



**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 first supplement (the “**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 is supplemental to, and should be read in conjunction with, the Base Prospectus dated 30 May 2008 (the “**Base Prospectus**”) in relation to the €90,000,000,000 programme for the issuance of debt instruments for BNP Paribas and BNP Paribas Arbitrage Issuance B.V. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

BNP Paribas accepts responsibility for the information contained in this Supplement. BNP Paribas declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, 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 purposes of (i) incorporating by reference the BNP Paribas Consolidated Financial Statements First half of 2008 and the Statutory Auditors’ Review Report on First Half-Year Financial Information for 2008; and (ii) incorporating certain recent developments in respect of BNP Paribas.

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 a time limit of minimum 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, of the Base Prospectus and of the documents 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)”.

|                                              |
|----------------------------------------------|
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Any information not listed in the cross reference list above but included in the documents incorporated by reference is given for information purpose only.

## RECENT DEVELOPMENTS

*The recent developments discussed below cover the period since the date of the Information Statement, which is incorporated by reference in the Base Prospectus.*

### Results as at June 30, 2008

On August 6, 2008, BNP Paribas announced its results as at June 30, 2008.

| <b>1.5 billion euros in net quarterly profits (group share) in a difficult environment and with no significant capital gains</b> |                  |                  |                  |
|----------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
|                                                                                                                                  | <b>2Q08</b>      | <b>2Q08/2Q07</b> | <b>2Q08/1Q08</b> |
| Revenues down moderately compared to a record level in 2Q07                                                                      | <b>€7,517mn</b>  | -8.5%            | +1.6%            |
| Good Control of Operating Expenses                                                                                               | <b>-€4,852mn</b> | +0.1%            | +5.4%            |
| Cost of Risk up                                                                                                                  | <b>-€662mn</b>   | x 2.6            | +21.2%           |
| Net Income (group share)                                                                                                         | <b>€1,505mn</b>  | -34.0%           | -24.0%           |

|                                                      |                 |        |        |
|------------------------------------------------------|-----------------|--------|--------|
| <b>Very strong client business</b>                   |                 |        |        |
| <b>Good performances of the operating divisions:</b> |                 |        |        |
| • Revenues                                           | <b>€7,532mn</b> | -4.2%  | +10.6% |
| • Pre-tax income                                     | <b>€2,190mn</b> | -27.6% | +6.0%  |

|                                                                                  |  |
|----------------------------------------------------------------------------------|--|
| <b>Capital generation that enables the financing of sustained organic growth</b> |  |
| • Tier 1 ratio: 7.6%                                                             |  |
| • Sustained Growth in Risk-weighted Assets: +5.8%/01/01/08                       |  |
| • BNP Paribas' positions reinforced across all business units                    |  |

|                                               |                                             |
|-----------------------------------------------|---------------------------------------------|
| <b>Half-yearly return on equity above 15%</b> |                                             |
| • Annualised ROE After-Tax                    | <b>15.8%</b> (23.6% in the first half 2007) |
| • Half-yearly Earnings per Share              | <b>€3.8</b> (€5.2 in the first half 2007)   |

The Board of Directors of BNP Paribas met on 5 August 2008. The meeting was chaired by Michel Pébereau and the Board examined the group's second quarter results and the first half financial statements.

### *Over 1.5 billion euros in net profits*

In the second quarter 2008, BNP Paribas generated 1,505 million euros in net profits (group share), down 34% compared to the second quarter 2007.

This result shows, once again, that the Group is holding up well in the face of the financial crisis, which was reflected this quarter in the effects of the counterparty risk on monoline insurers: -542 million euros, of which -457 million euros in

revenues, and -85 million euros in cost of risk. The other fair value adjustments are negligible.

The Group's revenues totalled 7,517 million euros, down only 8.5% from the record level in the second quarter 2007. Thanks to a confirmed sales and marketing drive and the Group's strengthened position in all its markets, the operating divisions achieved excellent performance with revenues down only 4.2% compared to the second quarter 2007 and up 10.6% compared to the first quarter 2008. The Corporate Centre posted revenues of -15 million euros, in the absence of any significant capital gains, compared to 349 million euros in the second quarter 2007 that was marked by substantial capital gains from disposals for BNP Paribas Capital.

The Group has controlled its operating expenses, in particular in the business units most affected by the crisis. On the whole, operating expenses were stable compared to the second quarter 2007 (+0.1%; +0.7% for the operating divisions). The operating divisions' cost/income ratio came to 62.7%, up only 3 pts compared to the second quarter 2007 and improved by 1.3 pt compared to the first quarter 2008. Gross operating income reached 2,665 million euros (-20.8%; -11.5% for the operating divisions compared to the second quarter 2007).

The cost of risk continues to rise and, in the second quarter 2008, totalled 662 million euros, up moderately by 116 million euros compared to the first quarter 2008, but up 404 million euros compared to the very low level in the second quarter 2007 (258 million euros). The cost of risk increased mostly at BancWest (+101 million euros) and at Personal Finance (+91 million euros, of which +37 million in Spain). Corporate and Investment Banking (CIB) posted 86 million euros in provisions compared to a net write-back of 59 million euros in the second quarter 2007. At the Group level, the cost of risk was 49 basis points<sup>1</sup> compared to 42 basis points in the first quarter 2008 and 22 basis points in the second quarter 2007.

After taxes and deducting minority interests, the net income group share came to 1,505 million euros, compared to 2,282 million in the second quarter 2007 (-34.0%).

For the first half of the year, the group's revenues totalled 14,912 million euros (-9.2%) and net income group share was 3,486 million euros (-27.2% compared to the first quarter 2007), or net earnings per share of 3.77 euros for the half-year. Annualised return on equity was 15.8%, compared to 23.6% in the first half 2007.

### ***Solid operating performances in all the divisions***

Despite a still difficult economic environment, all the Group's divisions continued their business development and made a positive contribution to the Group's performance. BNP Paribas thereby demonstrated the robustness of its business model in the face of the crisis and its ability to leverage its good results to further improve its competitive position in all its business units.

#### ***French Retail Banking (FRB)***

French Retail Banking continued to display a strong sales and marketing drive. Outstanding loans and deposits continued their fast-paced growth, respectively 12.1% and 11.2% compared to the second quarter 2007 in a context of reintermediation.

BNP Paribas' attractiveness for customers translates into an ever growing number of individual cheque and deposit accounts (+40,000 accounts in the second quarter 2008). Mortgages outstandings grew 7.5% despite a slowdown in the market, thanks to a more efficient transformation of Internet contacts into actual sales. Private Banking's customer base continued to grow.

Corporate loans outstandings grew by close to 20% and confirming the successful cash collection and deposit gathering efforts by the business centres, deposits are growing at a faster rate than loans. The pace of cross-selling with CIB has picked up (+19% compared to the first half 2007), in particular thanks to forex and interest rate hedging products as well as acquisition finance.

Revenues grew 3.0%<sup>2</sup> compared to the second quarter 2007, in line with the pace of growth in the first quarter of the year, driven by a growth in net interest income (+3.4%) and banking fees (+6.2%), thanks to sustained business in cash management and the attractiveness of death and disability insurance products. Financial fees were down (-3.3%). Given the record level reached in the second quarter 2007, this decrease however remains moderate in an unfavourable equity market environment.

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<sup>1</sup> In basis points of (Basel I) risk-weighted assets.

<sup>2</sup> Excluding PEL/CEL effects with 100% of French Private Banking.

Operating expenses edged up only 1.2%<sup>2</sup> improving the cost/income ratio by 1.1 pt to 65.1%<sup>2</sup> compared to the second quarter 2007. Gross operating income improved by 6.4%<sup>2</sup>.

The cost of risk<sup>2</sup> was still at a very low level, at 37 million euros, up 5 million compared to the second quarter 2007. This level reflects the structurally low risk level of residential loans in France (essentially fixed-rate and well secured loans), as well as the very good quality of FRB's corporate portfolio.

After allocating one-third of French Private Banking's net income to the AMS division, FRB's pre-tax income, excluding PEL/CEL effects, was 461 million euros, up 7.0% compared to the second quarter 2007.

For the first half of the year, the revenues rose 3.0%<sup>2</sup> and operating expenses edged up 1.7%<sup>2</sup> generating a positive jaws effect that beat the 1 pt target. Cost of risk was 14 bp<sup>1</sup>, stable compared to the first half 2007. After allocating one-third of French Private Banking's net income to the AMS division, FRB's pre-tax income came to 942 million euros, up 6.9%.

#### BNL banca commerciale (BNL bc)

The integration drive and the customer acquisition momentum continued in Italy. The net increase in the individual cheque and deposit accounts reached +16,500 accounts this quarter compared to +400 in the second quarter 2007 and -21,800 in the second quarter 2006 at the time of BNL's integration in the BNP Paribas Group.

Thanks to revenue synergies implemented, in particular with AMS for individual customers, and with CIB for corporates, and a sustained growth in outstanding loans (+15.8% compared to the second quarter 2007), revenues rose 6.5%<sup>3</sup> compared to the second quarter 2007, despite a less favourable economic and regulatory environment for the banking sector.

The bank branch renovation plan continued (142 bank branches renovated in the first half of the year) and 54 new branches openings were confirmed for 2008. However, thanks to cost synergies, operating expenses rose only 0.9%<sup>3</sup> producing a positive 5 pt<sup>3</sup> jaws effect and a further improvement of the cost/income ratio of more than 3.5 points to 62.8%<sup>3</sup>.

Gross operating income grew 17.5%<sup>3</sup> to 255 million euros.

The cost of risk was 66 million euros, up 16 million euros compared to the second quarter 2007. In a context in which the Italian authorities just urged banks to be more cautious in their provisioning levels, it must be noted that, as early as 2006, BNL classified as doubtful and provisioned 90-day past dues, pursuant to BNP Paribas Group's standard.

After allocating one-third of Italian Private Banking's net income to the AMS division, BNL bc's pre-tax income was 187 million euros, up 13.3% compared to the second quarter 2007.

