



This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Rules”) for the purpose of giving information with regard to the Issuer and the Guarantor. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in the Listing Documents (as defined below) and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Listing Documents misleading. This document is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the CBBCs described below. Hong Kong Exchanges and Clearing Limited (“HKEx”), The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

**Investors are warned that the price of the CBBCs may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the CBBCs and carefully study the risk factors set out in this document and, where necessary, seek professional advice, before they invest in the CBBCs.**

The CBBCs constitute general unsecured contractual obligations of the Issuer and of no other person and if you purchase the CBBCs, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the CBBCs against any trustee or manager of the Trust.

**Supplemental Listing Document for Callable Bull/Bear Contracts (“CBBCs”) issued by**

**BNP PARIBAS ARBITRAGE ISSUANCE B.V. (“Issuer”)**

*(incorporated in The Netherlands with its statutory seat in Amsterdam)*

**unconditionally and irrevocably guaranteed by**

**BNP PARIBAS (“Guarantor”)**

*(incorporated in France)*

**Sponsor**

**BNP Paribas Securities (Asia) Limited**

**Key terms**

CBBCs	Series 1	Series 2	Series 3
Stock code	60468	60469	60470
Issue size	200,000,000 CBBCs	200,000,000 CBBCs	200,000,000 CBBCs
Style/ Category (for all series)	European style cash settled category R		
Type	Bear	Bull	Bull
Trust	iShares FTSE A50 China Index ETF <sup>A</sup>	iShares FTSE A50 China Index ETF <sup>A</sup>	iShares FTSE A50 China Index ETF <sup>A</sup>
Units	Existing issued ordinary units of the Trust	Existing issued ordinary units of the Trust	Existing issued ordinary units of the Trust
Board Lot	1,000 CBBCs	1,000 CBBCs	1,000 CBBCs
Issue Price per CBBC (HK\$)	0.25	0.25	0.25
Funding Cost as of the Launch Date <sup>#</sup>	11.97% p.a.	16.27% p.a.	13.49% p.a.
Strike Price (HK\$)	12.60	10.50	10.20
Call Price (HK\$)	12.30	10.80	10.50
Cash Settlement Amount per Exercise Amount (if any) payable at expiry	Subject to no occurrence of a Mandatory Call Event (see the section “Overview of CBBCs” in this document for further details), you will receive a Cash Settlement Amount (if positive) calculated as follows for each Exercise Amount: <i>For callable bull contracts:</i> Entitlement x (Closing Price - Strike Price) - Exercise Expenses (if any) <i>For callable bear contracts:</i> Entitlement x (Strike Price - Closing Price) - Exercise Expenses (if any)		
Closing Price (for all series)	The official closing price of the Unit (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments (as determined by us in accordance with the Conditions) to such closing prices as may be necessary to reflect any rights issue, bonus issue, subdivision, merger, consolidation, cash distribution or the like) on the Valuation Date.		
Exercise Amount	Ten CBBCs	Ten CBBCs	Ten CBBCs
Entitlement	One Unit	One Unit	One Unit
Maximum number of Units to which the CBBCs relate	20,000,000	20,000,000	20,000,000
Launch Date	3 February 2012	3 February 2012	3 February 2012
Issue Date	9 February 2012	9 February 2012	9 February 2012
Listing date* (“Dealing Commencement Date”)	10 February 2012	10 February 2012	10 February 2012
Observation Commencement Date for Mandatory Call Event	10 February 2012	10 February 2012	10 February 2012
Expiry Date*	28 December 2012	28 December 2012	28 December 2012
Valuation Date (for all series)	The Trading Day (being a day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions) immediately preceding the Expiry Date, subject to potential postponement for Market Disruption Event.		

<sup>A</sup> The name of the Trust is included here for identification purposes only. “iShares” is a trademark of BlackRock Institutional Trust Company, N.A. (“BIT”). “FTSE” is a trade mark jointly owned by the London Stock Exchange PLC (“LSE”) and The Financial Times Limited (“FTL”). The CBBCs are not sponsored, endorsed, sold or promoted by BIT, LSE or FTL. BIT, LSE and FTL make no representations or warranties with respect to the CBBCs or this document.

