BNP PARIBAS

Up to U.S.$30,000,000,000

BNP PARIBAS
(as Issuer)

BNP PARIBAS US MEDIUM-TERM NOTE PROGRAM LLC
(as Issuer)

Notes Guaranteed by

BNP PARIBAS, NEW YORK BRANCH

Prospectus Supplement

to the Base Prospectus dated May 30, 2008

The Notes (as defined below) are being offered from time to time on a continuous basis in one or more series (each, a "Series") by each of BNP Paribas, a French incorporated company (*société anonyme*) (the "Bank" or "BNP Paribas" and, together with its consolidated subsidiaries, the "Group" or "BNP Paribas Group"), and BNP Paribas US Medium-Term Note Program LLC, a Delaware limited liability company (the "LLC" and, together with the Bank, the "Issuers" and each, an "Issuer") and a wholly owned subsidiary of the Bank.

The Notes will be entitled to the benefit of an unconditional senior guarantee (the "Senior Guarantee") or subordinated guarantee (the "Subordinated Guarantee" and, together with the Senior Guarantee, the "Guarantees"), as the case may be, of the due payment thereof issued by the Bank, acting through its New York Branch (in such capacity, the "Guarantor").

The specific terms of each Series of Notes will be set forth in additional prospectus supplements and/or pricing supplements (each, a "supplement") to this prospectus supplement and the base prospectus dated May 30, 2008 (the "base prospectus"). The Notes may be offered pursuant to the exemption from registration provided by Section 3(a)(2) (the "3(a)(2) Notes") of the Securities Act of 1933, as amended (the "Securities Act"), or offered in reliance on the exemption from registration provided by Rule 144A (the "144A Notes") under the Securities Act ("Rule 144A") only to qualified institutional buyers ("QIBs"), within the meaning of Rule 144A. In addition, any such 144A Notes may, if specified in the applicable supplement, be offered outside the United States to non-U.S. persons (as such term is defined in Rule 902 under the Securities Act (a "non-U.S. person")) pursuant to Regulation S (the "Regulation S Notes" and, together with the 3(a)(2) Notes and the 144A Notes, the "Notes") under the Securities Act ("Regulation S"). You should read this prospectus supplement, the base prospectus and the accompanying supplements, if any, carefully before you invest. The provisions of this prospectus supplement supersede those of the base prospectus in the event and to the extent of any inconsistency. All capitalized terms not defined herein shall have the meaning given to them in the base prospectus.

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Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 5.

The 3(a)(2) Notes and the Guarantees are not required to be, and have not been, registered under the Securities Act. In addition, the 144A Notes and Regulation S Notes have not been, and will not be, registered under the Securities Act, or the state securities laws of any state of the United States or the securities laws of any other jurisdiction. The 144A Notes and Regulation S Notes may not be offered, sold, pledged or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Prospective purchasers are hereby notified that the seller of the 144A Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers and resales, see the section "Notice to Investors" in the base prospectus. The Issuers have not registered as invested companies under the Investment Company Act of 1940, as amended (the "Investment Company Act").

BNP Paribas Securities Corp. ("BNPP Securities"), the Lead Dealer for the Notes offered hereby, is a wholly owned subsidiary of the Bank and an affiliate of the Branch and the Issuers. As a result of this conflict of interest, the offering is being conducted in accordance with the applicable provisions of Rule 5121 of the Financial Industry Regulatory Authority ("FINRA"). See "Plan of Distribution—Conflicts of Interest."

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Notes or determined that this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense. Under no circumstances shall this prospectus supplement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these Notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such jurisdiction.

The Notes constitute unconditional liabilities of the respective Issuers, and the Guarantees constitute unconditional obligations of the Guarantor. None of the Notes or the Guarantees are insured or guaranteed by the Federal Deposit Insurance Corporation (the "FDIC") or any other governmental agency or instrumentality.

BNP PARIBAS

Barclays	**BofA Merrill Lynch**	**Citigroup**
Goldman, Sachs & Co.	**J.P. Morgan**	**Morgan Stanley**

Prospectus Supplement dated August 7, 2014

(continued from front cover)

Certain persons participating in any Notes offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes, including stabilizing and syndicate covering transactions. For a description of these activities, see "Plan of Distribution."