For the first half of the year, the revenues rose 6.4%<sup>3</sup> and operating expenses edged up 1.1%<sup>3</sup> generating a 16.4%<sup>3</sup> gross operating income growth compared to the first half 2007. The cost of risk was 55 basis points<sup>1</sup>. After allocating one-third of Italian Private Banking's net income to the AMS division, BNL bc's pre-tax income came to 364 million euros, up 17.4%.

#### International Retail Services (IRS)

The International Retail Services division was marked this quarter by a strong sales and marketing drive, sustained growth in gross operating income but an increased cost of risk that weighed in on the division's net income.

Revenues totalled 2,153 million euros, up 11.6% at constant scope and exchange rates compared to the second quarter 2007. Given the 13.7% fall in the USD/EUR exchange rate in one year, revenue growth was 8.0% at current scope and exchange rates. Operating expenses grew 6.3% (+10.7% at constant scope and exchange rates), producing a positive 1.7 pt jaws effect. Gross operating income rose 10.4% (+12.8% at constant scope and exchange rates).

Given the deterioration of the environment, especially in the U.S. and in Spain, the cost of risk was 471 million euros (+231 million euros compared to the particularly low level in the second quarter 2007 and +88 million euros compared to the first quarter 2008).

The IRS division's pre-tax income totalled 481 million euros, down 24.1% compared to the second quarter 2007.

#### BancWest

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<sup>3</sup> With 100% of Italian Private Banking.

In the context of a major real estate crisis and a substantial slowdown of the U.S. economy, BancWest's revenues grew 13.7% at constant scope and exchange rates (-1.2% at current scope and exchange rates). This good performance reflects the success of the plan undertaken in 2007 to boost organic growth as well as the clear improvement of BancWest's competitive position in its market. Thus, outstanding loans grew 11.9% compared to the second quarter 2007.

Operating expenses rose 9.1% at constant scope and exchange rates to support the business development whilst producing a positive jaws effect of close to 5 points. At constant scope and exchange rates, gross operating income rose 18.9%.

The cost of risk was 123 million euros, up 101 million euros compared to the extremely low level in the second quarter 2007 (22 million euros). This cost of risk includes an additional 44 million euros impairment on the investment portfolio. The net exposure to the portfolio's subprime, Alt-A, CMBS and related CDO securities was brought down to 0.2 billion euros.

Non-performing loans / total loans ratio was 115 basis points in the second quarter 2008, compared to 50 basis points in the second quarter 2007 and 80 basis points in the first quarter 2008. It remained limited for the U.S. environment thanks to the quality of the loan portfolio. Subprime mortgage outstandings accounted for only 0.2 billion euros. The 30-days+ delinquency rate remained low as at 30 June 2008: 1.15% on First Mortgage Loans, 0.72% on Home Equity Loans and 1.14% on consumer lending.

The pre-tax income totalled 115 million euros compared to 214 million euros in the second quarter 2007.

#### Emerging Retail Banking

The organic growth in Emerging Retail Banking continued at a fast pace with 198 branch openings since 30 June 2007, of which 34 in the second quarter 2008, primarily in Turkey, Russia and North Africa. The customer base grew by 1.4 million new customers since 30 June 2007. Outstanding loans grew 40.9% and deposits rose 31.2% at constant scope and exchange rates.

Compared to the second quarter 2007, revenues grew 27.2% to 440 million euros. At constant scope and exchange rates, TEB (Turkey) grew its revenues by 43.4%, UrkSibbank (Ukraine) by 33.1% and the Group's retail banking networks in North Africa by 16.8%. This major growth led to a 24.9% rise in operating expenses, cost/income ratio thus improved 1.2 points and gross operating income jumped 31.2% compared to the second quarter 2007.

The cost of risk increased by only 6 million euros compared to the second quarter 2007, at 22 million euros.

At 147 million euros, pre-tax net income was up 32.4% compared to the second quarter 2007.

#### Personal Finance

The Personal Finance business unit posted further sustained growth in its consolidated outstandings (+14.1% compared to the second quarter 2007 at constant scope and exchange rates). Managed outstandings were up 16%.

Thanks to sustained growth in emerging markets and despite some pressure on margins in mature markets, revenues rose 10.2%. The restructuring programme undertaken in 2007, in particular in France as part of "Défi 2008" and more generally in connection with the Cetelem/UCB tie-up, have started producing their effects: operating expenses rose only 5.1% generating a positive jaws effect of over 5 points. Gross operating income grew 17.0%.

The cost of risk was 274 million euros, up 91 million euros compared to the second quarter 2007. This increase came in part from the overall growth in outstandings, in particular in emerging markets, but also from the deterioration of risk, especially in Spain (+37 million euros). Thus pre-tax income dropped 17.9% to 170 million euros.

#### Equipment Solutions

The Equipment Solutions business unit continued its development with, at constant scope and exchange rates, 6.4% growth in its managed outstandings and 9.3% growth in the financed vehicle fleet compared to the second quarter 2007.

The business unit's revenues were affected by the negative impact of the used vehicle market, and totalled 284 million euros (-5.0% compared to the second quarter 2007). Given the 3.4% rise in operating expenses, gross operating income fell 17.1%. The cost of risk was 52 million euros, of which 24 million euros in connection with a few exceptional deals, compared to 19 million euros in the second quarter 2007.

Pre-tax income was 49 million euros, compared to 102 million euros in the second quarter 2007.

For the first half of the year, the IRS division generated 4,261 million euros in revenues, up 8.9% compared to the second quarter 2007. Operating expenses rose 7.8%, generating a positive 1 pt jaws effect. Gross operating income grew by 10.5%. The cost of risk was 854 million euros, or 127 basis points<sup>1</sup>, compared to 73 basis points in the first half 2007. Pre-tax income came to 1,140 million euros, down 10.4%.

#### Asset Management and Services (AMS)

In an unfavourable market environment, the AMS division achieved satisfactory results that confirmed its sales and marketing drive and its profitability potential.

The assets under management totalled 546 billion euros as at 30 June 2008, compared to 548 billion euros as at 31 March 2008. Net asset flows this quarter were slightly negative (-1.6 billion euros). The good performance of Private Banking (+2.9 billion euros, of which 1.1 billion euros in Asia), Insurance (+0.9 billion euros), Personal Investors (+0.5 billion euros) and Real Estate Services (+0.2 billion euros) were offset by net asset outflows of 6.1 billion euros in Asset Management, which suffered from the reallocation of household savings in Italy as well as a net asset outflows in monetary funds as a result of corporate client's seasonal cash requirements (-3.2 billion euros). The quarter was also marked by the acquisition of IMS, a UK-based multi-manager.

For the first half of the year, net asset inflows reached 4.2 billion euros.

Despite this unfavourable market environment, the AMS division's revenues reached a historic high at 1,396 million euros, up 2.9% compared to the second quarter 2007. The Securities Services business unit benefited from high growth in transaction volumes (+20%), received many new mandates and it grew its revenues 14.8%. Revenues from the Insurance business, which enjoyed improved financial margins, grew 10.4% whilst those of Wealth & Asset Management fell 6.0% driven by falling equity markets and fewer transactions by individual customers.

Operating expenses grew 6.5% compared to the second quarter 2007. This growth was only 1.4% for Wealth & Asset Management. The Insurance and Securities Services business units' operating expenses were up again over 10% on an annual basis to support the development of their businesses, but they have begun to decelerate.

Gross operating income fell 2.6% compared to the second quarter 2007.

After including one-third of Italian and French Private Banking's net income, the AMS division's pre-tax income was 536 million euros, down only 4.1% compared to the record level in the second quarter 2007 and up 24.7% compared to the first quarter 2008. The division thereby achieved its all-time second best performance in terms of net income.

For the first half of the year, the business revenue totalled 2,659 million euros, up 1.9% compared to the first quarter 2007. Operating expenses rose 7.4% and gross operating income fell 6.8%. Pre-tax income came to 966 million euros, down 6.8% compared to the first half 2007.

#### Corporate and Investment Banking (CIB)

The second quarter 2008 saw a rebound in the CIB division's results.

Revenues totalled 1,852 million euros, down 24.5% compared to the record level in the second quarter 2007, but up 41.3% compared to the first quarter 2008.

These revenues however included an amount of -457 million euros in connection with the deterioration of the counterparty risk on monoline insurers. The gross counterparty exposure to monoline insurers was slightly up at 3.05 billion euros compared to 2.90 billion as at 31 March 2008 as the deterioration of mortgage related CDOs (+0.30 billion euros) was partly offset by improvement of corporate related CDOs (-0.15 billion euros). At the same time, there was a sharp rise in the monolines' CDS spreads leading to a 645 million increase in credit adjustments. These adjustments were partly offset by 188 million euros in gains on instruments hedging this risk. The net impact of the deterioration of monoline insurers' credit risk on revenues was thus 457 million euros. Separately, 85 million euros in provisions were reported after certain monoline insurers were classified as doubtful. The net exposure to monoline insurers was thus brought down to 1.15 billion euros (compared to 1.54 billion euros as at 31 March 2008). Exposure to monoline insurers whose credit ratings have deteriorated the most was brought down to a negligible amount.

The other types of fair value adjustments that had weighed on CIB's revenues in previous quarters were marginal this quarter.

The client driven business was again sustained and client driven revenues again grew compared to the high level in the second quarter 2007. This growth reflects the strength of BNP Paribas CIB's franchises as well as its improved competitive position.

In the Equities and Advisory business unit, revenues totalled 750 million euros, down only 9% compared to the record level in the second quarter 2007. The client driven business grew compared to the second quarter 2007 in all regions. The strategy to diversify into the flow business has turned out to be right, business volumes being very substantial in this area. The announcement in June of the acquisition of Bank of America's prime brokerage business is a new phase in the development of this business unit in the U.S.. This integration programme is already under way and consolidation in the Group's accounts is expected in the fourth quarter of the year, subject to the necessary regulatory authorisations.

In the Fixed Income business unit, after the net impact of -457 million euros related to monoline insurers, revenues totalled 389 million euros. This level of revenues was stable compared to the first quarter 2008 and down sharply compared to the second quarter 2007. However, the business unit posted record revenues in the interest rate, forex and commodities businesses thanks to a sharp rise in client driven business volumes. The sudden move of the euro yield curve in June had only a limited impact on the business unit's revenues.

