



Term Sheet

Indicative Terms and Conditions

6-year 100% Capital Guaranteed Certificate linked to the performance of a dynamic basket linked to the BNP Paribas Oscillator Index, with lockin and minimal coupon, in EUR

Our Reference	CE057TOH
Issuer	BNP Paribas Arbitrage Issuance BV
Guarantor	BNP Paribas (AA / Aa1)
Issue Type	Certificate

Issue Amount	2,000,000 EUR (up to 20,000,000)
Number of Certificates	200,000
Nominal Amount per Certificate (N)	1 Certificate = EUR 100
Currency	EUR
Issue Price per Certificate	100%
Listing	Yes, Frankfurt Freiverkehr
Public Offer	Yes, in Germany

Trade Date & Subscription Period	26 April 2011 - 27 May 2011 at noon Paris Time (12h00)
Initial Pricing Date	27 May 2011
Issue Date	1 st June 2011
Final Pricing Date	18 May 2017
Redemption Date	1st June 2017

Underlying Basket

i	Index	CCY	Bloomberg Code
1	BNP Paribas Oscillator Index ER	EUR	BNPIOSEE Index

Final Redemption

On the Redemption Date, if the Certificates have not been redeemed or purchased and cancelled by the Issuer prior to the Final Pricing Date, the Issuer shall redeem each Certificate at the following Cash Settlement Amount:

$$N \times \left[100\% + \text{Max} \left(90\% \times \frac{DB_{Max}}{DB_{Initial}} - 100\%; \frac{DB_{Final}}{DB_{Initial}} - 100\%; 0\% \right) \right]$$

Where:

- DB_{Final} means the Dynamic Basket Level, as defined in Annex 1, on the Final Pricing Date
- $DB_{Initial}$ means the Dynamic Basket Level, as defined in Annex 1, on the Initial Pricing Date
- DB_{Max} means the highest Dynamic Basket Level, as defined in Annex 1, on any of the semi-annual Lockin Dates

Semi-Annual Lockin Dates (11) Semi-Annual Frequency :



18-Nov-2011
18-May-2012
19-Nov-2012
17-May-2013
18-Nov-2013
19-May-2014
18-Nov-2014
18-May-2015
18-Nov-2015
18-May-2016
18-Nov-2016

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Annual Coupon Dates (6)

Annual Frequency :

18-May-2012
17-May-2013
19-May-2014
18-May-2015
18-May-2016
18-May-2017

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Annual Coupon Payment

On each of the 6 Annual Coupon Dates, a coupon will be paid to each Certificate holder, according to the following formula:

$$N \times 1\%$$

Index Calculation Agent

BNP Paribas Arbitrage SNC

Specified Maximum Days of Disruption

3 Commodity Business Days

Market Disruption Events

"Market Disruption Event" means the occurrence on any Pricing Date of any one or more of the following in respect of either Index (each as defined in the Base Prospectus):

- (i) Price Source Disruption;
- (ii) Trading Disruption;
- (iii) Disappearance of Commodity Reference Price;
- (iv) Material Change in Formula;
- (v) Material Change in Content;
- (vi) Tax Disruption;
- (vii) An Index Component Disruption Event; and
- (viii) The closing price for any futures contract included in the Index (i) is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules

Consequences of a Market Disruption Event

If any Pricing Date is a Disrupted Day, such Pricing Date in respect of the affected Index only, shall be the first succeeding Commodity Business Day that is not a Disrupted Day, unless each of the Specified Maximum Days of Disruption following the scheduled Pricing Date is a Disrupted Day. In that case, (i) the last such London and New York Business Day shall be deemed to be the Pricing Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall apply the



Commodity Fallback Value to determine the Commodity Reference Price in respect of the affected Index or Indices.