The Issuers expect that the Dealers (as defined herein) for any offering will include one or more of their broker-dealer or other affiliates, including BNPP Securities. These broker-dealer or other affiliates also expect to offer and sell previously issued Notes as part of their business and may act as a principal or agent in such transactions, although a secondary market for the Notes cannot be assured. The Issuers or any of their broker-dealer or other affiliates may use this prospectus supplement, the base prospectus and any accompanying supplement in connection with any of these activities, including for market-making transactions involving the Notes after their initial sale.

The price and amount of Notes to be issued under the Program will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

It is not possible to predict whether the Notes will trade in a secondary market or, if they do, whether such market will be maintained or will be liquid or illiquid. BNPP Securities or another Dealer, as applicable, or one or more of its or their affiliates, reserves the right to enter, from time to time and at any time, into agreements with one or more holders of Notes to provide a market for the Notes but neither BNPP Securities, any other Dealer or its or their affiliates are obligated to do so or to make any market for the Notes.

After a distribution of a Series of Notes is completed, because of certain regulatory restrictions arising from its affiliation with the Issuers, BNPP Securities may not be able to make a market in such Series of Notes or, except on a limited, unsolicited basis, effect any transactions for the account of any customer in such Series of Notes. Other broker-dealers unaffiliated with the Issuers will not be subject to such prohibitions.

Unless otherwise specified in the accompanying supplement, each Note will be represented initially by a global security (a "Book-Entry Note") registered in the name of a nominee of The Depository Trust Company (together with any successor, "DTC"). Beneficial interests in Book-Entry Notes represented by a global security will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Book-Entry Notes will not be issuable in definitive form, except under the circumstances described under the section "Book-Entry Procedures and Settlement" in the base prospectus and in any applicable supplement.

Notes may be listed on any stock exchange as may be agreed between the relevant Issuer and the relevant Dealers in respect of each issue. The Issuers may also issue unlisted Notes.

The contents of this prospectus supplement, the base prospectus and any accompanying supplement should not be construed as investment, legal or tax advice. This prospectus supplement, the base prospectus and any accompanying supplement, as well as the nature of an investment in any Notes, should be reviewed by each prospective investor with such prospective investor's investment advisor, legal counsel and tax advisor.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Each transferee or purchaser of Notes will be deemed to have made certain acknowledgments, representations and agreements relating to such restrictions on transfer and resale as more fully described in the section "Notice to Investors" in the base prospectus.

Any reproduction or distribution of this prospectus supplement, the base prospectus and any accompanying supplement, in whole or in part, or any disclosure of their contents or use of any of their information for purposes other than evaluating a purchase of the Notes is prohibited without the express written consent of the Issuers.

We are responsible for the information contained and incorporated by reference in this prospectus supplement, the base prospectus and any accompanying supplement. We have not authorized anyone to give you any other information and we take no responsibility for any other information that others may give you. This prospectus supplement, the base prospectus and any accompanying supplement do not constitute an offer to sell, or the solicitation of an offer to buy, any of the Notes offered hereby by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The delivery of this prospectus supplement, the base prospectus and any accompanying supplement at any time does not imply that the information herein is correct as of any time subsequent to its date.

This prospectus supplement and the base prospectus have been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this prospectus supplement and the base prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

With respect to any offer of Notes made pursuant to sub-paragraph (ii) above, this prospectus supplement and the base prospectus are advertisements for the purposes of applicable measures implementing Directive 2003/71/EC (such Directive, together with any amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State, and any applicable implementing measures in the Relevant Member State under such Directive, the "Prospectus Directive"). The term "2010 PD Amending Directive" means Directive 2010/73/EU. Any prospectus prepared pursuant to the Prospectus Directive will be published and, when published, can be obtained upon written request mailed to BNP Paribas, New York Branch, 787 Seventh Avenue, New York, New York 10019.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement contains forward-looking statements. The Issuers, the Guarantor and the Group may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their base prospectus and accompanying supplements, in press releases and in other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Issuers', Guarantor's and/or Group's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Issuers, the Guarantor and the Group undertake no obligation to update publicly any of them in light of new information or future events.