<sup>#</sup> Funding cost: for series 1: HIBOR 6 months + 11.37% p.a., for series 2: HIBOR 6 months + 15.67% p.a., and for series 3: HIBOR 6 months + 12.89% p.a..

\* If such date is not a Business Day, the immediately succeeding Business Day. “Business Day” means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong.

You must read the above together with our base listing document dated 29 March 2011 (the “Base Listing Document”) (as supplemented by an addendum dated 9 September 2011 (the “Addendum”)), in particular, the risk factors highlighted in the section headed “Risk Factors” and the sections headed “General Conditions of Structured Products” (the “General Conditions”) and “Product Conditions of Cash Settled Callable Bull/Bear Contracts over Single Unit Trust” (the “Product Conditions”) set out in Appendix 1 and Part C of Appendix 3 of the Base Listing Document respectively (collectively, the “Conditions”).

## IMPORTANT INFORMATION

**The CBBCs are structured products which involve derivatives. You should study carefully the risk factors set out in this document and the Listing Documents. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.**

### What is this document about?

This document is for information purposes only and does not constitute an offer, an advertisement or invitation to the public to subscribe for or to acquire the CBBCs.

It is possible that there may have been dealings in the CBBCs since the Launch Date.

### What documents should you read before investing in the CBBCs?

You must read this document together with our Base Listing Document (as supplemented by the Addendum and any addenda to be issued from time to time) (together, the “**Listing Documents**”). The Listing Documents are accurate as at the date of this document. You should carefully study the risk factors set out in the Listing Documents.

### What are the Guarantor’s credit ratings?

Our obligations in relation to the CBBCs will be unconditionally and irrevocably guaranteed by the Guarantor. The Guarantor’s long term debt ratings are:

<i>Rating agency</i>	<i>Rating as of the Launch Date</i>
Moody’s Investors Service, Inc.	Aa3
Standard & Poor’s Ratings Group	AA-
Fitch Ratings	A+

Rating agencies usually receive a fee from the entities that they rate. When evaluating the Guarantor’s creditworthiness, you should not solely rely on the Guarantor’s credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the CBBCs;
- credit ratings of the Guarantor may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence; and
- a high credit rating is not necessarily indicative of low risk. The Guarantor’s credit ratings as of the launch date are for reference only and may be subject to change thereafter. You may visit [www.bnpparibas.com](http://www.bnpparibas.com) to obtain information about the credit ratings of the Guarantor. Any downgrading of the Guarantor’s credit ratings could result in a reduction in the value of the CBBCs.

### The CBBCs are not rated.

### Are we regulated by any bodies referred to in Rule 15A.13(2) or (3) of the Listing Rules?

We are not regulated by any of the bodies referred to in Rule 15A.13(2) or (3) of the Listing Rules. The Guarantor is regulated by the Hong Kong Monetary Authority. The Guarantor is also regulated by Comité des Etablissements de Crédit et des Entreprises d’Investissement.

### Are we subject to any litigation?

Save as disclosed in the Listing Documents, we, the Guarantor and our respective subsidiaries are not aware of any litigation or claims of material importance pending or threatened against any of us.

### Authorisation for the CBBCs

The issue of the CBBCs was authorised by our board of directors on 11 May 2011.

### Unsecured nature of the CBBCs

The CBBCs constitute our general, unsecured and contractual obligations and of no other person, and the guarantee executed by the Guarantor dated as of 29 March 2011 in respect of the CBBCs constitutes the general, unsecured and contractual obligations of the Guarantor and of no other person. The CBBCs will rank equally among themselves and with all our other unsecured obligations and all other unsecured obligations of the Guarantor (save for those obligations preferred by law) upon liquidation. If you purchase the CBBCs, you are relying upon our creditworthiness and the creditworthiness of the Guarantor and have no rights under the CBBCs against any trustee or manager of the Trust.

### Has our financial position changed since last financial year-end?

Save as disclosed in the Listing Documents, there has been no material adverse change in the financial or trading position of us or the Guarantor since 31 December 2010.

### Do I need to pay any transaction cost?

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.003 per cent. in respect of each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the CBBCs. You do not need to pay any stamp duty in respect of the CBBCs. The levy for the investor compensation fund is currently suspended.

