Interim Financial Report

at June 30, 2010

BNP Paribas Arbitrage Issuance B.V.

Reguliersdwarsstraat 90
1017 BN Amsterdam, the Netherlands
Chamber of Commerce Amsterdam No. 33215278

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Managing Director's report

Description and principal activity of the Company

BNP Paribas Arbitrage Issuance B.V. ("the Company") was incorporated on November 10, 1989 under the laws of the Netherlands.

The principal objectives of the Company are to issue and acquire financial instruments of any nature and to enter into related agreements for account of various entities of the BNP Paribas Group.

Audit committee

The Company qualifies as an organisation of public interest pursuant Dutch and EU law. By making use of the exemption for groups the Company did not install an audit committee. The Company belongs to the BNP Paribas group. BNP Paribas S.A. has an audit committee that complies with international corporate governance rules.

Operating result

The net profit for the period decreased in line to EUR 13,282 (the six months' period ended June 30, 2009 profit EUR 17,519).

Liquidity and shareholder's equity

No significant changes to liquidity resources occurred and equity increased with the result for the period. Liquidity and capital resources are considered sufficient given the size and nature of the company.

Risks and uncertainties

Due to its activities the Company is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, currency exchange rates and interest rates. However, all issued securities are hedged by OTC option and swap agreements with BNP Paribas entities and therefore these risks are completely mitigated.

Market risk

The Company takes on exposure to market risks arising from positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. However, the risks are mitigated by the above mentioned OTC contracts.

Credit risk

The Company has significant concentration of credit risks as all OTC contracts are acquired from its parent company and other group companies. Taking into consideration the objective and activities of the Company and the fact that the BNP Paribas group is a high credit quality financial institution under supervision of the French central bank, management considers these risks as acceptable.

Liquidity risk
The Company has significant liquidity risk exposure. To mitigate this exposure, the Company entered into netting agreements with its parent company and other group companies.

Future outlook
There are no significant subsequent events to report.
It is not expected that the activities of the Company will increase in 2010.

Amsterdam, 23 August 2010.
The Managing Director,

Signed by
BNP Paribas Trust B.V.

BALANCE SHEET AT JUNE 30, 2010
(before appropriation of the net result)

	Notes	**30.06.2010** EUR	31.12.2009 EUR
ASSETS			
Financial fixed assets			
OTC contracts	1	21,690,481,583	21,208,098,597
Current assets			
OTC contracts	1	10,666,847,040	10,172,402,984
Accounts receivable - group		1,228,165	1,172,364
Accounts receivable - non group		38,659	0
Cash at bank		28,227	144,917
		10,668,142,091	10,173,720,265
TOTAL ASSETS		**32,358,623,674**	**31,381,818,862**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's equity	2		
Share capital issued and paid up		45,379	45,379
Retained earnings		271,734	234,781
Result for the period		13,282	36,953
		330,395	317,113
Long term liabilities			
Issued securities	3	21,690,481,583	21,208,098,597
Current liabilities			
Issued securities	3	10,666,847,040	10,172,402,984
Other liabilities – group		406,544	503,609
Other liabilities – non group		558,112	496,559
		10,667,811,696	10,173,403,152
TOTAL EQUITY AND LIABILITIES		**32,358,623,674**	**31,381,818,862**

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED JUNE 30, 2010

	Notes	**Period 1 January up to and including June 30, 2010**	Period 1 January up to and including June 30, 2009
		EUR	EUR
Net result financial instruments	4	0	0
Other income	5	192,493	252,601
Operating income		192,493	252,601
Operating expenses			
General and administrative expenses		(174,994)	(229,627)
Operating result		17,499	22,974
Interest income		0	227
Interest expenses and similar charges		(897)	(1,224)
Exchange gains/ (losses)		0	(78)
Profit before taxation		16,602	21,899
Corporate income tax	6	(3,320)	(4,380)
Profit after taxation		**13,282**	17,519