EXCHANGE RATE AND CURRENCY INFORMATION

In this prospectus supplement, references to "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam. References to "USD", "$", "U.S.$" and "U.S. dollars" are to United States dollars. References to "cents" are to United States cents. Certain financial information contained herein and in the documents incorporated by reference herein is presented in euros.

The following table shows the period-end, average, high and low exchange rates based on the Noon Buying Rate in New York City for cable transfers in foreign currencies as certified by the Federal Reserve Bank of New York (the "Noon Buying Rate") for the euro, expressed in U.S. dollars per one euro, for the periods and dates indicated. On August 1, 2014, the Noon Buying Rate was U.S. $1.34 per one euro.

Month **U.S. dollar/Euro**	**Period End**	**Average Rate***	**High**	**Low**
August 2014 (through August 1)	1.34	1.34	1.34	1.34
July 2014	1.34	1.35	1.37	1.34
June 2014	1.37	1.36	1.37	1.35
May 2014	1.36	1.37	1.39	1.36
April 2014	1.39	1.38	1.39	1.37
March 2014	1.38	1.38	1.39	1.37
February 2014	1.38	1.37	1.38	1.35
January 2014	1.35	1.36	1.37	1.35
Year **U.S. dollar/Euro**				
2014 (through August 1)	1.34	1.37	1.39	1.34
2013	1.38	1.33	1.38	1.28
2012	1.32	1.29	1.35	1.21
2011	1.30	1.39	1.49	1.29
2010	1.32	1.33	1.38	1.30
2009	1.43	1.39	1.51	1.25
2008	1.39	1.47	1.60	1.24

* The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for year average; on each business day of the month (or portion thereof) for monthly average.

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in exchange rates that may occur at any time in the future. No representations are made herein that the euro or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or euros, as the case may be, at any particular rate.

DOCUMENTS DEEMED TO BE INCORPORATED BY REFERENCE

No financial statements for the LLC are included herein, and the LLC has not published and will not publish financial statements on an interim basis or otherwise (except for such statements, if any, that the LLC is required by applicable laws to publish), because the LLC will not have any operations independent from the Bank, and the LLC's obligations under the Notes will be guaranteed by the Guarantor. In addition, so long as the LLC is not required by applicable law to publish financial statements, the LLC does not intend to furnish to the Fiscal and Paying Agent or the holders of any Notes financial statements of, or other reports relating to, the LLC. Additionally, the Branch has not and will not publish its own financial statements and is not subject to external audits by independent auditors outside of the Bank's external audits. The LLC's results of operations are reflected in the financial statements of the Bank as a whole and in the consolidated financial statements of the Group incorporated herein by reference.

We are hereby incorporating by reference the following documents in this prospectus supplement (collectively, the "Documents Incorporated by Reference"):

a. the English version of the Bank's 2013 Registration Document (*Document de référence 2013*), published by the Bank, other than Chapter 3.6 (Outlook), Chapter 6 (Information on the Parent Company Financial Statements), Chapter 7 (A Responsible Bank: Information on BNP Paribas' Economic, Social, Civic and Environmental Responsibility), Chapter 8 (General Information), Chapter 10 (Person Responsible for the Registration Document) and Chapter 11 (Cross-Reference Table) thereof;

b. the English versions of the First, Second and Third Updates to the 2013 Registration Document (*actualisation de document de référence*), except in each case any section entitled "Person Responsible", "Documents on Display", "Articles of Association" or "Table of Concordance"and any reference to a completion letter (*lettre de fin de travaux*);

c. the English version of any future update to the Bank's 2013 Registration Document (*actualisation de document de référence*);

d. Chapters 3, 4 and 5 of the English version of the Bank's 2012 Registration Document (*Document de référence 2012*);

e. the English version of the 2014 Registration Document (*Document de référence 2014*) to be published by the Bank, including any update thereto;

f. the English version of any future financial statements (to the extent not included in any update to a Registration Document) and press releases or slide presentations published by the Bank in relation to its annual or quarterly results; and

g. all other documents published by the Bank and stated in a supplement in respect of an issuance to be incorporated by reference into this prospectus supplement.