### Where can I inspect the relevant documents?

The following documents are available for inspection during usual business hours on any weekday (except public holidays) until the Expiry Date at the office of Mallesons Stephen Jaques at 13/F, Gloucester Tower, The Landmark, 15 Queen’s Road Central, Central, Hong Kong:

- our latest audited financial statements and any interim or quarterly financial statements and the latest audited financial statements and any interim or quarterly financial statements of the Guarantor;
- consent letters of the Auditors;
- each of the Listing Documents (in separate English and Chinese versions);
- the instrument executed by us on 3 May 2006; and
- the Guarantee executed by the Guarantor dated as of 29 March 2011.

The Listing Documents are also available on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk).

各上市文件亦可於聯交所網站 [www.hkex.com.hk](http://www.hkex.com.hk) 瀏覽。

### Have the auditors consented to the inclusion of their reports to the Listing Documents?

As at the date of this document, our auditors and the Guarantor’s auditors (collectively “**Auditors**”) have given and have not withdrawn their written consents to the inclusion of their respective reports dated 14 March 2011 and 7 March 2011 in the Base Listing Document, in the form and context in which they are included. Their reports were not prepared for incorporation into the Base Listing Document.

The Auditors do not hold the Guarantor’s shares or shares in its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the Guarantor’s securities or securities of any of its subsidiaries.

### Selling restriction

The CBBCs have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act).

The offer or transfer of the CBBCs is also subject to the selling restrictions specified in our Base Listing Document.

### Capitalised terms and inconsistency

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the Conditions. Terms used in this document apply to each series of the CBBCs described on the cover page. If this document is inconsistent with our Base Listing Document (as supplemented by any addenda to be issued from time to time), this document prevails.

### Additional information about us and/or the Guarantor

You may visit [www.bnpparibas.com](http://www.bnpparibas.com) to obtain information about us and/or the Guarantor. You must read the Addendum and the section headed “Additional Information on us and/or the Guarantor” which contain further information on us and/or the Guarantor after the date of our Base Listing Document. The information set out in the Addendum and the section headed “Additional Information on us and/or the Guarantor” supplements the information set out in our Base Listing Document.

## OVERVIEW OF CBBCS

### What are CBBCs?

CBBCs are a type of structured product that tracks the performance of the underlying assets.

The value of a CBBC with entitlement ratio to the underlying Units of 1 to 1 tends to move virtually on a ratio of 1 to 1 with the underlying Units. The trading price of every Board Lot of the CBBCs tends to mirror the movement in the price of the Units in dollar value.

Similar to derivative warrants, CBBCs may provide leveraged return to you (but conversely, it could also magnify your losses).

### How do our CBBCs work?

The CBBCs are issued as callable bull contracts (for series 2 and 3) and callable bear contracts (for series 1).

Callable bull contracts are designed for investors who have an optimistic view on the Units.

Callable bear contracts are designed for investors who have a pessimistic view on the Units.

The CBBCs are “European Style” and, subject to the mandatory call feature describe below, are only exercisable on the Expiry Date.

Subject to the limited circumstances set out in Product Condition 3.3(b) in which a Mandatory Call Event may be reversed, we must terminate the CBBCs when a Mandatory Call Event occurs (see “What is the mandatory call feature of CBBCs?” below).

The CBBCs will be issued as Category R CBBCs. Your entitlement following the occurrence of a Mandatory Call Event is set out in further details in “What is the mandatory call feature of CBBCs?” below.

If a Mandatory Call Event does not occur, the CBBCs will be exercised automatically on the Expiry Date by payment of a Cash Settlement Amount (if any) on the Settlement Date.

The Cash Settlement Amount (if any) payable at expiry represents the difference between the Closing Price of the Units on the Valuation Date and the Strike Price less any Exercise Expenses. If on the Expiry Date, the Cash Settlement Amount is zero or a negative amount, you will lose all of your investments in the CBBCs.

### What is the mandatory call feature of CBBCs?

#### *Mandatory Call Event*

A Mandatory Call Event occurs when the Spot Price of the Units on any Trading Day during the Observation Period is at or below (in respect of a series of callable bull contracts) or at or above (in respect of a series of callable bear contracts) the Call Price.

The Observation Period commences from the Observation Commencement Date up to and including the close of trading on the Stock Exchange on the last trading day (Hong Kong time) prior to the Expiry Date.

