

# **BNP Paribas Capital Trust III**

Financial Statements As of June 30, 2009 (Unaudited)

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**BNP Paribas Capital Trust III**  
**Statement of Financial Condition**  
**As of June 30, 2009 (Unaudited)**

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**Assets**

Cash and due from banks	€ 1,000
Investment in Preferred Securities held to maturity	500,000,000
Accrued interest receivable	<u>22,688,356</u>
<b>Total assets</b>	<b><u>€ 522,689,356</u></b>

**Liabilities and shareholder's equity**

**Shareholder's equity**

Common stocks, stated value 1 per stock; 1,000 stocks authorized, issued and outstanding	€ 1,000
Preferred stocks	499,951,477
Retained Earnings	<u>22,736,879</u>
<b>Total shareholder's equity</b>	<b><u>522,689,356</u></b>
<b>Total liabilities and shareholder's equity</b>	<b><u>€ 522,689,356</u></b>

**BNP Paribas Capital Trust III**  
**Statement of Income**  
**For the period ended June 30, 2009 (Unaudited)**

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**Revenues**

Dividends received € 16,426,370

**Total Revenues** € 16,426,370

**Expenses**

Interest Expense -

**Total Expenses** -

**Net Income** € 16,426,370

**BNP Paribas Capital Trust III**  
**Statement of Changes in Shareholder's Equity**  
**For the period ended June 30, 2009 (Unaudited)**

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	<b>Common Stock</b>	<b>Retained Earnings</b>	<b>Total Stockholder's Equity</b>
	<hr/>	<hr/>	<hr/>
Balance, January 1, 2009	€499,952,477	€6,310,509	€506,262,986
Net income	-	16,426,370	16,426,370
Prepaid dividends	-	-	-
	<hr/>	<hr/>	<hr/>
Balance, June 30, 2009	€499,952,477	€22,736,879	€522,689,356
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**BNP Paribas Capital Trust III**  
**Statement of Cash Flows**  
**As of the period ended June 30, 2009 (Unaudited)**

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**Cash flows from operating activities:**

Dividends received from preferred stocks €16,426,370

Net cash provided by operating activities 16,426,370

**Cash flows from investing activities:**

Net cash provided by investing activities -

Net cash provided by investing activities -

**Cash flows from financing activities:**

Dividends prepaid (16,426,370)

Net cash provided by financing activities (16,426,370)

**NET INCREASE/(DECREASE) IN CASH AND DUE FROM BANKS -**

CASH - December 31, 2008 1,000

CASH - June 30, 2009 €1,000

**BNP Paribas Capital Trust III**  
**Statement of Cash Flows**  
**As of the period ended June 30, 2009 (Unaudited)**

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**1. Organization**

**General**

BNP Paribas Capital Preferred III LLC (the “Company”) is limited liability company formed on September 6, 2001 under the Delaware Limited Liability Company Act.

The Company was formed by BNP Paribas (the “Bank”), a bank incorporated with limited liability under the laws of the Republic of France, acting through its New York Branch (the “Branch”). Together with all its consolidated subsidiaries, including its branches, the Bank is engaged in a wide range of banking, financial and related activities, in France and abroad.

The limited liability company agreement was amended and restated in its entirety on October 23, 2001 (as so amended and restated, the “LLC Agreement”) to reflect among other things, the issuance by the Company of two classes of limited liability company interests: its Company Common Securities and its Company Preferred Securities (the “Securities”). The Common Securities rank junior to the Preferred Securities as to the payment of dividends.

The Company exists for the purposes of (i) issuing the Securities; (ii) acquiring and holding the Subordinated Notes issued by the Branch (or any successor Replacement Notes) (the “Subordinated Notes”); and (iii) performing functions necessary or incidental thereto.

The Bank treats the Preferred Securities as Tier 1 capital for purposes of the consolidation risk-based capital guidelines of the *Commission Bancaire*.

The Bank, acting through the Branch, holds 100% of the Common Securities, which have an initial liquidation preference of €1,000, an amount equivalent to the Bank’s initial capital contribution. The Common Securities are the only Securities that have voting rights. As a result, the Company is a wholly owned subsidiary of the Bank.

The Company further issued 500,000 Company Preferred Securities with a liquidation preference of €1,000 per security, in the aggregate amount of €500,000,000, at an issuance price of €99.575 per security and an aggregate initial fair value of €499,787,500.