The Financing Businesses enjoyed a strong momentum in the context of rising margins and adjusting conditions. BNP Paribas took full advantage of its improved competitive position and its financial strength to develop its business in acquisition finance and in energy, commodities and project finance. The financing revenues reached a record level at 713 million euros, exceeding by 1.6% the level reached in the second quarter 2007.

CIB's operating expenses again proved flexible and declined 8.0% compared to the second quarter 2007. This diminution is mainly due to falling variable compensation while the division continued to pursue its strategy to develop its key franchises. The cost/income was 67.8%, an improvement of close to 5 points compared to the first quarter 2008.

The cost of risk was 86 million euros, including 85 million euros for monoline insurers classified as doubtful, compared to a 59 million euros write-back in the second quarter 2007.

Pre-tax income was 523 million euros compared to 1,217 million euros in the second quarter 2007, but substantially improved compared to the 318 million euros in income in the first quarter 2008. The Advisory and Capital Market business unit contributed 153 million euros to this result.

For the first half of the year, CIB's revenues totalled 3,163 million euros, compared to 4,829 million euros in the first half 2007. Pre-tax income came to 841 million euros, compared to 2,389 million euros, a record level, in the first half 2007.

BNP Paribas' CIB division is one of only two global corporate and investment banks that have generated positive pre-tax income each quarter since the beginning of the crisis. Thanks to a limited exposure to businesses directly affected by the crisis and a favourable geographic mix, the division's revenues were more resilient than its competitors. Leveraging these good results and on the Group's financial strength, the division can continue its growth strategy, with strengthened franchises and fully motivated teams, whilst maintaining its stringent risk policy in a context that remains challenging.

### ***Adequate capitalisation***

BNP Paribas' financial strength enables it to take advantage of its improved competitive position.

In terms of liquidity, the Group has one of the sector's best signatures, which allows it to raise short-, medium- and long-term funding under better volume and margin terms than its main competitors. In the first half of the year, the Group raised 34 billion euros in medium- and long-term funds compared to 29 billion in the first half 2007. The Group in particular increased the level of funding raised from corporate customers and institutional investors across all regions. At the same time, special attention has been paid to securing financing and the Group substantially raised the liquidity reserve that can potentially be mobilised from central banks.

These issuance programmes enable the Group to finance its sustained organic growth. Risk-weighted assets have grown 5.8% since 1 January 2008, in line with the forecast of about 10% for the year. This growth is the result, in particular, of active loan production in all the business units in the context of the Group's greater attractiveness for customers, with improved terms.

On 30 June, the Group's Tier 1 capital ratio was 7.6%. Given the great diversity of its revenue sources, its recurring results, its quality risk management, this level gives BNP Paribas one of the banking sector's best credit ratings. This is attested to by both

the market, as demonstrated by BNP Paribas CDS' spread which is one of the sector's lowest, and by ratings agencies: Standard and Poor's<sup>4</sup> and Fitch<sup>5</sup> reaffirmed in July 2008 BNP Paribas' ratings, emphasizing the adequate level of its capitalisation.

BNP Paribas is not under any pressure to raise capital and its earnings power enables it to finance its organic growth whilst maintaining a solid dividend policy.

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Commenting on the results, BNP Paribas' Chief Executive Officer Baudouin Prot, stated:

*"The financial crisis and its knock-on effects continued to weigh on the profitability of the banking sector in the second quarter 2008, again with significant differentiation between the results of the players. In this context, BNP Paribas again delivered robust operating results in all its business units. Our favourable liquidity situation and recurring capital generation thanks to our good results enable us, more than ever, to support our customers in their projects.*

*Our improved competitive position creates real organic growth opportunities that we intend to pursue judiciously, without compromising our careful attention to risk and profitability."*

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<sup>4</sup> Rating AA+ reaffirmed on 1/7/08 by Standard and Poor's: *"Strong and highly diversified business profile; sound financial position characterized by contained risk, satisfactory profitability, adequate capitalisation and high financial flexibility; good and stable management; and moderate risk appetite."*

<sup>5</sup> Rating AA reaffirmed on 3/7/08 by Fitch: *"[...] great revenue diversification, very stable and good level of profitability, effective risk management, solid and good quality capital adequacy ratios, sound organic and profitable growth as well as a very diversified customer base in its three main divisions."*

## Consolidated profit and loss account

|                                | 2Q08         | 2Q07         | 2Q08/<br>2Q07  | 1Q08         | 2Q08/<br>1Q08  | 1H08          | 1H07          | 1H08/<br>1H07  |
|--------------------------------|--------------|--------------|----------------|--------------|----------------|---------------|---------------|----------------|
| <i>In millions of euros</i>    |              |              |                |              |                |               |               |                |
| <b>Revenues</b>                | <b>7,517</b> | <b>8,214</b> | <b>-8.5%</b>   | <b>7,395</b> | <b>+1.6%</b>   | <b>14,912</b> | <b>16,427</b> | <b>-9.2%</b>   |
| Operating Expenses and Dep.    | -4,852       | -4,848       | +0.1%          | -4,605       | +5.4%          | -9,457        | -9,434        | +0.2%          |
| <b>Gross Operating Income</b>  | <b>2,665</b> | <b>3,366</b> | <b>-20.8%</b>  | <b>2,790</b> | <b>-4.5%</b>   | <b>5,455</b>  | <b>6,993</b>  | <b>-22.0%</b>  |
| Provisions                     | -662         | -258         | +156.6%        | -546         | +21.2%         | -1,208        | -518          | +133.2%        |
| <b>Operating Income</b>        | <b>2,003</b> | <b>3,108</b> | <b>-35.6%</b>  | <b>2,244</b> | <b>-10.7%</b>  | <b>4,247</b>  | <b>6,475</b>  | <b>-34.4%</b>  |
| Associated Companies           | 63           | 90           | -30.0%         | 85           | -25.9%         | 148           | 217           | -31.8%         |
| Other Non Operating Items      | 9            | 59           | -84.7%         | 345          | -97.4%         | 354           | 60            | n.s.           |
| <b>Non Operating Items</b>     | <b>72</b>    | <b>149</b>   | <b>-51.7%</b>  | <b>430</b>   | <b>-83.3%</b>  | <b>502</b>    | <b>277</b>    | <b>+81.2%</b>  |
| <b>Pre-Tax Income</b>          | <b>2,075</b> | <b>3,257</b> | <b>-36.3%</b>  | <b>2,674</b> | <b>-22.4%</b>  | <b>4,749</b>  | <b>6,752</b>  | <b>-29.7%</b>  |
| Tax Expense                    | -446         | -874         | -49.0%         | -570         | -21.8%         | -1,016        | -1,728        | -41.2%         |
| Minority Interests             | -124         | -101         | +22.8%         | -123         | +0.8%          | -247          | -235          | +5.1%          |
| <b>Net Income, Group Share</b> | <b>1,505</b> | <b>2,282</b> | <b>-34.0%</b>  | <b>1,981</b> | <b>-24.0%</b>  | <b>3,486</b>  | <b>4,789</b>  | <b>-27.2%</b>  |
| <b>Cost/Income</b>             | <b>64.5%</b> | <b>59.0%</b> | <b>+5.5 pt</b> | <b>62.3%</b> | <b>+2.2 pt</b> | <b>63.4%</b>  | <b>57.4%</b>  | <b>+6.0 pt</b> |

## 2Q08 – Results by core businesses

*2007 results of operating divisions with Basel II normative equity as released on 2 April 2008*

|                               | FRB          | BNL bc     | IRS          | AMS          | CIB          | Core<br>Businesses | Other<br>Activities | Group        |
|-------------------------------|--------------|------------|--------------|--------------|--------------|--------------------|---------------------|--------------|
| <i>In millions of euros</i>   |              |            |              |              |              |                    |                     |              |
| <b>Revenues</b>               | <b>1,454</b> | <b>677</b> | <b>2,153</b> | <b>1,396</b> | <b>1,852</b> | <b>7,532</b>       | <b>-15</b>          | <b>7,517</b> |
| %Change/2Q07                  | +2.0%        | +6.1%      | +8.0%        | +2.9%        | -24.5%       | -4.2%              | n.s.                | -8.5%        |
| Change/1Q08                   | -0.1%        | +0.4%      | +2.1%        | +10.5%       | +41.3%       | +10.6%             | n.s.                | +1.6%        |
| Operating Expenses and Dep.   | -955         | -425       | -1,222       | -867         | -1,256       | -4,725             | -127                | -4,852       |
| %Change/2Q07                  | +1.3%        | +0.7%      | +6.3%        | +6.5%        | -8.0%        | +0.7%              | -17.5%              | +0.1%        |
| Change/1Q08                   | +1.1%        | +2.9%      | +1.7%        | +2.6%        | +31.9%       | +8.4%              | -48.8%              | +5.4%        |
| <b>Gross Operating Income</b> | <b>499</b>   | <b>252</b> | <b>931</b>   | <b>529</b>   | <b>596</b>   | <b>2,807</b>       | <b>-142</b>         | <b>2,665</b> |
| %Change/2Q07                  | +3.5%        | +16.7%     | +10.4%       | -2.6%        | -45.2%       | -11.5%             | n.s.                | -20.8%       |
| Change/1Q08                   | -2.3%        | -3.4%      | +2.8%        | +26.6%       | +66.0%       | +14.3%             | n.s.                | -4.5%        |
| Provisions                    | -37          | -66        | -471         | -4           | -86          | -664               | 2                   | -662         |
| %Change/2Q07                  | +19.4%       | +32.0%     | +96.3%       | n.s.         | n.s.         | +153.4%            | -50.0%              | +156.6%      |
| Change/1Q08                   | +27.6%       | -21.4%     | +23.0%       | n.s.         | +59.3%       | +21.6%             | n.s.                | +21.2%       |
| <b>Operating Income</b>       | <b>462</b>   | <b>186</b> | <b>460</b>   | <b>525</b>   | <b>510</b>   | <b>2,143</b>       | <b>-140</b>         | <b>2,003</b> |
| %Change/2Q07                  | +2.4%        | +12.0%     | -23.7%       | -3.3%        | -55.5%       | -26.3%             | n.s.                | -35.6%       |
| Change/1Q08                   | -4.1%        | +5.1%      | -12.0%       | +24.4%       | +67.2%       | +12.3%             | n.s.                | -10.7%       |
| Associated Companies          | 1            | 1          | 21           | 11           | 0            | 34                 | 29                  | 63           |
| Other Non Operating Items     | 0            | 0          | 0            | 0            | 13           | 13                 | -4                  | 9            |
| <b>Pre-Tax Income</b>         | <b>463</b>   | <b>187</b> | <b>481</b>   | <b>536</b>   | <b>523</b>   | <b>2,190</b>       | <b>-115</b>         | <b>2,075</b> |
| %Change/2Q07                  | +2.7%        | +13.3%     | -24.1%       | -4.1%        | -57.0%       | -27.6%             | n.s.                | -36.3%       |
| Change/1Q08                   | -3.9%        | +5.6%      | -27.0%       | +24.7%       | +64.5%       | +6.0%              | n.s.                | -22.4%       |