Subject to the limited circumstances set out in Product Condition 3.3(b) in which a Mandatory Call Event may be reversed, all Post MCE Trades (as defined in the paragraph headed “Mandatory Call Event” under the section headed “Issue Details, Liquidity and Settlement” on page 5 of this document) will be invalid and will be cancelled, and will not be recognised by us or the Stock Exchange.

The time at which a Mandatory Call Event occurs will be determined by reference to the Stock Exchange’s automatic order matching and execution system time at which the Spot Price of the Units is at or below (in respect of a series of callable bull contracts) or at or above (in respect of a series of callable bear contracts) the Call Price.

#### *Category N CBBCs or Category R CBBCs*

The CBBCs are Category R CBBCs as the Call Price is different from the Strike Price. You may receive a cash payment (if any) called the Residual Value upon the occurrence of a Mandatory Call Event.

The Residual Value (if any) payable is calculated by reference to the difference between (in respect of a series of callable bull contracts) the Minimum Trade Price or (in respect of a series of callable bear contracts) the Maximum Trade Price during a period after the Mandatory Call Event called the “MCE Valuation Period” and the Strike Price. See “Cash Settlement Amount upon the occurrence of a Mandatory Call Event” in the section headed “Issue Details, Liquidity and Settlement” for the calculation formula of the Residual Value.

You should read the Conditions and the rest of this document carefully to understand your entitlement (if any) following a Mandatory Call Event.

### What are the factors determining the price of CBBCs?

Throughout the term of the CBBCs, the price of the CBBCs will be influenced by a number of factors, including:

- the Call Price and the Strike Price;
- the time remaining to expiry;
- the probable range of the Cash Settlement Amount;
- any change(s) in interim interest rates;
- expected distribution on the Units;
- the depth of the market or liquidity of the underlying Units;
- any related transaction cost;
- the probable range of Residual Value (if any) upon the occurrence of a Mandatory Call Event;
- the supply and demand of the CBBCs;
- the creditworthiness of the Guarantor and us; and
- the likelihood of the occurrence of a Mandatory Call Event.

**What is your maximum loss?**

The maximum loss in CBBCs will be limited to your investment amount plus any transaction cost.

**Can you sell the CBBCs before maturity?**

Yes. We have made an application for listing of, and permission to deal in, the CBBCs on the Stock Exchange. All necessary arrangements have been made to enable the CBBCs to be admitted into the Central Clearing and Settlement System (“CCASS”). Issue of the CBBCs is conditional upon listing being granted. From the Dealing Commencement Date, you may sell or buy the CBBCs on the Stock Exchange.

The Liquidity Provider will make a market in the CBBCs by providing bid and/or sell prices. See “Liquidity” on page 6 for further information.

**How can you get information about the CBBCs and the Units after issue?**

You may visit the Stock Exchange’s website at [www.hkex.com.hk/eng/prod/secprod/cbbc/intro.htm](http://www.hkex.com.hk/eng/prod/secprod/cbbc/intro.htm) to obtain information on the CBBCs or any notice given by us or the Stock Exchange in relation to the CBBCs. You may go to the website at [www.ishares.com.hk](http://www.ishares.com.hk) to obtain updated information about the Units.

We have included references to websites in this document to indicate how further information may be obtained. Information appearing on those websites does not form part of the Listing Documents. You should conduct your own web searches to ensure that you are viewing the most up-to-date information.

## ISSUE DETAILS, LIQUIDITY AND SETTLEMENT

You must read this summary together with the Listing Documents, in particular, the Conditions.

### Issue details

**Mandatory Call Event:** A Mandatory Call Event occurs when the Spot Price of the Units is at or below (in respect of a series of callable bull contracts) or at or above (in respect of a series of callable bear contracts) the Call Price during the Observation Period.

“**Spot Price**” means:

- (a) in respect of a continuous trading session of the Stock Exchange, the price per Unit concluded by means of automatic order matching on the Stock Exchange as reported in the official real-time dissemination mechanism for the Stock Exchange during a continuous trading session of the Stock Exchange in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules); and
- (b) in respect of a pre-opening session or a closing auction session of the Stock Exchange (as the case may be), the final IEP of the Unit (if any) calculated at the end of the pre-order matching period of such pre-opening session or closing auction session (as the case may be) in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules),

subject to such modification and amendment prescribed by the Stock Exchange from time to time.

