



**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 second 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**”) and the First Supplement dated 9 September 2008 (the “**First Supplement**”) 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.

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

This Supplement has been produced for the purposes of (i) incorporating by reference the BNP Paribas Arbitrage Issuance B.V. Interim Financial Report for the 6 months period ended 30 June 2008 and the Auditors’ Report Interim Financial Report for the 6 months period ended 30 June 2008, (ii) incorporating selected financial information for the 6 months period ended 30 June 2008 and (iii) 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)”.

Save as disclosed in the First Supplement to the Base Prospectus dated 9 September 2008, and in this Supplement, no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus dated 30 May 2008.

**(i) Interim Financial Information concerning BNP Paribas Arbitrage Issuance B.V.**

<b>INFORMATION INCORPORATED BY REFERENCE</b>
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<b>BNP PARIBAS ARBITRAGE ISSUANCE B.V. INTERIM FINANCIAL REPORT FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2008</b>	
BALANCE SHEET AS AT 30 JUNE 2008	PAGE 3
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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.

**(ii) Selected Financial Information**

**BALANCE SHEET AT JUNE 30, 2008**  
(before appropriation of the net result)

	Notes	<u>30.06.2008</u>	<u>30.06.2007</u>
		EUR	EUR
<b>ASSETS</b>			
<b>Financial fixed assets</b>			
OTC contracts	1	25,105,510,726 *)	21,507,992,543
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<b>Current assets</b>			
OTC CONTRACTS	1	14,340,855,325 *)	13,725,795,547
*)			
ACCOUNTS RECEIVABLES	2	2,740,671	1,671,914
Cash at bank	3	456,280	334,365
		<u>14,344,052,276</u>	<u>13,727,801,826</u>
<hr/>			
<b>TOTAL ASSETS</b>		<b><u>39,449,563,002</u></b>	<b><u>35,235,794,369</u></b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
Share capital issued and paid up	4	45,379	45,379
Retained earnings		175,963	124,115
Result for the year		30,589	27,098
		<u>251,931</u>	<u>196,592</u>
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<b>Long term liabilities</b>			
Issued securities	5	25,105,510,726 *)	21,507,992,543
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<b>Current liabilities</b>			
Issued securities	5	14,340,855,325 *)	13,725,795,547

Other liabilities	6	<u>2,945,020</u>	<u>1,809,687</u>
		<u>14,343,800,345</u>	<u>13,727,605,234</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>39,449,563,002</u></b>	<b><u>35,235,794,369</u></b>

\*) See the paragraph “Change on accounting policies” on page 6 of the Interim Financial Report for the 6 months period ended 30 June 2008. The comparative figures of 2007 have been restated according to the presentation of 2008.

**PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS PERIOD ENDED  
JUNE 30, 2008**

		<b>Period 1 January up to and including 30 June 2008</b>	<b>Period 1 January up to and including 30 June 2007</b>
	Notes	EUR	EUR
Net result financial instruments	7	0	0
Other income	8	357,647	322,000
<b>Operating income</b>		<u>357,647</u>	<u>322,000</u>
<b>Operating expenses</b>			
General and administrative expenses	9	(325,134)	(292,752)
Reimbursed issuing expenses	10	3,371,760	3,046,381
<i>Issuing expenses</i>	10	(3,371,760)	(3,046,381)
		<u>32,513</u>	<u>29,248</u>
<i>Operating result</i>			
<b><u>Interest income</u></b>		7,215	5,380
<b><u>Interest expenses and similar charges</u></b>		(1,491)	(350)
<b><u>Exchange gains/ (losses)</u></b>		0	0
<b>Profit before taxation</b>		38,237	34,278
<b>Corporate income tax</b>	11	(7,648)	(7,180)
<b>Profit after taxation</b>		<u><u>30,589</u></u>	<u><u>27,098</u></u>

## CASH FLOW REPORT FOR THE PERIOD ENDED JUNE 30, 2008

	<b>Period 1 January up to and including 30 June 2008</b>	<b>Period 1 January up to and including 30 June 2007</b>
	EUR	EUR
<b>Cash flow from operating activities</b>		
Issuing of securities against OTC coverage	0	0
Received reimbursed issuing expenses	2,833,697	2,408,239
Received reimbursed general expenses	216,782	253,471
Received interest & paid similar expenses	4,288	2,774
<b><u>Paid issuing expenses</u></b>	(2,925,106)	(2,656,603)
Paid general expenses	(3,748)	(227,823)
Paid corporate income tax	(11,873)	(9,542)
<b>Cash flow from operating activities</b>	114,040	(229,484)
<b>Cash flow from investment activities</b>	0	0
<b>Cash flow from other activities</b>	(50,000)	0
<b>Net cash flow</b>	64,040	(229,484)
<b><u>Exchange and translation differences on cash at bank and cash equivalents</u></b>	0	0
<b>Increase/(decrease) cash at bank and cash equivalents</b>	64,040	(229,484)

<u>Movements in cash at bank and cash equivalents</u>		
<b><u>Cash at bank and cash equivalents at January 1</u></b>	392,240	563,849
<b><u>In/(decrease) cash at bank and cash equivalents</u></b>	<u>64,040</u>	<u>(229,484)</u>
<b><u>Cash at bank and cash equivalents as at June 30</u></b>	<u><u>456,280</u></u>	<u><u>334,365</u></u>

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

### **(iii) recent developments in respect of BNP Paribas**

#### ***PRESS RELEASE***

Paris, 16 September 2008

#### **BNP Paribas' exposure to Lehman Brothers**

BNP Paribas' global exposure to the Lehman Brothers group amounts to around €400mn:

- Net derivative claims :	around €200mn
- Bank loan :	\$250mn, ie €180mn
- Letters of credit :	around €25mn
- Securities issued by the Lehman Brothers group:	negligible

The net derivative claims above take into account netting and collateral agreements when appropriate. Close-out netting process is very well advanced. Final figures may differ to some extent.