on the Second Resolution, it is proposed that you adopt the modifications to be made to the Articles of Association of BNP Paribas; it is in fact legally required that the rights and characteristics of the new category of shares that constitute the preferred shares be defined in the Articles of Association. In particular, it should be noted that preferred shares will not have voting rights in General Meetings of shareholders, nor will they have preferential subscription rights. They will convey the right to a preferred dividend subject to the terms and conditions specified in the Articles of Association. They may be redeemed at the initiative of BNP Paribas in accordance with the terms described in the Articles of Association. The preferred shares will not be convertible into ordinary shares of the Company.

The primary conditions of the issue are as follows:

- The total amount of the issue (premium included), as currently planned, is €5.1 billion,
- The issue price of one preferred share (Unit Issue Price) will be the arithmetic mean of the average market price weighted by daily volumes of the Company's ordinary shares on Euronext Paris for the thirty trading days preceding the date of the decision to carry out the capital increase, which it is proposed you delegate to the Board of Directors,
- The number of preferred shares to be issued will be based on the issue price, which will be set by the Board of Directors as described above. In any event, it will not exceed

304,032,035 shares, the maximum number of shares determined under the limit resulting from the application of Article L 228-11 of the Commercial Code,

- The par value of a preferred share will be two euros, it being understood that the par value of a preferred share must always be equal to that of an ordinary share,
- The preferred shares will not be listed when they are issued.

It should be noted that no preferred dividend will be payable to the owners of preferred shares for the 2008 fiscal year. For the 2009 fiscal year, the preferred dividend will be paid to holders of preferred shares under the terms specified in the Articles of Association, i.e. subject to the existence of a sufficient distributable amount, the decision of the Annual General Meeting to vote on an ordinary dividend and the preferred dividend, and the absence of a Regulatory Event (as defined in the Articles of Association). The amount thus payable to holders of preferred shares, on a prorated basis, will correspond to the result of multiplying the Current Amount[1] by the higher of the following rates, which will in no case exceed two times the Fixed Rate[2] :

(i) the Fixed Rate,

(ii) 105% of the Payment Rate, equal to the dividend paid on each ordinary share for the 2009 fiscal year, divided by the Unit Issue Price of the preferred shares.

In succeeding years, the mechanism will be identical to the one described above, but the Fixed Rate will be increased by 25 basis points a year during the six following fiscal years, up to a maximum of 150 basis points beginning in fiscal 2015. The percentage of the Payment Rate is also progressive in accordance with the terms described in the Articles of Association (110% for the dividend paid for fiscal 2010 up to 125% for the dividend paid for fiscal 2018 and thereafter).

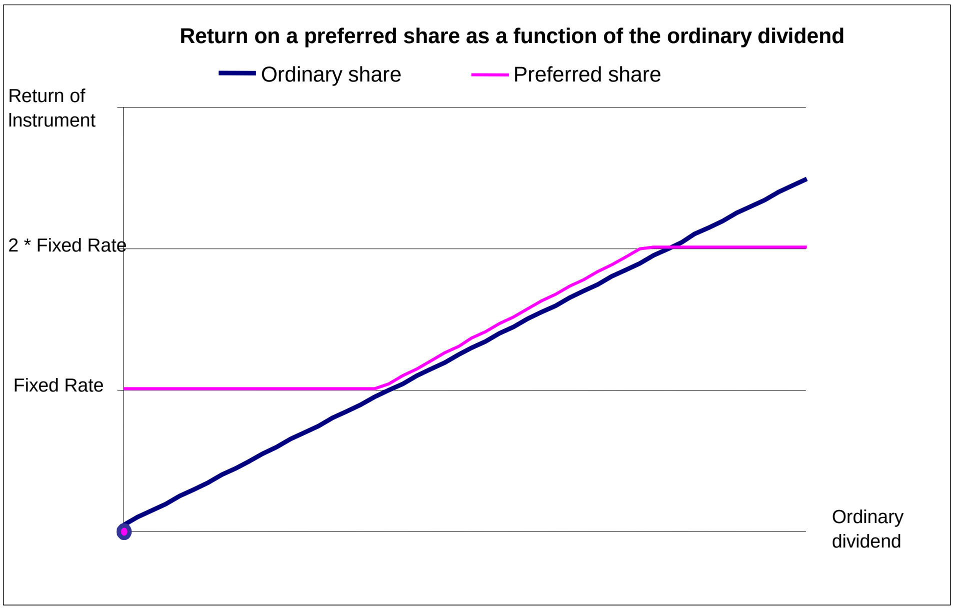
It is noted that if the Annual General Meeting decides not to approve the distribution of an ordinary dividend or a preferred dividend, no amount will be due by the Company to holders of ordinary shares or to holders of preferred shares.