Subject to Product Condition 3.3(b), upon the occurrence of a Mandatory Call Event, we must terminate the CBBCs at the Cash Settlement Amount (if any). If the Cash Settlement Amount is less than or equal to zero, you will lose all your value of investment in the CBBCs.

Subject to such modification and amendment prescribed by the Stock Exchange from time to time, all trades in the CBBCs concluded via auto-matching or manually after the time of the occurrence of a Mandatory Call Event, and in the case where the Mandatory Call Event occurs during a pre-opening session or a closing auction session (if applicable), all auction trades in the CBBCs concluded in such session and all manual trades concluded after the end of the pre-order matching period in such session (“**Post MCE Trades**”), will be invalid and will be cancelled and will not be recognised by us or the Stock Exchange.

**Cash Settlement Amount upon the occurrence of a Mandatory Call Event:** Upon termination of the CBBCs following the occurrence of a Mandatory Call Event, you are entitled to receive a Residual Value (if positive) in Hong Kong Dollars calculated as follows:

*In respect of a series of callable bull contracts*

$$\begin{array}{l} \text{Residual} \\ \text{Value per} \\ \text{Exercise} \\ \text{Amount} \end{array} = \begin{array}{l} \text{Entitlement} \times (\text{Minimum Trade Price} - \text{Strike Price}) - \\ \text{Exercise Expenses (if any)} \end{array}$$

provided that we may, at our absolute discretion, pay a higher amount of the Residual Value than the amount calculated in accordance with the above formula.

Where:

“**Minimum Trade Price**” means the lowest Spot Price of the Units during the MCE Valuation Period; and

“**MCE Valuation Period**” means, subject to any extension (as described in further details in the Product Conditions), the period commencing from and including the moment upon which the Mandatory Call Event occurs and up to the end of the following trading session on the Stock Exchange.

*In respect of a series of callable bear contracts:*

$$\begin{array}{l} \text{Residual} \\ \text{Value per} \\ \text{Exercise} \\ \text{Amount} \end{array} = \begin{array}{l} \text{Entitlement} \times (\text{Strike Price} - \text{Maximum Trade Price}) - \\ \text{Exercise Expenses (if any)} \end{array}$$

provided that we may, at our absolute discretion, pay a higher amount of the Residual Value than the amount calculated in accordance with the above formula.

Where:

“**Maximum Trade Price**” means the highest Spot Price of the Units during the MCE Valuation Period; and

“**MCE Valuation Period**” means, subject to any extension (as described in further details in the Product Conditions), the period commencing from and including the moment upon which the Mandatory Call Event occurs and up to the end of the following trading session on the Stock Exchange.

**Form of the CBBCs**

The CBBCs will be represented by a global certificate in the name of HKSCC Nominees Limited. We will not issue definitive certificates for the CBBCs. You may arrange for your broker to hold the CBBCs in a securities account on your behalf, or if you have a CCASS Investor Participant securities account, you may arrange for the CBBCs to be held in such account. You will have to rely on the records of CCASS and/or the statements you receive from your brokers as evidence of your beneficial interest in the CBBCs.

**Stock Exchange**

The Stock Exchange of Hong Kong Limited

**Settlement Currency**

The CBBCs will be settled at expiry in Hong Kong Dollars

**Stock Exchange**

The Stock Exchange of Hong Kong Limited. No application has been made to list the CBBCs on any other exchange.

**Liquidity**

**Liquidity Provider**

BNP Paribas Securities (Asia) Limited (broker ID number: for series 1: 9613; for series 2: 9669 and for series 3: 9671). The Liquidity Provider is our affiliate and is regulated by the Stock Exchange and the Securities and Futures Commission. It will act as our agent in providing quotes.

**Quotes**

You can request a quote by calling the Liquidity Provider at:

telephone number: +852 2108 5600.

The Liquidity Provider will respond within 15 minutes. The quote will be provided with a maximum of a 25 tick spread between bid and offer prices for a minimum of ten Board Lots of the CBBCs. The quote will be displayed on the Stock Exchange’s designated stock page for the CBBCs.

**Factors for determining the bid and offer prices**

The Liquidity Provider will consider factors, including, without limitation, the Call Price, the Strike Price, the market price of the Units, the price volatility of the Units, the prevailing interest rates, the distribution yield of the Units, the time left to the expiry of the CBBCs, the expected life of the CBBCs and the funding cost.