CASH FLOW REPORT FOR THE PERIOD ENDED JUNE 30, 2010

	Period 1 January up to and including June 30, 2010	Period 1 January up to and including June 30, 2009
	EUR	EUR
Cash flow from operating activities		
Issuing of securities against OTC coverage	0	0
Received reimbursed issuing expenses	1,976,878	1,870,775
Received reimbursed general expenses	252,318	661,506
Received interest & paid similar expenses	(821)	594
Paid issuing expenses	(2,102,724)	(2,794,541)
Paid general expenses	(203,772)	(253,642)
Paid corporate income tax	(38,569)	(12,143)
Cash flow from operating activities	(116,689)	(527,451)
Cash flow from financing activities	0	250,000
Decrease cash at bank	(116,689)	(277,451)
Movements in cash at bank		
Cash at bank at January 1	144,917	298,857
Decrease cash at bank	(116,689)	(277,451)
Cash at bank	28,227	21,406

NOTES TO THE FINANCIAL STATEMENTS

GENERAL

BNP Paribas Arbitrage Issuance B.V. (the Company), having its registered address at Reguliersdwarsstraat 90, Amsterdam, was incorporated under the law of the Netherlands on November 10, 1989 as a private limited liability company.

The principal objectives of the Company are to issue securities, such as warrants, certificates, private placements, notes, to enter into related OTC agreements and to issue and acquire financial instruments of any nature.

All outstanding shares of the Company are owned by BNP Paribas S.A., Paris, France, which company consolidates the figures of the Company. The annual reports of BNP Paribas S.A. can be found on the website www.bnpparibas.com.

SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation
The interim financial report of the Company are prepared in accordance with accounting principles generally accepted in the Netherlands and in conformity with Title 9, Book 2 of the Netherlands Civil Code. All amounts are stated in euros, the reporting currency, unless stated otherwise.

The accounting principles of the Company are summarised below. These accounting principles have all been applied consistently throughout the financial year and the preceding year unless indicated otherwise.

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

Financial instruments
Financial instruments include accounts receivable and accounts payable, cash at bank and cash equivalents, issued securities and acquired OTC contracts. Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Valuation of assets and liabilities
The issued securities such as warrants, certificates and notes and the related OTC contracts having the same characteristics are stated at fair value.
Other assets and liabilities are stated at nominal value.

Method of determining fair value of issued securities and related OTC contracts
Fair value is determined on the basis of quoted prices in an active market; or using valuation techniques involving mathematical calculation methods based on accepted financial theories, and parameters derived in some cases from the prices of instruments traded in active markets, and in others from statistical estimates or other quantitative methods. The distinction between the two valuation methods is made according to whether or not the instrument is traded in an active market. Whether or not a market is active is determined on the basis of a variety of factors. Characteristics of an inactive market include a significant decline in the volume and level of trading activity in identical or similar instruments, the available prices vary significantly over time or among market participants or observed transaction prices are not current.

At determining fair values the three categories of financial instruments are distinguished based on the characteristics of the instrument and the measurement method used:
Category 1: financial instruments quoted on an active market;
Category 2: financial instruments measured using valuation models based on observable parameters;
Category 3: financial instruments measured using valuation models based wholly or partly on non-observable parameters. A non-observable parameter is defined as a parameter whose value results from assumptions or correlations which are not based on observable current market transactions in the same instrument at the valuation date, or on observable market data at that date.

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

Recognition of income and expenses
Other income and general and administrative expenses are taken in the year to which they relate. Profits are recognised in the year they are realised; losses are taken as soon as they are foreseeable.

If securities are exercised against the Company, the Company fulfils its obligation by exercising the related OTC contracts with entities of the BNP Paribas group as the case may be. Issued securities and related OTC contracts are released simultaneously. Issued securities not exercised at maturity and the related OTC contracts are released without any further future obligation for the Company.