**Investments**

Under the LLC Agreement, the Company may not hold or invest in any securities other than the Subordinated Notes or other subordinated debt instruments (Replacement Notes) that are issued by any branch of the Bank. The Company has applied the proceeds from the issuance of the Preferred Securities to acquire the Subordinated Notes. The Company is prohibited by the LLC Agreement from selling the Subordinated Notes and incurring any indebtedness for borrowed money. The Subordinated Notes are undated, unsecured and subordinated obligations of the Bank, acting through the Branch, and will rank *pari passu* with any other unsecured subordinated obligations of the Bank with the exception of any *prêts participatifs* granted to the Bank or any *titres participatifs* issued by the Bank, which rank junior to the Subordinated Notes.

Interest on the Subordinated Notes will be payable on a non-cumulative basis (i) from the Issue Date to and including October 23, 2011, annually in arrears on October 23 of each year, commencing on October 23, 2002, at a fixed rate per annum on the principal amount outstanding equal to 6.625% (calculated on an Actual/Actual Basis) and (ii) thereafter, quarterly in arrears on each January 23, April 23, July 23 and October 23 of each year (or if any such date is not a Business Day, the next Business Day), commencing January 23, 2012 at a variable rate per annum on the liquidation preference equal to 2.60% above EURIBOR (Euro Inter-bank Offered Rate for three-month euro deposits) (calculated on an Actual/360 Basis).

**BNP Paribas Capital Trust III**  
**Statement of Cash Flows**  
**As of the period ended June 30, 2009 (Unaudited)**

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The Subordinated Notes will be redeemable at the option of the Bank (i) on the Interest Payment Date on October 23, 2011 or any Interest Payment Date thereafter, in whole or in part and (ii) prior to the Interest Payment Date on October 23, 2011, in whole but not in part, if (a) a Tax Event, an Investment Company Act Event or a Capital Disqualification Event occurs or (b) in the event the Branch's United States interest expense deduction attributable to the Branch's investment proceeds of the Subordinated Notes or Replacement Notes will be reduced or is not currently usable, in each case at a redemption price equal to the higher of (x) the redemption price that would otherwise apply as calculated pursuant to clause (i) above, and (y) a "Subordinated Notes Make Whole Amount" (calculated in substantially the same manner as the Make Whole Amount with respect to the Company Preferred Securities), provided that the Subordinated Notes that is not accompanied by a redemption of the Company Preferred Securities. Any redemption of the Subordinated Notes is subject to compliance with applicable regulatory requirements, including the prior approval of the *Secrétariat général de la Commission Bancaire* under applicable guidelines or policies of the *Commission Bancaire*.

**Company Preferred Securities**

In general, dividends on the Company Preferred Securities will be passed through by the Trust as distributions on the Trust Preferred Securities upon (and subject to) their receipt by the Trust. Dividends on the Company Preferred securities will be payable when declared by the Board of Directors of the Company, on a non-cumulative basis (i) from the Issue Date to and including October 23, 2011, annually in arrears on October 23 of each year (or if any such date is not a Business Day, the next Business Day), commencing on October 23, 2002, at a fixed rate per annum on the principal amount outstanding equal to 6.625% (calculated on an Actual/Actual Basis) and (ii) thereafter, quarterly in arrears on each January 23, April 23, July 23 and October 23 of each year, commencing January 23, 2012 at a variable rate per annum on the liquidation preference equal to 2.60% above EURIBOR (Euro Inter-bank Offered Rate for three-month euro deposits) (calculated on an Actual/360 Basis).

**The Trust**

Concurrent with the formation of the Company, the Bank has created a Delaware statutory business trust, BNP Paribas Capital Trust III (the "Trust"). The Trust has offered 500,000 Trust Preferred Securities only outside the United States within the meaning of Regulation S under the Securities Act. The 500,000 Trust Preferred Securities have an aggregate liquidation preference of €500,000,000, and a liquidation preference of €1,000 per Trust Preferred Security. The Trust Preferred Securities were issued at €99.575 per security for an aggregate initial fair value of €499,787,500. The Trust has invested the proceeds of the Trust Preferred Securities in the Company's Preferred Securities in the amount of €499,787,500.

The Trust Preferred Securities are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V.

The Company has been included in the consolidated financial statements of the Bank under French GAAP. The Bank, as the sole holder of the common shares of the Company, controls this company individually. As such, the Company is not consolidated under U.S. generally accepted accounting principles.



**Redemption – Liquidation distribution upon dissolution**

The Company Preferred Securities are not redeemable at the option of the holders at any time and are not redeemable at the option of the Company prior to the Dividend Payment Date scheduled to occur on October 23, 2011, except in whole upon the occurrence of a Tax Event, an Investment Company Act Event or a Capital Disqualification Event (any redemption of the Company Preferred Securities is subject to prior approval of the *Commission Bancaire*).

Any redemption of the Company Preferred Securities is subject to the Company having given no less than 30 and no more than 60 days' notice of its intent to redeem the Company Preferred Securities to the Security holders.