Notwithstanding the foregoing, the following statements shall not be deemed incorporated herein:

- any section entitled "Person Responsible", "Documents on Display", "Articles of Association" or "Table of Concordance" in any of the foregoing documents;

- any reference to a completion letter (*lettre de fin de travaux*) included in any of the foregoing documents; and

- any information relating to a profit forecast or any other forward-looking financial projections, trends or objectives included in any of the foregoing documents (unless expressly included in a prospectus supplement).

The Documents Incorporated by Reference are available on the website of the Bank (http://invest.bnpparibas.com). Unless otherwise explicitly incorporated by reference into this prospectus supplement in accordance with paragraphs (a) to (g) above, the information contained on the website of the Bank shall not be deemed incorporated by reference herein.

Investors should be aware that certain of the Documents Incorporated by Reference published after the date of this prospectus supplement may be available in French before they are available in English. Investors considering an investment in an issue of Notes during the period between the publication of the French and the English version of a document should only make such an investment if they are comfortable with their ability to review and analyze documents in the French language.

AVAILABLE INFORMATION

Copies of the Documents Incorporated by Reference are available to holders and prospective purchasers of the Notes upon request. In addition, so long as any Notes are outstanding, copies of the English-language version of the Group's most recent annual Registration Document (*document de référence*) (translated in full from the underlying French-language document), will be mailed to each person to whom this prospectus supplement and the base prospectus are delivered and to subsequent holders of the Notes, upon written request mailed to BNP Paribas, New York Branch, 787 Seventh Avenue, New York, New York 10019, Attention: ALM. The Group's annual Registration Document is also available at the Bank's website, *http://www.bnpparibas.com.*

Copies of the Guarantees are available for inspection at the principal office of the Fiscal and Paying Agent.

The Bank publishes on its website, in English, certain information as required by Rule 12g3-2(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is one of the foreign private companies that claims exemption from the registration requirements of Section 12(g) of the Exchange Act. If, at any time, the Bank is neither subject to Section 13 or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b), it will furnish, upon written request of a holder of any Notes or a prospective purchaser designated by such holder, the information required to be delivered pursuant to Rule 144A(d)(4) of the Securities Act.

PRESENTATION OF FINANCIAL INFORMATION

The LLC is a wholly owned subsidiary of the Bank. The Bank's New York Branch (the "Branch") and the LLC do not separately produce complete financial statements and, therefore, unless otherwise indicated, any reference in this prospectus supplement to the "Financial Statements" is to the consolidated financial statements, including the notes thereto, of the Bank and its consolidated subsidiaries as at December 31, 2013, 2012 and 2011 and for the years ended December 31, 2013, 2012 and 2011. The Financial Statements include the results of the Bank and those of the Branch. Most of the financial data presented in this prospectus supplement are presented in euros.

The audited consolidated financial statements as at December 31, 2013, 2012 and 2011 and for the years ended December 31, 2013, 2012 and 2011 have been prepared in accordance with international financial reporting standards ("IFRS") as adopted by the European Union.

Due to rounding, the numbers presented throughout this prospectus supplement may not add up precisely, and percentages may not reflect precisely absolute figures.

RISK FACTORS

The discussion below is of a general nature and is intended to describe various risk factors associated with an investment in any Notes issued under this prospectus supplement, the base prospectus and any accompanying supplement. The factors that will be of relevance to the Notes will depend upon a number of interrelated matters including, but not limited to, the nature of the issue of Notes. Prospective purchasers should carefully consider the following discussion of risks, the risk factors included in the base prospectus, any subsequent risk factors to be incorporated by reference herein and any risk factors in any applicable supplement before deciding whether to invest in the Notes. However, these risk factors do not disclose all possible risks associated with an investment in the Notes, and additional risks may arise after the date of the offering.