  

|                                | FRB          | BNL bc     | IRS          | AMS          | CIB          | Core<br>Businesses | Other<br>Activities | Group        |
|--------------------------------|--------------|------------|--------------|--------------|--------------|--------------------|---------------------|--------------|
| <i>In millions of euros</i>    |              |            |              |              |              |                    |                     |              |
| <b>Revenues</b>                | <b>1,454</b> | <b>677</b> | <b>2,153</b> | <b>1,396</b> | <b>1,852</b> | <b>7,532</b>       | <b>-15</b>          | <b>7,517</b> |
| 2Q07                           | 1,425        | 638        | 1,993        | 1,357        | 2,452        | 7,865              | 349                 | 8,214        |
| 1Q08                           | 1,456        | 674        | 2,108        | 1,263        | 1,311        | 6,812              | 583                 | 7,395        |
| Operating Expenses and Dep.    | -955         | -425       | -1,222       | -867         | -1,256       | -4,725             | -127                | -4,852       |
| 2Q07                           | -943         | -422       | -1,150       | -814         | -1,365       | -4,694             | -154                | -4,848       |
| 1Q08                           | -945         | -413       | -1,202       | -845         | -952         | -4,357             | -248                | -4,605       |
| <b>Gross Operating Income</b>  | <b>499</b>   | <b>252</b> | <b>931</b>   | <b>529</b>   | <b>596</b>   | <b>2,807</b>       | <b>-142</b>         | <b>2,665</b> |
| 2Q07                           | 482          | 216        | 843          | 543          | 1,087        | 3,171              | 195                 | 3,366        |
| 1Q08                           | 511          | 261        | 906          | 418          | 359          | 2,455              | 335                 | 2,790        |
| Provisions                     | -37          | -66        | -471         | -4           | -86          | -664               | 2                   | -662         |
| 2Q07                           | -31          | -50        | -240         | 0            | 59           | -262               | 4                   | -258         |
| 1Q08                           | -29          | -84        | -383         | 4            | -54          | -546               | 0                   | -546         |
| <b>Operating Income</b>        | <b>462</b>   | <b>186</b> | <b>460</b>   | <b>525</b>   | <b>510</b>   | <b>2,143</b>       | <b>-140</b>         | <b>2,003</b> |
| 2Q07                           | 451          | 166        | 603          | 543          | 1,146        | 2,909              | 199                 | 3,108        |
| 1Q08                           | 482          | 177        | 523          | 422          | 305          | 1,909              | 335                 | 2,244        |
| Associated Companies           | 1            | 1          | 21           | 11           | 0            | 34                 | 29                  | 63           |
| 2Q07                           | 0            | 0          | 23           | 11           | 3            | 37                 | 53                  | 90           |
| 1Q08                           | 0            | 0          | 21           | 8            | 1            | 30                 | 55                  | 85           |
| Other Non Operating Items      | 0            | 0          | 0            | 0            | 13           | 13                 | -4                  | 9            |
| 2Q07                           | 0            | -1         | 8            | 5            | 68           | 80                 | -21                 | 59           |
| 1Q08                           | 0            | 0          | 115          | 0            | 12           | 127                | 218                 | 345          |
| <b>Pre-Tax Income</b>          | <b>463</b>   | <b>187</b> | <b>481</b>   | <b>536</b>   | <b>523</b>   | <b>2,190</b>       | <b>-115</b>         | <b>2,075</b> |
| 2Q07                           | 451          | 165        | 634          | 559          | 1,217        | 3,026              | 231                 | 3,257        |
| 1Q08                           | 482          | 177        | 659          | 430          | 318          | 2,066              | 608                 | 2,674        |
| Tax Expense                    |              |            |              |              |              |                    |                     | -446         |
| Minority Interests             |              |            |              |              |              |                    |                     | -124         |
| <b>Net Income, Group Share</b> |              |            |              |              |              |                    |                     | <b>1505</b>  |

## 1H08 – Results by core businesses

|                                | FRB          | BNL bc       | IRS          | AMS          | CIB          | Core<br>Businesses | Other<br>Activities | Group         |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------|---------------------|---------------|
| <i>In millions of euros</i>    |              |              |              |              |              |                    |                     |               |
| <b>Revenues</b>                | <b>2,910</b> | <b>1,351</b> | <b>4,261</b> | <b>2,659</b> | <b>3,163</b> | <b>14,344</b>      | <b>568</b>          | <b>14,912</b> |
| Change/1H07                    | +1.7%        | +6.3%        | +8.9%        | +1.9%        | -34.5%       | -7.4%              | -39.9%              | -9.2%         |
| Operating Expenses and Dep.    | -1,900       | -838         | -2,424       | -1,712       | -2,208       | -9,082             | -375                | -9,457        |
| Change/1H07                    | +1.6%        | +1.1%        | +7.8%        | +7.4%        | -16.2%       | -1.0%              | +45.9%              | +0.2%         |
| <b>Gross Operating Income</b>  | <b>1,010</b> | <b>513</b>   | <b>1,837</b> | <b>947</b>   | <b>955</b>   | <b>5,262</b>       | <b>193</b>          | <b>5,455</b>  |
| Change/1H07                    | +1.9%        | +16.1%       | +10.5%       | -6.8%        | -56.5%       | -16.5%             | -71.9%              | -22.0%        |
| Provisions                     | -66          | -150         | -854         | 0            | -140         | -1,210             | 2                   | -1,208        |
| Change/1H07                    | +4.8%        | +14.5%       | +93.2%       | n.s.         | n.s.         | +131.4%            | -60.0%              | +133.2%       |
| <b>Operating Income</b>        | <b>944</b>   | <b>363</b>   | <b>983</b>   | <b>947</b>   | <b>815</b>   | <b>4,052</b>       | <b>195</b>          | <b>4,247</b>  |
| Change/1H07                    | +1.7%        | +16.7%       | -19.5%       | -6.6%        | -64.7%       | -29.9%             | -71.9%              | -34.4%        |
| Associated Companies           | 1            | 1            | 42           | 19           | 1            | 64                 | 84                  | 148           |
| Other Non Operating Items      | 0            | 0            | 115          | 0            | 25           | 140                | 214                 | 354           |
| <b>Pre-Tax Income</b>          | <b>945</b>   | <b>364</b>   | <b>1,140</b> | <b>966</b>   | <b>841</b>   | <b>4,256</b>       | <b>493</b>          | <b>4,749</b>  |
| Change/1H07                    | +1.8%        | +17.4%       | -10.4%       | -6.8%        | -64.8%       | -28.3%             | -39.6%              | -29.7%        |
| Tax Expense                    |              |              |              |              |              |                    |                     | -1,016        |
| Minority Interests             |              |              |              |              |              |                    |                     | -247          |
| <b>Net Income, Group Share</b> |              |              |              |              |              |                    |                     | <b>3,486</b>  |
| Annualised ROE after Tax       |              |              |              |              |              |                    |                     | 15.8%         |

## Quarterly series

|                                |              |              |              |              |              |              |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <i>In millions of euros</i>    | <b>1Q07</b>  | <b>2Q07</b>  | <b>3Q07</b>  | <b>4Q07</b>  | <b>1Q08</b>  | <b>2Q08</b>  |
| <b>GROUP</b>                   |              |              |              |              |              |              |
| <b>Revenues</b>                | <b>8,213</b> | <b>8,214</b> | <b>7,690</b> | <b>6,920</b> | <b>7,395</b> | <b>7,517</b> |
| Operating Expenses and Dep.    | -4,586       | -4,848       | -4,643       | -4,687       | -4,605       | -4,852       |
| <b>Gross Operating Income</b>  | <b>3,627</b> | <b>3,366</b> | <b>3,047</b> | <b>2,233</b> | <b>2,790</b> | <b>2,665</b> |
| Provisions                     | -260         | -258         | -462         | -745         | -546         | -662         |
| <b>Operating Income</b>        | <b>3,367</b> | <b>3,108</b> | <b>2,585</b> | <b>1,488</b> | <b>2,244</b> | <b>2,003</b> |
| Associated Companies           | 127          | 90           | 68           | 73           | 85           | 63           |
| Other Non Operating Items      | 1            | 59           | 74           | 18           | 345          | 9            |
| <b>Pre-Tax Income</b>          | <b>3,495</b> | <b>3,257</b> | <b>2,727</b> | <b>1,579</b> | <b>2,674</b> | <b>2,075</b> |
| Tax Expense                    | -854         | -874         | -589         | -430         | -570         | -446         |
| Minority Interests             | -134         | -101         | -111         | -143         | -123         | -124         |
| <b>Net Income, Group Share</b> | <b>2,507</b> | <b>2,282</b> | <b>2,027</b> | <b>1,006</b> | <b>1,981</b> | <b>1,505</b> |