Foreign currencies
Balance sheet items relating to assets and liabilities denominated in currencies other than the euro are translated at the rate of exchange prevailing on balance sheet date in principle as given by the European Central Bank. The resulting exchange rate differences are credited or charged to the profit and loss account. Transactions in foreign currencies during the reporting period have been incorporated at the rate of settlement.

Corporate income tax
Tax on result is calculated by applying the rates for the financial year to the result in the profit and loss account.

FINANCIAL RISK MANAGEMENT

Due to its activities the Company is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, currency exchange rates and interest rates. However, all issued securities are hedged by OTC option and swap agreements with BNP Paribas entities and therefore these risks are completely mitigated.

Market risk
The Company takes on exposure to market risks arising from positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. However, the risks are mitigated by the above mentioned OTC contracts.

Credit risk
The Company has a significant concentration of credit risks as all OTC contracts are acquired from its parent company and other group companies. Taking into consideration the objective and activities of the Company and the fact that BNP Paribas S.A. is a high credit quality financial institution under supervision of the French central bank, management considers these risks as acceptable.

Liquidity risk
The Company has significant liquidity risk exposure. To mitigate this exposure, the Company entered into netting agreements with its parent company and other group companies.

RELATED PARTY TRANSACTIONS

The Company has entered into various agreements with its parent company and other group companies relating to the issuing of financial instruments, the hedging of the related exposures and the reimbursement of costs. These agreements are at arms-length and have as objective to limit cash flow, credit and market risks.

PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement is prepared according to the direct method and consists of cash only. Corporate income tax is presented under operating expenses and interest is taken into account under financing activities.

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”.

NOTES TO THE BALANCE SHEET

1. OTC contracts
For all issued securities OTC contracts with BNP Paribas group companies are agreed having the same characteristics as the issued securities. This means that the underlying quantity, issue price, strike, parity, maturity and quoted price for exercise are identical. Refer to note 3 for the details of the issued securities and hence the OTC contracts.

2. Shareholder's equity
Share capital:
The Company's authorised share capital amounts to EUR 225,000 (225,000 common shares of EUR 1 each), of which 45,379 shares are issued and fully paid-up.
During the financial year under review, there have been no changes in the authorised, issued or paid in capital.

Retained earnings:
The movement is as follows:

	EUR	EUR
	2010	2009
Opening balance	234,781	175,963
Appropriation result previous year	36,953	58,818
Closing balance 30.06	271,734	234,781

3. Issued securities
The Company establishes securities programmes and issues securities such as warrants, notes and certificates exercisable pursuant to the terms and conditions of such securities programmes. Entities of the BNP Paribas group have agreed to purchase the securities at the same time. The entities of the BNP Paribas group distribute the securities to third parties. BNP Paribas S.A. acts as guarantor for the securities programmes towards the third parties.

Specification of the outstanding issued securities and related OTC contracts at balance sheet date:

	Market value	**Nominal value**	**Underlying contract volume**
	EUR	EUR	EUR
- Up to 1 year	10,666,847,040	12,908,685,988	48,743,048,446
- From 1- 5 years	17,671,599,682	20,724,183,896	44,672,234,302
- Exceeding 5 years	4,018,881,901	4,487,950,194	7,745,855,709
Total as per June 30, 2010	32,357,328,623	38,120,820,078	101,161,138,457
Total as per December 31, 2009	31,380,501,581	35,598,132,699	103,793,385,155

Represented in the balance sheet as per June 30, 2010 as follows:

	EUR
- under financial fixed assets and long term liabilities	21,690,481,583
- under current assets and current liabilities	10,666,847,040
	32,357,328,623

When issued, securities are publicly offered or privately placed. Sometimes privately placed securities are listed for the secondary market. Listed securities are listed on stock exchanges in and outside the European Union; the related OTC contracts are not listed.