**Circumstances under which liquidity will not be provided**

- (i) during the first five minutes after trading commences for the first time;
- (ii) during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange from time to time;
- (iii) when the CBBCs are suspended from trading for any reason;
- (iv) when there are no CBBCs available for market making, in which event, only a bid price will be available. CBBCs held by us, the Guarantor or any of our affiliates in a fiduciary or agency capacity are not CBBCs available for market making;
- (v) on the Expiry Date;
- (vi) when operational and technical problems affecting the market making activities arise;
- (vii) if the stock market experiences exceptional price movement and volatility;
- (viii) if a market disruption event occurs;
- (ix) when the ability of the Liquidity Provider acting on our behalf to source a hedge or unwind an existing hedge is materially affected by the prevailing market condition; and
- (x) if the theoretical value of the CBBCs is less than HK\$0.01. For the avoidance of doubt, if the Liquidity Provider chooses to provide liquidity under this circumstance, both bid and ask prices will be made available.

## Settlement

<b>Settlement date upon a transfer</b>	<p>The CBBCs may only be transferred in a Board Lot (or integral multiples thereof) in accordance with the CCASS Rules. Where a transfer of CBBCs takes place on the Stock Exchange, settlement must currently be made not later than two trading days.</p> <p>Hong Kong stamp duty is not chargeable upon the transfer of CBBCs whether pursuant to dealings on the Stock Exchange or otherwise.</p>
<b>Early termination and exercise</b>	<p>Trading in the CBBCs will be suspended immediately upon the occurrence of a Mandatory Call Event and, subject to the limited circumstances set out in Product Condition 3.3(b) in which a Mandatory Call Event may be reversed, all the Post MCE Trades will be invalid and will be cancelled and will not be recognised by us or the Stock Exchange.</p> <p>Subject to early termination upon the occurrence of a Mandatory Call Event, the CBBCs will be automatically exercised on the Expiry Date in integral multiples of the Board Lot if the Cash Settlement Amount is positive; otherwise, you will lose all of your investment. We will deliver the Cash Settlement Amount (if any) to HKSCC Nominees Limited, which will then distribute the received Cash Settlement Amount to the securities account of your broker or to your CCASS Investor Participant securities account (as the case may be).</p>
<b>Exercise Expenses</b>	<p>You are responsible for any Exercise Expenses. Exercise Expenses mean any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the CBBCs. The Cash Settlement Amount is net of any Exercise Expenses.</p>
<b>Settlement Date upon automatic exercise at expiry</b>	<p>Within 3 CCASS Settlement Days after the MCE Valuation Date or the Valuation Date (as the case may be).</p>

## RISK FACTORS

You must read these risk factors together with the risk factors set out in our Base Listing Document.

### **You may lose all your investment in the CBBCs**

The price of the CBBCs may fall in value as rapidly as it may rise and you should be prepared to sustain a significant or total loss of the purchase price of the CBBCs. In particular, if the Cash Settlement Amount payable at expiry or at the Residual Value payable upon the occurrence of a Mandatory Call Event is less than or equal to zero, you will lose all of your investment in the CBBCs.

### **Mandatory Call Event is irrevocable**

A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

- (a) system malfunction or other technical errors of HKEx (such as the setting up of wrong Call Price or Call Level and other parameters); or
- (b) manifest errors caused by the relevant third party price source,

and in each case, we agree with the Stock Exchange that such Mandatory Call Event is to be revoked provided that such mutual agreement must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Trading Day of the Stock Exchange immediately following the Trading Day on which the Mandatory Call Event is triggered.

### **Delay in announcements of a Mandatory Call Event**

The Stock Exchange will notify the market as soon as practicable after the CBBCs has been called. You must however be aware that there may be delay in the announcements of a Mandatory Call Event due to technical errors or system failures and other factors that are beyond our controls or the control of the Stock Exchange.

### **Non-recognition of Post MCE Trades**

The Stock Exchange and its recognised exchange controller, HKEx, shall not incur any liability for any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by us or any other party arising from or in connection with the Mandatory Call Event or the suspension of trading (“**Trading Suspension**”) or the non-recognition of trades after a Mandatory Call Event (“**Non-Recognition of Post MCE Trades**”), including without limitation, any delay, failure, mistake or error in the Trading Suspension or Non-Recognition of Post MCE Trades.