| <i>In millions of euros</i>                                                                          | <b>1Q07</b>  | <b>2Q07</b>  | <b>3Q07</b>  | <b>4Q07</b>  | <b>1Q08</b>  | <b>2Q08</b>  |
|------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>FRENCH RETAIL BANKING (including 100% of Private Banking in France)</b>                           |              |              |              |              |              |              |
| <b>Revenues</b>                                                                                      | <b>1,503</b> | <b>1,490</b> | <b>1,467</b> | <b>1,434</b> | <b>1,521</b> | <b>1,516</b> |
| <i>Incl. Net Interest Income</i>                                                                     | <i>805</i>   | <i>810</i>   | <i>812</i>   | <i>779</i>   | <i>827</i>   | <i>819</i>   |
| <i>Incl. Commissions</i>                                                                             | <i>698</i>   | <i>680</i>   | <i>655</i>   | <i>655</i>   | <i>694</i>   | <i>697</i>   |
| Operating Expenses and Dep.                                                                          | -954         | -973         | -1,011       | -1,012       | -975         | -985         |
| <b>Gross Operating Income</b>                                                                        | <b>549</b>   | <b>517</b>   | <b>456</b>   | <b>422</b>   | <b>546</b>   | <b>531</b>   |
| Provisions                                                                                           | -31          | -32          | -36          | -59          | -29          | -37          |
| <b>Operating Income</b>                                                                              | <b>518</b>   | <b>485</b>   | <b>420</b>   | <b>363</b>   | <b>517</b>   | <b>494</b>   |
| Non Operating Items                                                                                  | 0            | 1            | -1           | 0            | 0            | 1            |
| <b>Pre-Tax Income</b>                                                                                | <b>518</b>   | <b>486</b>   | <b>419</b>   | <b>363</b>   | <b>517</b>   | <b>495</b>   |
| Income Attributable to AMS                                                                           | -41          | -35          | -30          | -32          | -35          | -32          |
| <b>Pre-Tax Income of French Retail Bkg</b>                                                           | <b>477</b>   | <b>451</b>   | <b>389</b>   | <b>331</b>   | <b>482</b>   | <b>463</b>   |
| <b>FRENCH RETAIL BANKING (including 100% of Private Banking in France) Excluding PEL/CEL Effects</b> |              |              |              |              |              |              |
| <b>Revenues</b>                                                                                      | <b>1,476</b> | <b>1,470</b> | <b>1,443</b> | <b>1,425</b> | <b>1,520</b> | <b>1,514</b> |
| <i>Incl. Net Interest Income</i>                                                                     | <i>778</i>   | <i>790</i>   | <i>788</i>   | <i>770</i>   | <i>826</i>   | <i>817</i>   |
| <i>Incl. Commissions</i>                                                                             | <i>698</i>   | <i>680</i>   | <i>655</i>   | <i>655</i>   | <i>694</i>   | <i>697</i>   |
| Operating Expenses and Dep.                                                                          | -954         | -973         | -1,011       | -1,012       | -975         | -985         |
| <b>Gross Operating Income</b>                                                                        | <b>522</b>   | <b>497</b>   | <b>432</b>   | <b>413</b>   | <b>545</b>   | <b>529</b>   |
| Provisions                                                                                           | -31          | -32          | -36          | -59          | -29          | -37          |
| <b>Operating Income</b>                                                                              | <b>491</b>   | <b>465</b>   | <b>396</b>   | <b>354</b>   | <b>516</b>   | <b>492</b>   |
| Non Operating Items                                                                                  | 0            | 1            | -1           | 0            | 0            | 1            |
| <b>Pre-Tax Income</b>                                                                                | <b>491</b>   | <b>466</b>   | <b>395</b>   | <b>354</b>   | <b>516</b>   | <b>493</b>   |
| Income Attributable to AMS                                                                           | -41          | -35          | -30          | -32          | -35          | -32          |
| <b>Pre-Tax Income of French Retail Bkg</b>                                                           | <b>450</b>   | <b>431</b>   | <b>365</b>   | <b>322</b>   | <b>481</b>   | <b>461</b>   |
| <b>FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)</b>                            |              |              |              |              |              |              |
| <b>Revenues</b>                                                                                      | <b>1,436</b> | <b>1,425</b> | <b>1,406</b> | <b>1,373</b> | <b>1,456</b> | <b>1,454</b> |
| Operating Expenses and Dep.                                                                          | -927         | -943         | -981         | -983         | -945         | -955         |
| <b>Gross Operating Income</b>                                                                        | <b>509</b>   | <b>482</b>   | <b>425</b>   | <b>390</b>   | <b>511</b>   | <b>499</b>   |
| Provisions                                                                                           | -32          | -31          | -36          | -59          | -29          | -37          |
| <b>Operating Income</b>                                                                              | <b>477</b>   | <b>451</b>   | <b>389</b>   | <b>331</b>   | <b>482</b>   | <b>462</b>   |
| Non Operating Items                                                                                  | 0            | 0            | 0            | 0            | 0            | 1            |
| <b>Pre-Tax Income</b>                                                                                | <b>477</b>   | <b>451</b>   | <b>389</b>   | <b>331</b>   | <b>482</b>   | <b>463</b>   |

| <i>In millions of euros</i>                                               | <b>1Q07</b>  | <b>2Q07</b>  | <b>3Q07</b>  | <b>4Q07</b>  | <b>1Q08</b>  | <b>2Q08</b>  |
|---------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>BNL banca commerciale (Including 100% of Private Banking in Italy)</b> |              |              |              |              |              |              |
| <b>Revenues</b>                                                           | <b>640</b>   | <b>643</b>   | <b>668</b>   | <b>690</b>   | <b>680</b>   | <b>685</b>   |
| Operating Expenses and Dep.                                               | -412         | -426         | -428         | -478         | -417         | -430         |
| <b>Gross Operating Income</b>                                             | <b>228</b>   | <b>217</b>   | <b>240</b>   | <b>212</b>   | <b>263</b>   | <b>255</b>   |
| Provisions                                                                | -81          | -50          | -92          | -95          | -84          | -66          |
| <b>Operating Income</b>                                                   | <b>147</b>   | <b>167</b>   | <b>148</b>   | <b>117</b>   | <b>179</b>   | <b>189</b>   |
| Non Operating Items                                                       | 0            | -1           | 0            | 0            | 0            | 1            |
| <b>Pre-Tax Income</b>                                                     | <b>147</b>   | <b>166</b>   | <b>148</b>   | <b>117</b>   | <b>179</b>   | <b>190</b>   |
| Income Attributable to AMS                                                | -2           | -1           | -2           | -1           | -2           | -3           |
| <b>Pre-Tax Income of BNL bc</b>                                           | <b>145</b>   | <b>165</b>   | <b>146</b>   | <b>116</b>   | <b>177</b>   | <b>187</b>   |
| <b>BNL banca commerciale (Including 2/3 of Private Banking in Italy)</b>  |              |              |              |              |              |              |
| <b>Revenues</b>                                                           | <b>633</b>   | <b>638</b>   | <b>662</b>   | <b>683</b>   | <b>674</b>   | <b>677</b>   |
| Operating Expenses and Dep.                                               | -407         | -422         | -424         | -472         | -413         | -425         |
| <b>Gross Operating Income</b>                                             | <b>226</b>   | <b>216</b>   | <b>238</b>   | <b>211</b>   | <b>261</b>   | <b>252</b>   |
| Provisions                                                                | -81          | -50          | -92          | -95          | -84          | -66          |
| <b>Operating Income</b>                                                   | <b>145</b>   | <b>166</b>   | <b>146</b>   | <b>116</b>   | <b>177</b>   | <b>186</b>   |
| Non Operating Items                                                       | 0            | -1           | 0            | 0            | 0            | 1            |
| <b>Pre-Tax Income</b>                                                     | <b>145</b>   | <b>165</b>   | <b>146</b>   | <b>116</b>   | <b>177</b>   | <b>187</b>   |
| <b>INTERNATIONAL RETAIL SERVICES</b>                                      |              |              |              |              |              |              |
| <b>Revenues</b>                                                           | <b>1,918</b> | <b>1,993</b> | <b>2,010</b> | <b>2,022</b> | <b>2,108</b> | <b>2,153</b> |
| Operating Expenses and Dep.                                               | -1,098       | -1,150       | -1,127       | -1,250       | -1,202       | -1,222       |
| <b>Gross Operating Income</b>                                             | <b>820</b>   | <b>843</b>   | <b>883</b>   | <b>772</b>   | <b>906</b>   | <b>931</b>   |
| Provisions                                                                | -202         | -240         | -304         | -482         | -383         | -471         |
| <b>Operating Income</b>                                                   | <b>618</b>   | <b>603</b>   | <b>579</b>   | <b>290</b>   | <b>523</b>   | <b>460</b>   |
| Associated Companies                                                      | 19           | 23           | 20           | 21           | 21           | 21           |
| Other Non Operating Items                                                 | 1            | 8            | 69           | 16           | 115          | 0            |
| <b>Pre-Tax Income</b>                                                     | <b>638</b>   | <b>634</b>   | <b>668</b>   | <b>327</b>   | <b>659</b>   | <b>481</b>   |
| <b>BANCWEST</b>                                                           |              |              |              |              |              |              |
| <b>Revenues</b>                                                           | <b>510</b>   | <b>491</b>   | <b>500</b>   | <b>490</b>   | <b>509</b>   | <b>485</b>   |
| Operating Expenses and Dep.                                               | -268         | -261         | -260         | -263         | -261         | -247         |
| <b>Gross Operating Income</b>                                             | <b>242</b>   | <b>230</b>   | <b>240</b>   | <b>227</b>   | <b>248</b>   | <b>238</b>   |
| Provisions                                                                | -23          | -22          | -73          | -217         | -101         | -123         |
| <b>Operating Income</b>                                                   | <b>219</b>   | <b>208</b>   | <b>167</b>   | <b>10</b>    | <b>147</b>   | <b>115</b>   |
| Non Operating Items                                                       | 0            | 6            | 4            | 5            | 4            | 0            |
| <b>Pre-Tax Income</b>                                                     | <b>219</b>   | <b>214</b>   | <b>171</b>   | <b>15</b>    | <b>151</b>   | <b>115</b>   |
| <b>PERSONAL FINANCE</b>                                                   |              |              |              |              |              |              |
| <b>Revenues</b>                                                           | <b>813</b>   | <b>857</b>   | <b>867</b>   | <b>874</b>   | <b>912</b>   | <b>944</b>   |
| Operating Expenses and Dep.                                               | -454         | -492         | -475         | -528         | -503         | -517         |
| <b>Gross Operating Income</b>                                             | <b>359</b>   | <b>365</b>   | <b>392</b>   | <b>346</b>   | <b>409</b>   | <b>427</b>   |
| Provisions                                                                | -155         | -183         | -192         | -200         | -230         | -274         |
| <b>Operating Income</b>                                                   | <b>204</b>   | <b>182</b>   | <b>200</b>   | <b>146</b>   | <b>179</b>   | <b>153</b>   |
| Associated Companies                                                      | 15           | 25           | 17           | 19           | 21           | 17           |
| Other Non Operating Items                                                 | 0            | 0            | 1            | -1           | 0            | 0            |
| <b>Pre-Tax Income</b>                                                     | <b>219</b>   | <b>207</b>   | <b>218</b>   | <b>164</b>   | <b>200</b>   | <b>170</b>   |