The premiums of the issued securities and the cost of the related OTC contracts are denominated in different currencies. Moreover, the underlying contracts of the securities have their own currency denominations, which are often based on a basket of currencies. The net effect of the currency risk is nil though, as this risk is completely hedged. The currency risk is not specified, as this information is not readily available and can only be obtained at unreasonable high cost.

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

NOTES TO THE PROFIT & LOSS ACCOUNT

4. Net result financial instruments
The net result financial instruments includes capital gains and losses, currency results, interest income and expense and changes in fair value on the issued securities and related OTC contracts. As the Company enters into an OTC option or swap agreement with a BNP Paribas group company at each issue of securities at exactly the same terms and conditions of the issued security, there is a complete hedge of the economic risk of the Company. Therefore, the net result on the financial instruments equals zero and is recorded on a net basis.

5. Other income
Other income concerns general and administrative expenses of the Company increased with an up-count of 10%, based on a cost plus agreement concluded for an indefinite period of time. These costs have been or will be invoiced to BNP Paribas group companies.

6. Corporate income tax
The corporate income tax is the estimated charge for the period. The rates for the financial year 2009 are 20 and 25.5%. The effective rate for the period is 20%.

Issuing expenses and remunerations
Issuing expenses are all expenses related to the issuing of the securities for account of the Company and are reimbursed by BNP Paribas group companies, if charged to the Company.

The sole director of the Company has charged a management fee of EUR 26,080 over the reporting period (the six months' period ended June 30, 2009 EUR 25,805).

The fee for the audit of the financial statements charged by Deloitte Accountants B.V. amounts to EUR 24,500 per annum (2009: EUR 23,000).

Employees
The Company employs no personnel.

Amsterdam, 23 August 2010

The Managing Director,

Signed by
BNP Paribas Trust B.V.

OTHER INFORMATION

STATUTORY ARRANGEMENTS CONCERNING THE APPROPRIATION OF PROFITS

In accordance with article 20 of the articles of association of the Company profits are at the disposal of the general meeting of shareholders.
No dividends can be declared if the shareholder's equity is less than the total of the paid in capital and the legal reserves.

APPROPRIATION OF THE RESULT FOR THE YEAR 2009

The profit of the year 2009 has been added to the retained earnings.

SUBSEQUENT EVENTS

There are no significant subsequent events to report.

REVIEW

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

OFFICERS' STATEMENT

To the best of our knowledge we declare that:
1. the interim financial report at June 30, 2010 gives a fair view of the assets, the financial position and the profit of the Company; and
2. the interim financial report at June 30, 2010 gives a fair view of the Company's condition on the balance sheet date, the development of the Company during the financial year and all material risks to which the Company is exposed.

Amsterdam, 23 August 2010

Signed by

H.E. Sijsling	C. Toelaram
Director	Administrator
BNP Paribas Trust B.V.	

Deloitte.

Deloitte Accountants B.V.
Orlyplein 10
1043 DP Amsterdam
P.O.Box 58110
1040 HC Amsterdam
Netherlands

Tel: +31 (0)88 288 2888
Fax: +31 (0)88 288 9739
www.deloitte.nl

To the Shareholders of
BNP Paribas Arbitrage Issuance B.V.
Amsterdam

Date
August 23, 2010

Reference
3100261793/OP9996/mvb

Auditor's report

Introduction

We have reviewed the accompanying interim financial information for the six months period ended June 30, 2010, of BNP Paribas Arbitrage Issuance B.V., Amsterdam, which comprises the balance sheet as at June 30, 2010, the profit and loss account, and the notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the Dutch Guideline for Annual Reporting 394, Interim Reports. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce and Industry in Rotterdam number 24362853.

Member of
Deloitte Touche Tohmatsu

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at June 30, 2010 is not prepared, in all material respects, in accordance with the Dutch Guideline for Annual Reporting 394, Interim Reports.

Deloitte Accountants B.V.

Already signed: R.J.M. Maarschalk