Under the current provisions, dividends on preferred shares are not deductible from the Company's taxable income.

The graph below shows the return on a preferred share (in pink) and on an ordinary share (in blue), based on an ordinary dividend and under the assumption that the Current Amount is equal to the total amount of the issue. The preferred dividend changes based on the ordinary dividend (according to a variable percentage between 105% (for fiscal year 2009) and 125% (for fiscal year 2018 and thereafter), between the amount resulting from the application of the Fixed Rate (increased by additional basis points depending on the fiscal year, subject to the Articles of Association) and the amount resulting from the application of two times the Fixed Rate, it being noted that if there is no ordinary dividend, no preferred dividend is payable.

[1] defined in the Articles of Association; it corresponds to the Issue Price less the impact of cumulative net consolidated losses, if applicable, beyond a deductible or the impact of transactions undertaken to repay the amount of the contribution.

[2] defined in the Second Resolution; it will be set on the date that the capital increase is approved by the Board of Directors, or, if applicable, its sub-delegate; as a point of reference, for the deeply subordinated bonds issued in December 2008, this rate was 7.75% for the Company.

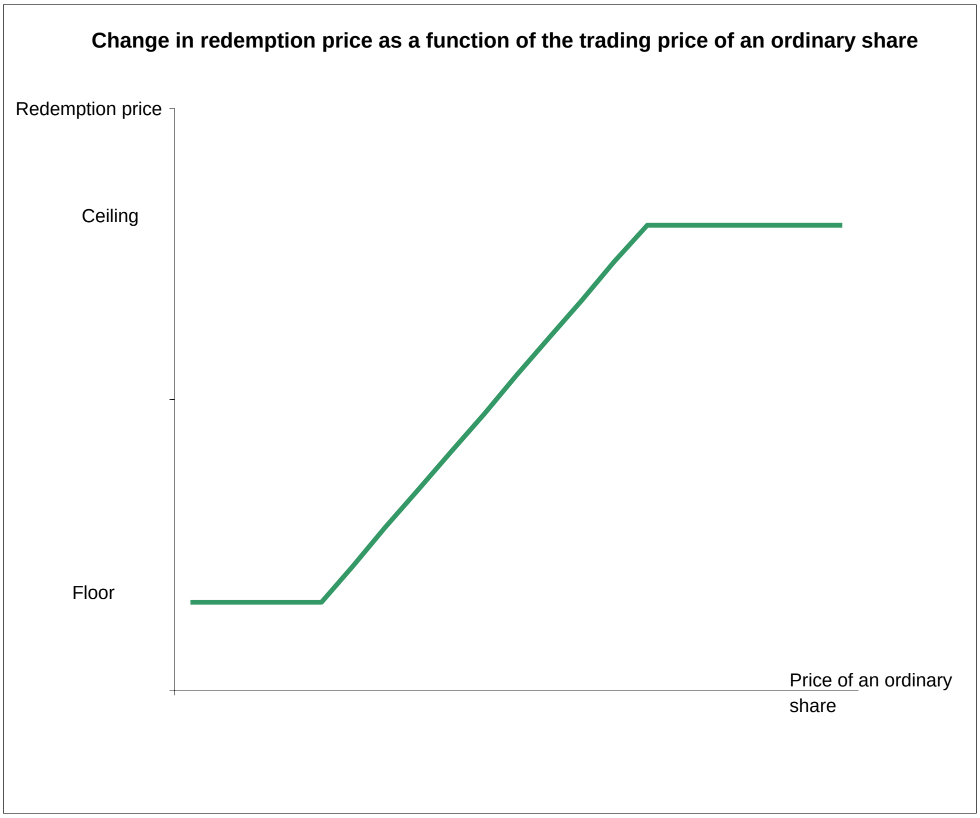


The preferred shares may be redeemed by the Company subject to the terms defined in the Articles of Association. It is particularly noted that, if they are wholly owned by the State (as defined in the Articles of Association), the Company may at any time redeem the preferred shares, in whole or in part, at the higher of the following two amounts, within the limit of a progressive percentage of the Unit Issue Price (which varies, starting from the issue date, between 120% and 160%, subject to the terms specified in Appendix 1):

(i) 110% of the Current Amount per preferred share, increased by the dividend which would have been payable as established by the decision of the General Meeting following the redemption, calculated on a prorated basis,

(ii) the arithmetic mean of the average stock prices weighted by daily volumes of the Company's ordinary shares on Euronext Paris for the thirty trading days preceding the redemption date.

The graph below shows the change in the redemption price of a preferred share as a function of the trading price of an ordinary share under the assumption that the redemption is carried out immediately following the payment of the preferred dividend. The redemption price thus changes in the same way as the price of an ordinary share, while always remaining greater than 110% of the Current Amount and less than a percentage (between 120% and 160% depending on the redemption date) of the Unit Issue Price.