| <i>In millions of euros</i>          | <b>1Q07</b>  | <b>2Q07</b>  | <b>3Q07</b>  | <b>4Q07</b>  | <b>1Q08</b>  | <b>2Q08</b>  |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>EMERGING RETAIL BANKING</b>       |              |              |              |              |              |              |
| <b>Revenues</b>                      | <b>311</b>   | <b>346</b>   | <b>348</b>   | <b>366</b>   | <b>403</b>   | <b>440</b>   |
| Operating Expenses and Dep.          | -205         | -221         | -219         | -252         | -262         | -276         |
| <b>Gross Operating Income</b>        | <b>106</b>   | <b>125</b>   | <b>129</b>   | <b>114</b>   | <b>141</b>   | <b>164</b>   |
| Provisions                           | -11          | -16          | -22          | -32          | -36          | -22          |
| <b>Operating Income</b>              | <b>95</b>    | <b>109</b>   | <b>107</b>   | <b>82</b>    | <b>105</b>   | <b>142</b>   |
| Associated Companies                 | 5            | 1            | 6            | 4            | 3            | 5            |
| Other Non Operating Items            | 0            | 1            | 58           | 11           | 111          | 0            |
| <b>Pre-Tax Income</b>                | <b>100</b>   | <b>111</b>   | <b>171</b>   | <b>97</b>    | <b>219</b>   | <b>147</b>   |
| <b>EQUIPMENT SOLUTIONS</b>           |              |              |              |              |              |              |
| <b>Revenues</b>                      | <b>284</b>   | <b>299</b>   | <b>295</b>   | <b>292</b>   | <b>284</b>   | <b>284</b>   |
| Operating Expenses and Dep.          | -171         | -176         | -173         | -207         | -176         | -182         |
| <b>Gross Operating Income</b>        | <b>113</b>   | <b>123</b>   | <b>122</b>   | <b>85</b>    | <b>108</b>   | <b>102</b>   |
| Provisions                           | -13          | -19          | -17          | -33          | -16          | -52          |
| <b>Operating Income</b>              | <b>100</b>   | <b>104</b>   | <b>105</b>   | <b>52</b>    | <b>92</b>    | <b>50</b>    |
| Associated Companies                 | -1           | -3           | -3           | -2           | -3           | -1           |
| Other Non Operating Items            | 1            | 1            | 6            | 1            | 0            | 0            |
| <b>Pre-Tax Income</b>                | <b>100</b>   | <b>102</b>   | <b>108</b>   | <b>51</b>    | <b>89</b>    | <b>49</b>    |
| <b>ASSET MANAGEMENT AND SERVICES</b> |              |              |              |              |              |              |
| <b>Revenues</b>                      | <b>1,253</b> | <b>1,357</b> | <b>1,331</b> | <b>1,323</b> | <b>1,263</b> | <b>1,396</b> |
| Operating Expenses and Dep.          | -780         | -814         | -873         | -902         | -845         | -867         |
| <b>Gross Operating Income</b>        | <b>473</b>   | <b>543</b>   | <b>458</b>   | <b>421</b>   | <b>418</b>   | <b>529</b>   |
| Provisions                           | -2           | 0            | -1           | -4           | 4            | -4           |
| <b>Operating Income</b>              | <b>471</b>   | <b>543</b>   | <b>457</b>   | <b>417</b>   | <b>422</b>   | <b>525</b>   |
| Associated Companies                 | 7            | 11           | 5            | -6           | 8            | 11           |
| Other Non Operating Items            | 0            | 5            | 4            | 1            | 0            | 0            |
| <b>Pre-Tax Income</b>                | <b>478</b>   | <b>559</b>   | <b>466</b>   | <b>412</b>   | <b>430</b>   | <b>536</b>   |
| <b>WEALTH AND ASSET MANAGEMENT</b>   |              |              |              |              |              |              |
| <b>Revenues</b>                      | <b>643</b>   | <b>704</b>   | <b>694</b>   | <b>678</b>   | <b>600</b>   | <b>662</b>   |
| Operating Expenses and Dep.          | -429         | -442         | -469         | -488         | -440         | -448         |
| <b>Gross Operating Income</b>        | <b>214</b>   | <b>262</b>   | <b>225</b>   | <b>190</b>   | <b>160</b>   | <b>214</b>   |
| Provisions                           | -1           | 0            | -1           | -2           | 2            | 0            |
| <b>Operating Income</b>              | <b>213</b>   | <b>262</b>   | <b>224</b>   | <b>188</b>   | <b>162</b>   | <b>214</b>   |
| Associated Companies                 | 5            | 0            | -2           | -2           | 0            | 3            |
| Other Non Operating Items            | 0            | 5            | 1            | 0            | 0            | 0            |
| <b>Pre-Tax Income</b>                | <b>218</b>   | <b>267</b>   | <b>223</b>   | <b>186</b>   | <b>162</b>   | <b>217</b>   |
| <b>INSURANCE</b>                     |              |              |              |              |              |              |
| <b>Revenues</b>                      | <b>353</b>   | <b>355</b>   | <b>358</b>   | <b>370</b>   | <b>353</b>   | <b>392</b>   |
| Operating Expenses and Dep.          | -159         | -161         | -168         | -176         | -173         | -181         |
| <b>Gross Operating Income</b>        | <b>194</b>   | <b>194</b>   | <b>190</b>   | <b>194</b>   | <b>180</b>   | <b>211</b>   |
| Provisions                           | -1           | 0            | 0            | -2           | 2            | -4           |
| <b>Operating Income</b>              | <b>193</b>   | <b>194</b>   | <b>190</b>   | <b>192</b>   | <b>182</b>   | <b>207</b>   |
| Associated Companies                 | 2            | 11           | 7            | -5           | 8            | 8            |
| Other Non Operating Items            | 0            | 0            | 3            | 1            | 0            | 0            |
| <b>Pre-Tax Income</b>                | <b>195</b>   | <b>205</b>   | <b>200</b>   | <b>188</b>   | <b>190</b>   | <b>215</b>   |