No investment should be made in the Notes until after careful consideration of all those factors that are relevant in relation to the Notes.

Risks Relating to the Bank and its Industry

Difficult market and economic conditions could have a material adverse effect on the operating environment for financial institutions and hence on the Bank's financial condition, results of operations and cost of risk.

As a global financial institution, the Bank's businesses are highly sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. In recent years, the Bank has been, and may again in the future be, confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign debt, the capital markets, credit or liquidity, regional or global recessions, sharp fluctuations in commodity prices, currency exchange rates or interest rates, volatility in prices of financial derivatives, inflation or deflation, restructurings or defaults, corporate or sovereign debt rating downgrades or adverse political and geopolitical events (such as natural disasters, societal unrest, acts of terrorism and military conflicts). Such disruptions, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Bank's financial condition, results of operations or cost of risk. In 2014, the global macro-economic environment will be particularly sensitive to the expected slowdown (or "tapering") of government stimulus programs, including that of the United States. In Europe, the economic growth perspectives differ among member states and a risk of deflation exists.

Moreover, a resurgence of a sovereign debt crisis in certain countries remains possible. For example, European markets have experienced significant disruptions in recent years as a result of concerns regarding the ability of certain countries in the euro zone to refinance their debt obligations. At several points in recent years these disruptions caused tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union.

The Bank holds and in the future may hold substantial portfolios of sovereign obligations issued by the governments of, and has and may in the future have substantial amounts of loans outstanding to borrowers in, certain of the countries that have been most significantly affected by the crisis in recent years. The Bank also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis had, and could again in the future have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and more generally on the environment in which the Bank operates.

If economic conditions in Europe or in other parts of the world were to deteriorate, particularly in the context of a resurgence of the sovereign debt crisis (such as a sovereign default), the Bank could be required to record impairment charges on its sovereign debt holdings or record losses on sales thereof, and the resulting market and political disruptions could have a significant adverse impact on the credit quality of the Bank's customers and financial institution counterparties, on market parameters such as interest rates, currency exchange rates and stock market indices, and on the Bank's liquidity and ability to raise financing on acceptable terms.

Legislative action and regulatory measures taken in response to the global financial crisis may materially impact the Bank and the financial and economic environment in which it operates.

In recent periods, laws and regulations have been enacted or proposed, in France, Europe and the United Sates, in particular, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the new measures could be to change substantially the environment in which the Bank and other financial institutions operate. The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements (particularly for large global banking groups such as the Bank), taxes on financial transactions, restrictions and increased taxes on employee compensation over specified levels, restrictions or prohibitions on certain types of activities considered as speculative undertaken by commercial banks that will need to be ring-fenced in subsidiaries (particularly proprietary trading), restrictions or prohibitions on certain types of financial products or activities, increased internal control and reporting requirements with respect to certain activities, more stringent conduct of business rules, increased regulation of certain types of financial products including mandatory reporting of derivative transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions, and the creation of new and strengthened regulatory bodies.

Certain measures have been adopted are already applicable to the Bank, such as the EU Directive and Regulation on prudential requirements “CRD / CRR IV” dated June 26, 2013, many of whose provisions took effect as of January 1, 2014. Moreover, the prudential ratio requirements announced by the European Banking Authority and the designation of the Bank as a systemically important financial institution by the Financial Stability Board increase the Bank’s prudential requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. The Bank implemented an adaptation plan in response to these requirements, including reducing its balance sheet and bolstering its capital. Ensuring and maintaining compliance with further requirements of this type that may be adopted in the future may lead the Bank to take additional measures that could weigh on its profitability and adversely affect its financial condition and results of operations. Moreover, the European Central Bank announced in October 2013 that it will conduct an asset quality review and perform stress tests on the principal European banks, including the Bank, in 2014. The findings of this review are expected to be released in November 2014 and may result in recommendations and corrective measures applicable to the Bank or the banking industry.