Neither we nor any of our affiliates has any responsibility towards you for any losses suffered as a result of the Trading Suspension in connection with the occurrence of a Mandatory Call Event and/or Non-Recognition of Post MCE Trades, notwithstanding that such Trading Suspension or Non-Recognition of Post MCE Trades occurs as a result of an error in the observation of the event.

### **Fluctuation in the Funding Cost**

The Issue Price of the CBBCs is set by reference to the difference between the initial reference spot price of the Units as of the Launch Date and the Strike Price, plus the applicable Funding Cost. The Funding Cost applicable to the CBBCs is specified on the cover page. It will fluctuate throughout the life of the CBBCs as the funding rate changes from time to time. The funding rate is a rate determined by us based on one or more of the following factors, including, but not limited to, the Strike Price, the prevailing interest rate, the expected life of the CBBCs and any expected notional distribution of the Units.

### **Unwinding of hedging arrangements**

The trading and/or hedging activities of the BNP Group related to CBBCs and/or other financial instruments issued by us from time to time may have an impact on the price of the Units and may trigger a Mandatory Call Event.

In particular, when the price of the Units is trading close to the Call Price, our unwinding activities may cause a movement in the price of the Units, triggering a Mandatory Call Event as a result of such unwinding activities.

We may unwind our hedging transactions relating to the CBBCs in proportion to the amount of the CBBCs we repurchase from time to time. Upon the occurrence of a Mandatory Call Event, we may unwind any hedging transactions in relation to the CBBCs. Such unwinding activities after the occurrence of a Mandatory Call Event may affect the price of the Units and consequently the Residual Value payable.

### **CBBCs may expire worthless**

Unlike stocks, the CBBCs have a limited life and will expire at the Expiry Date. In the worst case, the CBBCs may expire with no value. The CBBCs are only suitable for experienced investors who have a positive (in respect of a series of callable bull contracts) or negative (in respect of a series of callable bear contracts) view on the Units during the term of the CBBCs and are willing to accept the risk that they may lose all their investment.

### **The CBBCs can be volatile**

The value of the CBBCs may not correspond with the movements in the price of the Units. If you buy the CBBCs with a view to hedge against your exposure to any underlying Units, it is possible that you could suffer loss in both of your investment in that underlying Units and the CBBCs.

In particular, you should note that when the Spot Price of the Units is close to the Call Price, the trading price of the CBBCs will be more volatile, which may not be comparable and may be disproportionate with the change in the price of the Units.

**Possible early termination for illegality or impracticality**

If we determine that, for reasons beyond our control, the performance of our obligations under the CBBCs has become illegal or impractical or it is no longer desirable or practical for us to maintain our hedging arrangement with respect to the CBBCs, we may terminate early the CBBCs. If we terminate early the CBBCs, we will, if and to the extent permitted by applicable law, pay an amount determined by us to be its fair market value notwithstanding the illegality or impracticality less the cost to us of unwinding any related hedging arrangements.

**Suspension of trading**

If trading in the Units is suspended on the Stock Exchange, trading in the CBBCs will be suspended for a similar period. In the case of a prolonged suspension period, the market price of the CBBCs may be subject to a significant impact of time decay and may fluctuate significantly upon resumption of trading after such prolonged suspension period.

**The Listing Documents are not the sole basis for making an investment decision**

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us or our affiliates to invest in the CBBCs or any relevant underlying Units.

**Adjustment related risk**

The occurrence of certain events (including without limitation, a market disruption event, a rights issue or bonus issue, a subdivision and consolidation of the Units and a restructuring event of the Trust) may entitle us to adjust the terms and conditions of the CBBCs. However, we are not obliged to adjust the terms and conditions of the CBBCs for every event that affects the relevant Units. Any adjustment or decision not to make any adjustment may adversely affect the value of the CBBCs. See Product Condition 4 for details about such adjustments.

**Possible limited secondary market**

The Liquidity Provider may be the only market participant for the CBBCs and therefore the secondary market for the CBBCs may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the CBBCs prior to expiry.