“Commodity Fallback Value” means a level determined by the Calculation Agent in accordance with the following provisions:

(i) The level of any Sub-Index or Sub-Indices not affected by the Market Disruption Event shall be calculated by reference to the closing level of such Sub-Index or Sub-Indices on such Pricing Date;

(ii) The level of any Sub-Index or Sub-Indices affected by such Market Disruption Event shall be calculated by reference to the price of such Sub-Index or Sub-Indices at which the Issuer is able to unwind any asset(s) it deems necessary to hedge its obligations during the five Commodity Business Days following such Pricing Date; and

(iii) The Calculation Agent shall determine the level of the Commodity Index by references to the levels for each Sub-Index determined in accordance with (i) and (ii), using the then current method of calculating the Commodity Index.

Additional Disruption Events

Hedging Disruption
Increased Cost of Hedging
Change in Law

Consequences of an Additional Disruption Event

As set forth in the Base Prospectus

Business Day Convention

Following

Business Days for Payment

TARGET, London, New York

Calculation Agent

BNP Paribas Arbitrage SNC

Governing Law

English

Documentation

Final Terms under the Warrant and Certificate Programme of the Issuer dated June 3rd, 2010 (as supplemented from time to time) (the "Base Prospectus") a copy of which is available from BNP Paribas Arbitrage SNC on request.

In the event of any inconsistency between this termsheet and the Final Terms relating to the Certificates, the Final Terms will prevail.

Form

Clearing System Global Certificate

Codes

- ISIN: DE000BN711S7
- WKN: BN711S

Reuters Ric for Structure

ISIN=BNPG

Common Depository

BNP Paribas Securities Services, Frankfurt Branch

Minimum Trading Size

1 Certificates (and multiples of 1 Certificate thereafter)

Secondary Trading

Daily price indications will be published on Reuters.

No representation is made as to the existence of a market for the Certificates. While BNP Paribas Arbitrage SNC will endeavour, subject to market conditions, to indicate prices with a bid-ask spread no larger than 1% in the Certificates, there can be no assurance as to such prices or that BNP Paribas Arbitrage SNC will offer to purchase any Certificates.

The price indicated, if any, may be affected by many factors including, but not limited to, the remaining time to the Redemption Date, the outstanding principal amount, the performance and volatility of the Index, interest rates, exchange rates and credit spreads.

Initial Settlement

BNP Paribas arbitrage will settle through KV 7259
Settlement must be made in Nominal.



BNP PARIBAS

CORPORATE & INVESTMENT BANKING

COMMODITY INVESTORS



Fees

Fees have been paid to third party in respect of this transaction. Details of such fees are available from the distributors upon request.

Selling Restrictions

As set out in the Base Prospectus.



ANNEX 1 – THE DYNAMIC BASKET

Dynamic Basket Level (“DB”)

The level of the Dynamic Basket computed recursively on each Pricing Date (t) by the Calculation Agent in accordance with the following formula:

$$DB_t = DB_{t-1} \times \left(1 - 1\% \times \frac{Act_{t-1,t}}{360} \right) \times \left[1 + W_{t-1} \times \left(\frac{Index_t}{Index_{t-1}} - 1 \right) \right]$$

Where:

- DB_t is the Dynamic Basket Level on Pricing Date (t)
- DB_0 is set to 100%
- W_t is the weight of the Underlying Basket on Pricing Date (t)
- $Index_t$ is the level of the Index on Pricing Date (t)
- $Act_{t-1,t}$ is the actual number of calendar days between on Pricing Date (t-1) and Pricing Date (t)

Pricing Date Reallocation Process

Any Commodity Business Day from and including the Initial Pricing Date to the Final Pricing Date
On each Pricing Date (t), the Calculation Agent will calculate the target weight Wtg_t , defined as a function of the distance D_t as follows:

$$Wtg_t = D_t \times 4$$

On each Pricing Date (t), the Calculation Agent will determine the appropriate changes in the Weighting W_t in accordance with the allocation process below:

- If the Calculation Agent determines that the actual weight W_t is lower than 90% of the target weight Wtg_t , it will increase the actual weighting W_{t+2} to the Target Weight Wtg_t , with a maximal of 200%
- If the Calculation Agent determines that the actual weight W_t is higher than 110% of the target weight Wtg_t , it will decrease the actual weighting W_{t+2} to the Target Weight Wtg_t , with a minimal of 20%
- If the Calculation Agent determines that the actual weight W_t is between 90% and 110% of the target weight Wtg_t , the weighting will not be changed.