Upon any redemption of the LLC Company Preferred Securities, the proceeds from such repayment shall simultaneously be applied to redeem a corresponding aggregate liquidation preference of the Trust Securities.

In the event of any voluntary or involuntary liquidation of the Company that is not concurrent with the liquidation of the Bank, after all debts and liabilities of the Company have been satisfied, if any, the holders of the Company Preferred Securities will be entitled to receive out of assets of the Company available for distribution in liquidation, before any liquidation distribution is made on the Company Common Securities, liquidation distributions equal to the Liquidation Claim Amount as defined in the LLC Agreement.

As defined in the LLC Agreement, there are other specific events that could result in the liquidation of the Company.

**Support Agreement**

The Bank and the Company entered into a Support Agreement on October 23, 2001, under which the Bank will agree to contribute (or cause to be contributed) to the Company any necessary additional funds (after payment of all Company expenses and taxes) to enable the Company (i) to pay any dividends on the Company Preferred Securities that are due and payable on any Mandatory Dividend Payment Date and (ii) to pay the redemption price on the Company Preferred Securities on any duly notified redemption date.

**2. Summary of Significant Accounting Policies**

**Basis of presentation**

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expense and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

The policies, which are followed by the Company to determine its financial position, results of operations and cash flows, are summarized below.

**BNP Paribas Capital Trust III**  
**Statement of Cash Flows**  
**As of the period ended June 30, 2009 (Unaudited)**

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**Cash and cash equivalents**

For the purpose of reporting cash flows, cash and cash equivalents are comprised of cash and amounts due from banks and other financial institutions with an original maturity of 90 days or less.

**Investments**

The Company's sole investment is in the Subordinated Notes issued by the Bank, acting through the Branch. Dividends on the Subordinated Notes will accrue from the Issue Date, October 23, 2001, and will be payable on a non-cumulative basis (i) from the Issue Date to and including October 23, 2011, annually in arrears on October 23 of each year (or if any such date is not a Business Day, the next Business Day), commencing on October 23, 2002, at a fixed rate per annum on the principal amount outstanding equal to 6.625% (calculated on an Actual/Actual Basis) and (ii) thereafter, quarterly in arrears on each January 23, April 23, July 23 and October 23 of each year, commencing January 23, 2012 at a variable rate per annum on the liquidation preference equal to 2.60% above EURIBOR (Euro Inter-bank Offered Rate for three-month euro deposits) (calculated on an Actual/360 Basis).

The Company invested €499,787,500 in principal on October 23, 2001 with a liquidation preference of €1,000 per security, in the aggregate amount of €500,000,000, and has recorded €2,688,356 in accrued interest up to June 30, 2009.

These securities are classified as held-to-maturity securities and are carried at amortized cost. The Company has the positive intent and ability to hold these securities to maturity.

Amortization of premiums and accretion of discounts are reported in interest income, using a method which results in a level yield over the estimated life of the security.

**Securities issued by the Company**

The Company Preferred Securities are classified as long-term debt as they have the characteristics of debt instruments rather than equity instruments. Accordingly, dividends accrued on the Company Preferred Securities are charged to interest expense.

The Company Preferred Securities were issued at €99.575 per security for an aggregate initial fair value of €499,787,500 and have an aggregate liquidation preference of €500,000,000, with a liquidation preference of €1,000 per Company Preferred Security. The Company has invested the proceeds of the Company Preferred Securities in the Subordinated Notes in the amount of €499,787,500.

The Company Common Securities represent the ownership rights in the Company and are classified as equity.

**Income taxes**

Assuming full compliance with the terms of the LLC Agreement, the Company will not be taxable as a corporation and will not itself be subject to United States federal income tax. The Bank intends to treat the Company as a partnership for United States federal income tax purposes.

Accordingly, the Company has made no provision for income taxes in the accompanying statement of income.

**3. Dividends**

As of June 30, 2009, the Company had not declared dividends on the Company Preferred Securities or on the Company Common Securities.

**4. Supplemental Disclosure of Cash Flow Information**

The Company has not paid any cash for interest or income taxes as of June 30, 2009. The Company has not received any interest on its securities for the six-months period ended June 30, 2009.

**5. Investment**

The Company invested €499,787,500 in principal in the Subordinated Notes on October 23, 2001 with a liquidation preference of €1,000 per security, in aggregate amount of €500,000,000, and has recorded €16,426,370 in dividends received at June 30, 2009.