In 2013 and at the beginning of 2014, France made significant changes to its legal and regulatory framework applicable to banking institutions. The French banking law of July 26, 2013 on the separation and regulation of banking activities provides in particular for a separation between economic financing activities and so-called “speculative” activities that must now be conducted by ring-fenced subsidiaries that must comply with specific capital and liquidity requirements on a stand-alone basis. The new banking law also modifies the mechanism for preventing and resolving banking crises, which will now be supervised by the French banking regulator (*Autorité de Contrôle Prudentiel et de Résolution*) whose powers have been expanded. In the event of a failure, the law provides for mechanisms such as the powers to require banks to adopt structural changes, issue new securities, cancel existing equity or subordinated debt securities and convert subordinated debt into equity, and to require the intervention of the French Deposit Guarantee and Resolution Fund (*Fonds de Garantie des Dépôts et de Résolution*) in order to, more generally, ensure that any losses are borne in priority by banks’ shareholders and subordinated creditors (such mechanism is referred to as the “Bail-in” procedure). The Ordinance of February 20, 2014 provides in particular for the strengthening of the governance rules within banking institutions, a reinforced and harmonized at the EU level sanctions regime, an extended scope of prudential surveillance with in particular additional prudential requirements, a harmonization of the rules relating to the approval of credit institutions within the European Union, and an update of the rules relating to the consolidated surveillance and the exchange of information. At the European level, the European Union adopted, in October 2013, a single banking supervisory mechanism under the supervision of the European Central Bank, and a proposal for a European Directive on bank recovery and resolution that provides for a bail-in mechanism is currently being discussed. The Council of the European Union also announced on December 18, 2013 an agreement relating to the single resolution mechanism, which provides for the establishment of a single resolution authority and negotiations for the future establishment of a common resolution fund financed by banks at the national level. Finally, the European Commission’s proposed regulation on structural measures designed to improve the strength of EU credit institutions of January 29, 2014 would prohibit certain proprietary trading activities by certain large European credit institutions and require them to conduct certain high-risk trading activities only through subsidiaries.

In the United States, the final rule for the regulation of foreign banks imposing certain liquidity, capital and other prudential requirements recently adopted by the U.S. Federal Reserve will require the Bank to create a new intermediate holding company for its U.S. subsidiaries, which will be required to comply with capital, liquidity and other prudential requirements on a stand-alone basis. Moreover, in October 2013, the Federal Reserve, together with other U.S. regulatory agencies, issued a proposed rule that strengthens the liquidity requirements of large U.S. banks by establishing a liquidity coverage ratio that is more restrictive than is required under international standards. Finally, the "Volcker" Rule, recently adopted by the U.S. regulatory authorities, places certain restrictions on the proprietary trading activities of U.S. banking entities and on investments by U.S. banking entities in private equity and hedge funds; certain of these restrictions apply to non-U.S. banks as well.

While a large number of these legislative and regulatory measures, proposed in the wake of the financial crisis, have been adopted over the course of the past few years, some of them are still under discussion or subject to revision. These latter measures, if adopted, would need to be adapted to each country's regulatory framework by national legislators and/or regulators. It is therefore impossible to accurately predict which additional measures will be adopted or to determine the exact content of such measures and their ultimate impact on the Bank. In any case, all of these measures, whether already adopted or in the process of being adopted, may restrict the Bank's ability to allocate and apply capital and funding resources, limit its ability to diversify risk and increase its funding costs, which could, in turn, have an adverse effect on its business, financial condition, and results of operations. Depending on the nature and scope of regulatory measures that are ultimately adopted, they could (in addition to having the effects noted above) affect the Bank's ability to conduct (or impose limitations on) certain types of business, its ability to attract and retain talent (particularly in its investment banking and financing businesses in light of the adopted and potential additional restrictions on compensation practices in the banking industry) and, more generally, its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations.

The Bank's access to and cost of funding could be adversely affected by a resurgence of the euro zone sovereign debt crisis, worsening economic conditions, further rating downgrades or other factors.

The euro zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks during the past few years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to their exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the Bank, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank at times increased substantially. If such adverse credit market conditions were to reappear in the event of a resurgence of the debt crisis, factors relating to the financial industry in general or to the Bank in particular, the effect on the liquidity of the European financial sector in general and the Bank in particular could be materially adverse.