Where:

- $W_0 = W_1 = 100\%$

All provided that, if any such adjustment determined by the Calculation Agent for a previous Pricing Date is to be effective on t+1, the Calculation Agent will compare Wtg_{t-1} and Wtg_t to determine if any adjustment is to take place in t+2.

Distance (“D_t”)

The Distance D_t is calculated by the Calculation Agent in accordance with the following formula:

$$D_t = \frac{DB_t - \text{Max}(1; 90\% \times DB_{\text{max}(t)}) \times FL_t}{DB_t}$$



Where:

- On the Initial Pricing Date, $DB_{max(t)}$ Value is set to 100%.
- Then, on every Pricing Date (t):
 - if Pricing Date (t) is not equal to an Semi-Annual Lockin Dates, $DB_{max(t)} = DB_{max(t-1)}$
 - If Pricing Date (t) is an Semi-Annual Lockin Date, $DB_{max(t)} = \max(DB_t, DB_{max(t-1)})$
- $FL_{(t)}$ is the value of a fixed line on Pricing Date (t), that starts at 75% on the Initial Pricing Date and ends at 100% on the Final Pricing Date



Investor Responsibilities

No action has been or will be taken in jurisdiction that would, or is intended to, permit a public offering of the certificates. The Certificates are sold to you as principal and on the understanding that you will comply with all relevant securities laws and public offer requirements in the jurisdictions in which you place or resell the certificates, including, without limitation, Directive 2003/71/EC (the EU Prospectus Directive) and the relevant implementing measures in any EEA member state. As you may not be the only purchaser of the Certificates, from us, any public offer exemption relying on offers only being made to a restricted number of investors (classified by type or location, as applicable) will not be available.

Selling Restrictions

The securities may not be offered or sold in the United States or to U.S. persons at any time (as defined in Regulation S under the U.S. Securities Act of 1933 or the U.S. Internal Revenue Code). The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state in the United States, and are subject to U.S. tax requirements. In purchasing the securities, you represent and warrant that you are neither located in the United States nor a U.S. person and that you are not purchasing for the account or benefit of any such person. The securities may not be offered, sold, transferred or delivered without compliance with all applicable securities laws and regulations. This indicative term sheet contains a proposal for discussion purposes only. BNP Paribas gives no assurance that any transaction will be entered into on the basis of these indicative terms and no specific issuer shall be obliged to issue any security or instrument on such indicative terms. In no circumstances shall BNP Paribas be obliged to disclose to investors any information which it has received on a confidential basis or the existence thereof. The information contained herein is provided to you on a strictly confidential basis and you agree that it may not be copied, reproduced or otherwise distributed by you, whether in whole or in part (other than to your professional advisers) without our prior written consent.

Risk Analysis

Financial transactions involve risks of variation in interest rates, exchange rates, securities, commodities or indices. In view of these risks you should have the requisite knowledge and experience to assess the characteristics and risks associated with each contemplated financial transaction. BNP Paribas will provide any additional information you may reasonably request in order to enable you to assess the risks and characteristics of the transaction. Accordingly, when you enter into the contemplated financial transaction, you will be deemed to understand and accept the terms, conditions and risks associated with it. You will also be deemed to act for your own account, to have made your own independent decision to enter into that financial transaction and to declare that such transaction is appropriate or proper for you based upon your own judgement and upon advice from such advisers as you have deemed necessary. You are required to undertake a detailed analysis of all financial, legal, regulatory, accounting and tax issues raised by any transaction you are contemplating, so as to evaluate the merits and suitability of the transaction and should not rely on BNP Paribas for this. The information contained herein is provided to you by BNP Paribas on a strictly confidential basis. It is also understood that all information given by BNP Paribas related to the terms and conditions of a financial transaction shall not be considered investment advice or as a recommendation to enter into that transaction. Any indicative price quotations, disclosure materials or analyses provided to you have been prepared on assumptions and parameters that reflect our good faith judgment or selection and, therefore, no guarantee is given as to the accuracy, completeness or reasonableness of any such quotations, disclosures or analyses. BNP Paribas will not assume any responsibility for the financial consequences of your trading in the financial transaction described in this document.