| <i>In millions of euros</i>                                           | 1Q07         | 2Q07         | 3Q07         | 4Q07         | 1Q08         | 2Q08         |
|-----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>SECURITIES SERVICES</b>                                            |              |              |              |              |              |              |
| <b>Revenues</b>                                                       | <b>257</b>   | <b>298</b>   | <b>279</b>   | <b>275</b>   | <b>310</b>   | <b>342</b>   |
| Operating Expenses and Dep.                                           | -192         | -211         | -236         | -238         | -232         | -238         |
| <b>Gross Operating Income</b>                                         | <b>65</b>    | <b>87</b>    | <b>43</b>    | <b>37</b>    | <b>78</b>    | <b>104</b>   |
| Provisions                                                            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Operating Income</b>                                               | <b>65</b>    | <b>87</b>    | <b>43</b>    | <b>37</b>    | <b>78</b>    | <b>104</b>   |
| Non Operating Items                                                   | 0            | 0            | 0            | 1            | 0            | 0            |
| <b>Pre-Tax Income</b>                                                 | <b>65</b>    | <b>87</b>    | <b>43</b>    | <b>38</b>    | <b>78</b>    | <b>104</b>   |
| <b>CORPORATE AND INVESTMENT BANKING</b>                               |              |              |              |              |              |              |
| <b>Revenues</b>                                                       | <b>2,377</b> | <b>2,452</b> | <b>1,968</b> | <b>1,374</b> | <b>1,311</b> | <b>1,852</b> |
| Operating Expenses and Dep.                                           | -1,271       | -1,365       | -1,185       | -964         | -952         | -1,256       |
| <b>Gross Operating Income</b>                                         | <b>1,106</b> | <b>1,087</b> | <b>783</b>   | <b>410</b>   | <b>359</b>   | <b>596</b>   |
| Provisions                                                            | 56           | 59           | -29          | -114         | -54          | -86          |
| <b>Operating Income</b>                                               | <b>1,162</b> | <b>1,146</b> | <b>754</b>   | <b>296</b>   | <b>305</b>   | <b>510</b>   |
| Associated Companies                                                  | 6            | 3            | 0            | -1           | 1            | 0            |
| Other Non Operating Items                                             | 4            | 68           | 6            | 11           | 12           | 13           |
| <b>Pre-Tax Income</b>                                                 | <b>1,172</b> | <b>1,217</b> | <b>760</b>   | <b>306</b>   | <b>318</b>   | <b>523</b>   |
| <b>ADVISORY AND CAPITAL MARKETS</b>                                   |              |              |              |              |              |              |
| <b>Revenues</b>                                                       | <b>1,664</b> | <b>1,750</b> | <b>1,445</b> | <b>708</b>   | <b>708</b>   | <b>1,139</b> |
| <i>Incl. Equity and Advisory</i>                                      | <i>815</i>   | <i>825</i>   | <i>572</i>   | <i>560</i>   | <i>316</i>   | <i>750</i>   |
| <i>Incl. Fixed Income</i>                                             | <i>849</i>   | <i>926</i>   | <i>873</i>   | <i>148</i>   | <i>392</i>   | <i>389</i>   |
| Operating Expenses and Dep.                                           | -981         | -1,064       | -893         | -650         | -662         | -955         |
| <b>Gross Operating Income</b>                                         | <b>683</b>   | <b>686</b>   | <b>552</b>   | <b>58</b>    | <b>46</b>    | <b>184</b>   |
| Provisions                                                            | 0            | 0            | -12          | -53          | -94          | -43          |
| <b>Operating Income</b>                                               | <b>683</b>   | <b>686</b>   | <b>540</b>   | <b>5</b>     | <b>-48</b>   | <b>141</b>   |
| Associated Companies                                                  | 6            | 3            | 0            | -1           | 1            | 0            |
| Other Non Operating Items                                             | 4            | 19           | 6            | 9            | 12           | 12           |
| <b>Pre-Tax Income</b>                                                 | <b>693</b>   | <b>708</b>   | <b>546</b>   | <b>13</b>    | <b>-35</b>   | <b>153</b>   |
| <b>FINANCING BUSINESSES</b>                                           |              |              |              |              |              |              |
| <b>Revenues</b>                                                       | <b>713</b>   | <b>702</b>   | <b>523</b>   | <b>666</b>   | <b>603</b>   | <b>713</b>   |
| Operating Expenses and Dep.                                           | -290         | -301         | -292         | -314         | -290         | -301         |
| <b>Gross Operating Income</b>                                         | <b>423</b>   | <b>401</b>   | <b>231</b>   | <b>352</b>   | <b>313</b>   | <b>412</b>   |
| Provisions                                                            | 56           | 59           | -17          | -61          | 40           | -43          |
| <b>Operating Income</b>                                               | <b>479</b>   | <b>460</b>   | <b>214</b>   | <b>291</b>   | <b>353</b>   | <b>369</b>   |
| Non Operating Items                                                   | 0            | 49           | 0            | 2            | 0            | 1            |
| <b>Pre-Tax Income</b>                                                 | <b>479</b>   | <b>509</b>   | <b>214</b>   | <b>293</b>   | <b>353</b>   | <b>370</b>   |
| <b>CORPORATE CENTRE (INCLUDING BNP PARIBAS CAPITAL AND KLEPIERRE)</b> |              |              |              |              |              |              |
| <b>Revenues</b>                                                       | <b>596</b>   | <b>349</b>   | <b>313</b>   | <b>145</b>   | <b>583</b>   | <b>-15</b>   |
| <i>incl. BNP Paribas Capital</i>                                      | <i>413</i>   | <i>199</i>   | <i>267</i>   | <i>104</i>   | <i>135</i>   | <i>44</i>    |
| Operating Expenses and Dep.                                           | -103         | -154         | -53          | -116         | -248         | -127         |
| <i>incl. BNL restructuring costs</i>                                  | <i>-23</i>   | <i>-61</i>   | <i>50</i>    | <i>-37</i>   | <i>-146</i>  | <i>-20</i>   |
| <b>Gross Operating Income</b>                                         | <b>493</b>   | <b>195</b>   | <b>260</b>   | <b>29</b>    | <b>335</b>   | <b>-142</b>  |
| Provisions                                                            | 1            | 4            | 0            | 9            | 0            | 2            |
| <b>Operating Income</b>                                               | <b>494</b>   | <b>199</b>   | <b>260</b>   | <b>38</b>    | <b>335</b>   | <b>-140</b>  |
| Associated Companies                                                  | 95           | 53           | 43           | 59           | 55           | 29           |
| Other Non Operating Items                                             | -4           | -21          | -5           | -10          | 218          | -4           |
| <b>Pre-Tax Income</b>                                                 | <b>585</b>   | <b>231</b>   | <b>298</b>   | <b>87</b>    | <b>608</b>   | <b>-115</b>  |

| <i>In millions of euros</i>   | <b>1Q07</b> | <b>2Q07</b> | <b>3Q07</b> | <b>4Q07</b> | <b>1Q08</b> | <b>2Q08</b> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>KLEPIERRE</b>              |             |             |             |             |             |             |
| <b>Revenues</b>               | <b>107</b>  | <b>76</b>   | <b>70</b>   | <b>89</b>   | <b>97</b>   | <b>55</b>   |
| Operating Expenses and Dep.   | -25         | -24         | -23         | -27         | -27         | -29         |
| <b>Gross Operating Income</b> | <b>82</b>   | <b>52</b>   | <b>47</b>   | <b>62</b>   | <b>70</b>   | <b>26</b>   |
| Provisions                    | 0           | -1          | -1          | -2          | -1          | 0           |
| <b>Operating Income</b>       | <b>82</b>   | <b>51</b>   | <b>46</b>   | <b>60</b>   | <b>69</b>   | <b>26</b>   |
| <b>Pre-Tax Income</b>         | <b>83</b>   | <b>51</b>   | <b>47</b>   | <b>61</b>   | <b>69</b>   | <b>30</b>   |

## **BNP Paribas Private Bank, Nachenius Tjeenk and Insinger de Beaufort join forces to create a leading Anglo-Dutch wealth manager**

BNP Paribas Private Bank S.A. and Insinger de Beaufort Holdings S.A. announced on August 1, 2008 that they have concluded a strategic partnership. The transaction has two parts. BNP Paribas Private Bank will acquire for a consideration of EUR 60 million a 35% interest in Insinger de Beaufort Holdings B.V., the immediate holding company of Bank Insinger de Beaufort N.V. ("Insinger de Beaufort"). In parallel, BNP Paribas Private Bank will combine Nachenius Tjeenk, its Dutch activities, and London private banking activities with Insinger de Beaufort's activities. As a result, BNP Paribas Private Bank will receive additional shares in this new combined group, to reach a 60% to 65 % ownership (depending on the relative Net Asset Values of the combined businesses).

This strategic partnership will create a leading Anglo-Dutch wealth manager, of which BNP Paribas Private Bank will become the majority shareholder. Insinger de Beaufort Holdings S.A. will continue to ultimately hold the remaining capital of the combined group. Liquidity mechanisms are in place for 2013, which will then allow Insinger de Beaufort Holdings S.A. to sell its stake in the new group.

Upon closing of the transaction, which is expected to occur in early 2009, the new group will manage over EUR 10 billion of client assets, which will position it at the forefront of the wealth management industry in its target markets. It will globally employ some 250 staff and will be managed by a combined team. Headquartered in Amsterdam, the group will have branches in The Hague and Eindhoven for the Dutch private banking market and asset management activities in London for the coverage of the wealthy international clients.

BNP Paribas Private Bank is a major player in the global wealth management industry. This transaction is in line with its strategy to grow in select European countries and strengthen its position in its target markets. The combined group will immediately rank among the top five players in the Dutch market and be a visible force in the key international wealth management market in London. The clients will benefit from the solidity and security of an international private bank, part of a major worldwide banking group.

Insinger de Beaufort is a leading, quality private bank and asset manager, serving primarily private clients and institutional investors. As at the end of March 2008, it had EUR 5.6 billion of assets under management. Founded in 1779 and headquartered in Amsterdam, it now counts some 160 employees in its core operations. It has progressively focused in recent years on building its wealth and asset management businesses while exiting non-core activities. The adjusted pre-tax profitability on core businesses in 2007 stood at EUR 12.3 million.

Nachenius Tjeenk is the highly respected Dutch private banking arm of BNP Paribas Private Bank acquired in 2005. It counts now some 80 employees. Founded in 1790 and based in Amsterdam, it had EUR 2.4 billion of assets under management as at the end of March 2008.

Like Insinger de Beaufort, BNP Paribas Private Bank focuses in London on the management of wealthy international clients and supervises EUR 2.3 billion of client assets in the UK as at the end of March 2008.

## **BNP Paribas Securities Services closes EXELBANK integration**

On July 17, 2008, BNP Paribas Securities Services ('BNP Paribas') announced the successful transfer of Exelbank's business to BNP Paribas, Spain, with all client positions now held at BNP Paribas.

BNP Paribas agreed to purchase Exelbank, the specialist custody and depository banking firm formerly owned by Banco Sabadell, in June 2007. Since then, a closely coordinated, smooth integration process has been well received by clients from both companies. This acquisition, which adds significant scale to BNP Paribas in one of Europe's key investor markets, demonstrates the Bank's commitment to servicing its clients' investment strategies across all asset classes, combining the strengths of a global platform with local presence and expertise.

BNP Paribas confirms its leadership position in the Spanish market, where it already has a broad base of domestic and international clients. With more than EUR 210 billion in assets under custody, 101 mutual funds under administration, acting as depository bank for 270 different mutual funds and awarded Top Rated again by Global Custodian, BNP Paribas Securities Services is an asset servicing leader with a comprehensive range of securities services products to offer institutional investors in Spain.

## **BNP Paribas reshuffles its organisation to fit its global dimension**

On July 1, 2008, BNP Paribas announced the reshuffle of its organisation.

*Jean-Laurent Bonnafé is appointed Chief Operating Officer*

*Jean Clamon is appointed Managing Director*

The BNP Paribas Board of Directors met on Tuesday, July 1, 2008 at a meeting chaired by Michel Pébereau.

Upon a motion by Baudouin Prot, the Board decided on an important reshuffle of the Group's General Management and approved several appointments as well as the new composition of the Executive Committee resulting from this reshuffle.

BNP Paribas is currently among the world's ten leading banking groups. It has expanded strongly in recent years and has weathered the financial crisis better than most groups. Baudouin Prot, Chief Executive Officer, proposed to the Board of Directors to adapt the Group's organisation to the current trends of its businesses, and at the same time confirm the independence of the Group's control mechanisms and improve their coordination. The financial crisis has once again highlighted the vital role of this independence.