**6. Disclosure about the Fair Value of Financial Instruments**

SFAS No. 107, "Disclosures about Fair Value of Financial Instruments", requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regards, the derived fair value estimates possibly may not be substituted in comparison with other financial institutions and, in any cases, could not be realized in immediate settlement of the instruments. The Company's assumption about the fair value of financial statements are based on estimates of market conditions at the balance sheet date and do not reflect changes in those conditions subsequent to that date. SFAS No. 107 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value of the Company and the fair value amount presented does not purport to represent the underlying fair value of the Company.

**7. Related-Party Transactions**

The Company has invested the proceeds from the issuance of its Preferred Securities in eligible investments, issued by the Bank (acting through the Branch), a related party. Terms and conditions on those investments may not necessarily be similar to those of alternative investment securities issued by unaffiliated entities.

On October 23, 2001, the Company has entered into an administration agreement with the Branch (the "Administration Agreement"). Under the Administration Agreement, the Branch is obligated, among other things, to provide legal, accounting, tax and other general support services, to maintain compliance with all pertinent U.S. and French local, state and federal laws, and to provide necessary administrative, record-keeping and secretarial services for the Company. As holder of the Common Securities, the Branch will pay all the fees and expenses of the Company. The Administration Agreement may not be terminated so long as any of the Trust Preferred Securities remain outstanding. Therefore, the Company's financial condition and results of operations may not necessarily be indicative of those which would have resulted if the Company had been operated as an unaffiliated company.

**8. Recent Accounting Developments**

In February 2008, the FASB issued FSP SFAS No. 140-3, "Accounting for Transfers of Financial Assets and Repurchase Financing Transaction" ("FSP SFAS 140-3"). FSP SFAS 140-3 requires an initial transfer of a financial asset and a repurchase financing that was entered into contemporaneously or in contemplation of the initial transfer to be evaluated as a linked transaction under FASB Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", unless certain criteria are met, including that the transferred asset must be readily obtainable in the marketplace. FSP SFAS 140-3 is effective for fiscal years beginning after November 15, 2008, and will be applied to new transactions entered into after the date of adoption. Early adoption is prohibited. For the Company FSP SFAS 140-3 became effective January 1, 2009 there was no impact on the Statement of Financial Condition.

In May 2009, the FASB issued Statement No. 165 ("FASB 165") "Subsequent Events". This Statement establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this Statement sets forth: (1) the period after the balance sheet date during which management of a reporting entity should evaluate events and transactions that may occur for potential recognition or disclosure in the financial statements; (2) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements; and (3) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. This Statement is effective for interim or annual financial periods ending after June 15, 2009. The adoption of this Statement had no impact on the Statement of Financial Condition.

In June 2009, FASB issued Statement No. 166 ("FASB 166") "Accounting for Transfers of Financial Assets – an amendment of FASB Statement No. 140". This Statement improves the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and the transferor's continued involvement, if any, in the transferred financial assets. Additionally, the concept of qualifying special purpose entity is no longer relevant upon adoption. This Statement must be applied as of the beginning of the Company's first annual reporting period that begins after November 15, 2009. For the Company the effective date of this Statement is January 1, 2010. Early adoption is prohibited. There was no impact on the Statement of Financial Condition

In July 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162" ("SFAS No. 168"). SFAS No. 168 establishes the FASB Accounting Standards Codification ("Codification") to become the source of authoritative U.S. generally accepted accounting principles ("U.S. GAAP") recognized by the FASB to be applied by nongovernmental entities. All existing accounting standard documents are superseded. All other accounting literature not included in the Codification will be considered non-authoritative. The Codification does not change current GAAP. SFAS No. 168 and the Codification are effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company does not expect the adoption to have a material impact on the Company's statement of financial condition.

**Certification of Director and Treasurer**

I, Sady Karet, certify that:

1. I have reviewed this semi-annual report of Capital Trust III, LLC as of June 30, 2009;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

Date: October 21, 2011

Title: Director and Treasurer

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Sady Karet

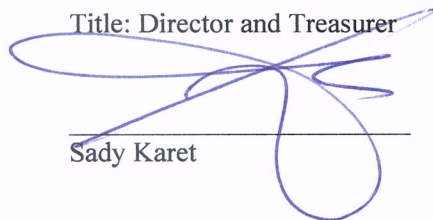
Mr. Sady Karet  
Capital Trust IV, LLC  
C/o BNP Paribas  
787 Seventh Avenue, New York, NY, 10019  
Phone: (212) 841-2287  
Fax: (212) 841-2992

**Certification of Director and Treasurer**

I, Sady Karet, certify that:

1. I have reviewed this semi-annual report of Capital Trust III, LLC as of June 30, 2009;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

Date: October 21, 2011

Title: Director and Treasurer  
  
\_\_\_\_\_  
Sady Karet

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