The Issuer reserves the right not to issue the Certificates described herein in its sole discretion. BNP Paribas makes no representation and has given you no advice concerning the appropriate accounting treatment or possible tax consequences of this indicative transaction. Each holder of the Certificates shall assume and be responsible for any and all taxes of any jurisdiction or governmental or regulatory authority and should consult their own tax advisers in this respect. To the extent of any inconsistency between this term sheet and the Final Terms of the Certificates, the Final Terms of the Certificates shall prevail.

This document should be read in conjunction with the Base Prospectus and the Selling Restrictions set out therein. In particular, reference should be made to the section headed "Risk Factors" in the Base Prospectus for a full description of the potential risks associated with the Certificates. This is not an offer to buy or sell or solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. The terms outlined herein are summary and indicative only and are subject in all respects to the terms and conditions of the Certificates as will be set out in the Final Terms.

Index Disclaimers

The Certificates are not in any way sponsored, endorsed, sold or promoted by any Index Sponsor of any index components (each, a "**Reference Index**") which comprise the Indices (the "**Reference Index Sponsors**"). The Reference Index Sponsors do not make any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the relevant Reference Index and/or the levels at which the relevant Reference Index stands at any particular time on any particular date or otherwise. No Reference Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the relevant Reference Index and the relevant Reference Index Sponsor is under no obligation to advise any person of any error therein. None of the Index Sponsors makes any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Certificates. None of the Issuer, the Guarantor or the Calculation Agent shall have any rights against or recourse to any Reference Index Sponsor should any Reference Index not be published or for any errors in the calculation thereof or on any other basis whatsoever in relation to any Reference Index, its production, or the level or constituents thereof. None of the parties and the Calculation Agent shall have any liability to any party for any act or failure to act by any Reference Index Sponsor in connection with the calculation, adjustment or maintenance of the relevant Reference Index. None of the Issuer, the Guarantor, the Calculation Agent nor any of their affiliates nor the Index Calculation Agent has any affiliation with or control over any Reference Index or the relevant Reference Index Sponsor or any control over the computation, composition or dissemination of any Reference Index. Although the Index Calculation Agent will obtain information concerning each Reference Index from publicly available sources it believes reliable, it will not independently verify this information.



Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the any party, its affiliates or the index Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Reference Index.

The Index Calculation Agent and the Index Sponsor shall not be held liable for any modification or change in the methodology used in calculating the Indices. The Index Calculation Agent and the Index Sponsor are under no obligation to continue the calculation, publication or dissemination of the Indices and cannot be held liable for any suspension or interruption in the calculation of the Indices. The Index Calculation Agent and the Index Sponsor decline any liability in connection with the level of the Indices at any given time. Neither the Calculation Agent nor the Index Sponsor can be held liable for any loss whatsoever, directly or indirectly related to the Indices.

The index methodology is confidential. BNP Paribas does not guarantee the accuracy or completeness of the index methodology or the calculation methods, any errors or omissions in computing or disseminating the index, and for any use you make of it and BNP Paribas shall have no liability for any errors or omissions therein. The index methodology is based on certain assumptions, certain pricing models and calculation methods adopted by BNP Paribas and have certain inherent limitations. Information prepared on the basis of different models, calculation methods or assumptions may yield different results. Numerous factors may affect the analysis, which may or may not be taken into account. Therefore, the analysis of information may vary significantly from analysis obtained from other sources or market participants. The index methodology is strictly confidential. You have no authority to use or reproduce the index methodology in any way and BNP Paribas shall not be liable for any loss arising from the use of the index methodology or otherwise in connection herewith.