**Various potential and actual conflicts of interests**

We, the Guarantor and any of our subsidiaries and affiliates engage in a wide range of commercial and investment banking, brokerage, funds management, hedging, investment and other activities and may possess or acquire material information about the Units or the relevant Trust. Such activities and information may involve or otherwise affect the Units and may cause consequences adverse to you. We, the Guarantor and any of our respective subsidiaries and affiliates have no obligation to disclose such information and may engage in any such activities without regard to the issue of and effect of these activities on the CBBCs.

In the ordinary course of our business, we, the Guarantor and any of our respective subsidiaries and affiliates may effect transactions for our own account or for the account of our customers and may enter into one or more hedging transactions with respect to the Units or related derivatives. This may indirectly affect your interests.

**We have no role in the Trust**

Neither we nor any of our affiliates have the ability to control or predict the actions of the trustee or the manager of the Trust. Neither the trustee nor the manager of the Trust (i) is involved in the offer of the CBBCs in any way, or (ii) has any obligation to consider your interest in taking any corporate actions that might affect the value of the CBBCs.

The manager of the Trust is responsible for making investment and other trading decisions with respect to the management of the Trust consistent with its investment objectives and in compliance with the investment restrictions as set out in the constitutive documents of the Trust. The manner in which the Trust is managed and the timing of actions may have a significant impact on the performance of the Trust. Hence, the market price of the Units is also subject to these risks.

## **ADDITIONAL INFORMATION ON US AND/OR THE GUARANTOR**

### ***Supplemental information in relation to us***

As at the date of this document, there is no supplemental information relating to us, except for information contained in this document and the Listing Documents.

### ***Supplemental information in relation to the Guarantor***

Extracts of the press release dated 3 November 2011 relating to the unaudited consolidated financial statements of the Guarantor for the period ended 30 September 2011 are set out in Appendix A of this document.

**APPENDIX A**  
**EXTRACTS OF THE PRESS RELEASE DATED 3 NOVEMBER 2011 RELATING TO**  
**THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE**  
**GUARANTOR FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

The information in this Appendix A has been extracted from the Guarantor's press release dated 3 November 2011 relating to its unaudited consolidated financial statements for the period ended 30 September 2011. The information in this Appendix A is not complete and references should be made to such press release which can be downloaded from "BNP Paribas Group: Results as at 30 September 2011" at [www.bnpparibas.com](http://www.bnpparibas.com).



### CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	3Q11	3Q10	3Q11 / 3Q10	2Q11	3Q11/ 2Q11	9M11	9M10	9M11 / 9M10
Revenues	10,032	10,856	-7.6%	10,981	-8.6%	32,698	33,560	-2.6%
Operating Expenses and Dep.	-6,108	-6,620	-7.7%	-6,602	-7.5%	-19,438	-19,630	-1.0%
Gross Operating Income	3,924	4,236	-7.4%	4,379	-10.4%	13,260	13,930	-4.8%
Cost of Risk	-3,010	-1,222	n.s.	-1,350	n.s.	-5,279	-3,640	+45.0%
Operating Income	914	3,014	-69.7%	3,029	-69.8%	7,981	10,290	-22.4%
Share of Earnings of Associates	-20	85	n.s.	42	n.s.	117	179	-34.6%
Other Non Operating Items	54	52	+3.8%	197	-72.6%	227	198	+14.6%
Non Operating Items	34	137	-75.2%	239	-85.8%	344	377	-8.8%
Pre-Tax Income	948	3,151	-69.9%	3,268	-71.0%	8,325	10,667	-22.0%
Corporate Income Tax	-240	-951	-74.8%	-956	-74.9%	-2,371	-3,387	-30.0%
Net Income Attributable to Minority Interests	-167	-295	-43.4%	-184	-9.2%	-669	-987	-32.2%
Net Income Attributable to Equity Holders	541	1,905	-71.6%	2,128	-74.6%	5,285	6,293	-16.0%
Cost/Income	60.9%	61.0%	-0.1 pt	60.1%	+0.8 pt	59.4%	58.5%	+0.9 pt

**BNP Paribas' financial disclosures for the third quarter 2011 are contained in this press release and in the presentation attached herewith.**

**All legally required disclosures, including the Registration document, are available online at <http://invest.bnpparibas.com> in the "Results" section and are made public by BNP Paribas pursuant to the requirements under Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the Autorité des Marchés Financiers' general rules.**

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