Under this new organisation, the two Chief Operating Officers who will be working with Baudouin Prot are Georges Chodron de Courcel, who was already in this position, and Jean-Laurent Bonnafé, whose appointment will become effective on September 1, 2008 and who will manage the Group's retail banking activities.

On September 1, 2008, Jean Clamon will become Managing Director and coordinate the Group's entire internal control unit.

Whilst the Group is optimising its organisation of retail activities, the new organisation put in place by the Asset Management and Services (AMS) division, headed by Alain Papiasse, is proving its efficiency. At the same time, the Corporate and Investment Banking (CIB) core business, headed by Jacques d'Estais, is holding its own rather well in the face of the current crisis and was recently reorganised to enable optimum coverage of its large business and institutional client base worldwide. With the changes mentioned above, the entire Group has all the cards it needs to continue developing despite the troubled economic climate that has affected the world of finance for a year now.

## **Grouping of all retail banking activities under unified responsibility**

Today, BNP Paribas generates more than half its income from retail banking. It has a very strong international presence in this sector, with, in particular 4,000 of its 6,000 branches outside France, and businesses specialised in consumer finance and corporate equipment.

As from September 1, 2008, Jean-Laurent Bonnafé will be heading the Group's retail banking activities. On the same date Pierre Mariani, a member of the Executive Committee, will become Senior Executive Vice-President and Co-Head of retail banking while continuing to head the International Retail Services (IRS) core business.

This change is expected to yield the following benefits:

- Provide Retail Banking customers with the advantages of a truly global network.

- Promote the industrialisation of business activities, pool major investments and transfer know-how and innovation between banking networks and businesses specialised in consumer credit and the financing of corporate investments.
- Develop cross-selling between networks and specialised retail banking businesses and with BNP Paribas CIB and AMS.
- Promote the Group's development in these businesses, not only through acquisitions, but also through organic growth.

As from September 1, 2008:

- Fabio Gallia will be proposed as the new Chief Executive Officer of BNL to the Board of Directors of BNL and will be appointed a member of the Group Executive Committee.
- François Villeroy de Galhau, currently Chairman and CEO of BNP Paribas Personal Finance, will become Head of the French Retail Banking core business and a member of the Group Executive Committee.
- Bruno Salmon and Thierry Laborde (currently Director of Networks at French Retail Banking) will be appointed Chairman and CEO of BNP Paribas Personal Finance respectively.
- Yves Martrenchar will be responsible for coordinating and organising the distribution, products and markets of the Group's retail banking activities.

These cross-group appointments demonstrate the willingness to facilitate the exchange of expertise and co-operation within the new organisation.

## **Reinforce the coordination of Group internal control**

BNP Paribas has resisted the current crisis well partly because of the predominance of control functions in its managerial model. To continue its growth as profitably and as safely as possible, the group intends to reinforce the role, independence and coordination of its internal control.

As managing director, Jean Clamon will be coordinating the Group's entire internal control and ensuring that the control of the risk of non-compliance is consistent and efficient. He will also oversee the group's legal and tax functions and be in charge of BNP Paribas' corporate social and environmental responsibility.

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There will be other managerial appointments as from September 1, 2008:

Philippe Bordenave, Head of Group Finance and Development and member of the Executive Committee, will be appointed Senior Executive Vice-President of BNP Paribas.

Michel Konczaty, Head of Group Risk Management, will be appointed to the Group Executive Committee.

Vivien Levy-Garboua will be appointed Senior Advisor to BNP Paribas. He will take over from Dominique Hoenn when he retires at the end of 2008.

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About these appointments and changes, Baudouin Prot declared:

“BNP Paribas has a high potential for growth and many assets for improving its competitive positions even further, in an environment that is creating unprecedented challenges for the banking profession. Jean-Laurent Bonnafé will work with Georges Chodron de Courcel to assist me in managing the Group while Jean Clamon will be given the necessary prerogatives to ensure that internal control is constantly adapted to meet all new issues.”

## COMPOSITION OF GROUP EXECUTIVE COMMITTEE as from the September 1, 2008

The Group Executive Committee, supporting Baudouin Prot, CEO, Georges Chodron de Courcel, COO, and Jean-Laurent Bonnafé, COO, will be made up of the following members:

- Jean Clamon, Managing Director, Head of Compliance and Internal Control Coordinator,
- Philippe Bordenave, Senior Executive Vice-President, Head of Group Finance and Development,
- Jacques d'Estais, Head of CIB
- Fabio Gallia, Head of BNL b.c.
- Michel Konczaty, Head of Group Risk Management
- Frédéric Lavenir, Head of Group Human Resources- Alain Marbach, Head of ITP
- Pierre Mariani, Senior Executive Vice-President, Co-Head of Retail Banking, Head of IRS,
- Alain Papiasse, Head of Asset Management and Services
- François Villeroy de Galhau, Head of French Retail Banking

### **Bank of Sharjah and BNP Paribas in regulatory filing for partnership agreement in Lebanon**

Emirates Lebanon Bank s.a.l (a fully-owned subsidiary of Bank of Sharjah), and BNP Paribas, announced on June 25, 2008 filing for regulatory approval in relation with their contemplated partnership in Lebanon. As per agreements entered into between the parties and which remain subject to the approval of Banque du Liban (Central Bank of Lebanon), the UAE-based bank will be acquiring through its Lebanese subsidiary, Emirates Lebanon Bank s.a.l (previously Banque de la Bekaa s.a.l), the activities of the Lebanese branch of Banque Nationale de Paris Intercontinentale (a fully-owned subsidiary of BNP Paribas). Emirates Lebanon Bank s.a.l will be 81% owned by Bank of Sharjah with BNPI France holding the balance of 19%. A collaboration agreement between the Lebanese bank and BNP Paribas at the level of private banking and asset management is also being considered.

Through this acquisition by Emirates Lebanon Bank s.a.l, clients will be able to benefit from a continuing relationship with their bank as well as an enhanced offering of products and services. Management of operations will continue to be handled by staff seconded from BNP Paribas, while existing employees will be awarded a 3-year job protection scheme.

Varouj Nerguizian, Executive Director & General Manager of Bank of Sharjah, and Chairman & General Manager of Emirates Lebanon Bank s.a.l, disclosed that 30% of the capital of the Lebanese bank will be offered at a later stage to a select group of Gulf and Lebanese private investors subject to regulatory approval.

Bank of Sharjah had earlier declared its intention to gradually build a franchise throughout the Middle East region, and in this respect, raised lately the share capital of Emirates Lebanon Bank s.a.l to USD 50 million while injecting a cash contribution to capital of USD 100 million in order to boost equity to USD 150 million.

Today, the Lebanon operation is considered as a platform for the Bank of Sharjah's future expansion in the Levant where it intends to benefit from exceptionally strong synergies with its Gulf-based clientele.

BNPI has been present in Lebanon since 1944. It engages in commercial banking activities through a network of 5 branches. At end 2007, it boasted an asset base of around USD 850 million serving 13,500 individual clients and 1,300 corporates.

## **BNP Paribas acquires Bank Of America's Equity Prime Brokerage Business and Becomes a Leading Prime Broker in the USA**

On June 10, 2008, BNP Paribas announced it had signed a definitive agreement to acquire the equity prime brokerage business of Bank of America. The transaction is subject to regulatory approval with completion expected in the second half of 2008. The transaction will involve the transfer of client relationships, employees and technology systems.

Bank of America's equity prime brokerage business provides a wide range of services to hedge funds including secured financing, securities settlement, custody, capital introduction, securities lending, leading-edge technology and custom IT solutions. It is a low risk, low capital consumption, service oriented business. With 13 years of successful growth, more than 500 hedge fund clients, and more than 300 employees, the acquisition of Bank of America's equity prime brokerage business propels BNP Paribas into one of the leading prime brokers in the U.S.

Already a European leader in its CIB activities and a leader globally in Equity Derivatives, BNP Paribas' U.S. CIB strategy has always been to grow in areas where it has real expertise to compete successfully against strong domestic U.S. counterparts. This acquisition is in line with that strategy: it enables the Bank to offer its cutting-edge EQD platform to an even wider client base while keeping in line with BNP Paribas' risk standards. It allows BNP Paribas to accelerate its organic growth in the US by a targeted acquisition with a very good strategic fit, limited integration risk and negligible impact on Tier 1 capital ratio.

## **BNP Paribas Lease Group and JCB Announce European Finance Joint Venture**

On May 26, 2008, BNP Paribas Lease Group, the European leader in leasing solutions for business and professional equipment, announced that it had entered into a new joint venture partnership with JCB, Europe's leading construction and agricultural equipment manufacturer, to offer retail and wholesale financing solutions in JCB's European markets.

The JCB Finance joint venture in Europe will offer a full range of leasing and other retail finance programmes to create new sales opportunities for JCB machines in Europe, as well as providing flexible facilities to support dealer inventory and demonstration equipment requirements.

In 1994, after many years of fruitful collaboration in France, the two organizations created their first joint venture dedicated to financing JCB's French sales. Since then, cooperation between BNP Paribas Lease Group and JCB has continued to grow in Europe and, more recently, in India and North America.

The joint venture, 50.1 % of which is held by BNP Paribas Lease Group and 49.9 % by JCB, will initially offer retail financing solutions for new and used JCB machines in France, Spain, Italy and Germany with extended services and territorial coverage planned in due course.

## **Legal and Arbitration Proceedings**

On June 27, 2008, the Republic of Iraq filed a lawsuit in New York against approximately 90 individuals or entities who allegedly participated in the Oil-for-Food Program, including the Bank. The complaint asserts, among other things, that the defendants participated in a conspiracy to corrupt the Oil-for-Food Program, which ultimately deprived the Iraqi people of more than \$10 billion in food, medicine and other humanitarian goods. The complaint also asserts claims for breach of fiduciary duty and for breach of contract against the Bank based on the Banking Services Agreement between the Bank and the United Nations.

The Bank believes that there is no basis for any accusations or allegations that the Bank somehow was at fault for improper payments that may have been made by others in connection with the export of goods to Iraq under the Oil-for-Food Program. The Bank intends to vigorously contest all such allegations.