Finally, if the preferred shares are no longer held by the State, their characteristics will be modified, in accordance with the Articles of Association, particularly regarding the conditions for establishing the preferred dividend and for redemption.

In voting on the Second Resolution, and subject to the adoption of the First Resolution, you are being requested to rule on the capital increase by the issue of preferred shares described above.

A report from the auditors appointed by the President of the Commercial Court of Paris, who, in accordance with Articles L. 228-15 and L.225-147 of the Commercial Code, were charged with the responsibility of assessing the special advantages pertaining to the preferred shares described above, as well as the special reports of the Company's statutory auditors prepared in compliance with legal requirements, are also available for you to consult in accordance with the legal provisions.

An additional report will be prepared when the delegation conferred by the resolution you have been requested to approve is exercised; it will be made available to shareholders in compliance with legal requirements. The statutory auditors will also prepare an additional report under the same conditions.

II. Capital increase reserved for employees

In any decision on a capital increase in cash, Article L. 225-129-6 of the Commercial Code requires the Extraordinary General Meeting to rule on a draft resolution regarding a capital increase reserved for employees.

Consequently, in order to comply with this legal provision, you are requested to vote on the Third Resolution. The authorization that is the subject of this resolution, conferred for a period of 26 months from the date of this Meeting, renders null and void the authorization conferred by the Twentieth Resolution of the General Meeting of May 21, 2008.

III. Capital increase by incorporation of reserves, retained earnings, issuance premiums or capital contribution

If capital is increased by incorporation of reserves, retained income, or premiums by granting bonus shares to shareholders, the terms and conditions attached to the preferred shares, as well as the planned changes in the Articles of Association, provide for the allocation of preferred shares to holders of shares in this category.

It is therefore proposed that you rule on the Fourth Resolution, which allows, in the event of capital increases by incorporation of reserves, retained earnings or premiums, the granting of all types of shares, whether ordinary or preferred. The authorization given under this resolution is valid for a period of 26 months beginning on the date of this Meeting, and supersedes the authorization conferred by the Eighteenth Resolution of the General Meeting on May 21, 2008.