The Bank's cost of funding may also be influenced by the credit rating on its long-term debt, which, for instance, was downgraded by two of the principal rating agencies in 2012. Further downgrades in the Bank's credit ratings by any of the three rating agencies may increase the Bank's borrowing costs.

A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect the Bank's results of operations and financial condition.

In connection with its lending activities, the Bank regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". The Bank's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although the Bank seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in the Bank's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on the Bank's results of operations and financial condition.

The Bank also establishes provisions for contingencies and charges including in particular provisions for litigations. Any loss arising from a risk that has not already been provisioned or that is greater than the amount of the provision could have a negative impact on the Bank's results of operation and financial condition.

The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

The Bank maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by volatility in financial and other markets, i.e., the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. There can be no assurance that the extreme volatility and market disruptions experienced during the height of the recent financial crisis will not return in the future and that the Bank will not incur substantial losses on its capital market activities as a result. Moreover, volatility trends that prove substantially different from the Bank's expectations may lead to losses relating to a broad range of other products that the Bank uses, including swaps, forward and future contracts, options and structured products.

To the extent that the Bank owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the Bank has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose it to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Bank may from time to time have a trading strategy of holding a long position in one asset and a short position in another, in order to hedge transactions with clients and/or from which it expects to gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Bank did not anticipate or against which it is not hedged, the Bank might realize a loss on those paired positions. Such losses, if significant, could adversely affect the Bank's results of operations and financial condition.

The Bank may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

Financial and economic conditions affect the number and size of transactions for which the Bank provides securities underwriting, financial advisory and other investment banking services. The Bank's corporate and investment banking revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can decrease significantly as a result of economic or financial changes that are unfavorable to its Investment Banking business and clients. In addition, because the fees that the Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Bank receives from its asset management, equity derivatives and Private Banking businesses. Independently of market changes, below-market performance by the Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Bank receives from its asset management business.

During the market downturns that occurred during the past few years (and particularly during the 2008/2009 period), the Bank experienced all of these effects and a corresponding decrease in revenues in the relevant business lines. There can be no assurance that the Bank will not experience similar trends in future market downturns, which may occur periodically and unexpectedly.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.

In some of the Bank's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Bank cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that the Bank calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant losses that the Bank did not anticipate.

Significant interest rate changes could adversely affect the Bank's revenues or profitability.

The amount of net interest income earned by the Bank during any given period significantly affects its overall revenues and profitability for that period. Interest rates are affected by many factors beyond the Bank's control, such as the level of inflation and the monetary policies of states. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in the Bank's net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to the Bank's short-term financing may adversely affect the Bank's profitability.

The soundness and conduct of other financial institutions and market participants could adversely affect the Bank.

The Bank's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, may have led to market-wide liquidity problems and could lead to further losses or defaults. The Bank has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose the Bank to insolvency risk in the event of default of a group of the Bank's counterparties or clients. This risk could be exacerbated if the collateral held by the Bank cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Bank. In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the Bank, have announced losses or exposure to losses in substantial amounts. Potentially significant additional potential exposure is also possible in the form of litigation and claims in the context of the bankruptcy proceedings of Bernard Madoff Investment Services (BMIS) (a number of which are pending against the Bank), and other potential claims relating to counterparty or client investments made, directly or indirectly, in BMIS or other entities controlled by Bernard Madoff, or to the receipt of investment proceeds from BMIS. There can be no assurance that any losses resulting from the risks summarized above will not materially and adversely affect the Bank's results of operations.

The Bank's competitive position could be harmed if its reputation is damaged.

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the Bank's ability to attract and retain customers. The Bank's reputation could be harmed if it fails to adequately promote and market its products and services. The Bank's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Bank's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, the Bank's reputation could be damaged by employee misconduct, fraud or misconduct by market participants to which the Bank is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. Such risks to reputation have recently increased as a result of the growing use of social networks within the economic sphere. The loss of business that could result from damage to the Bank's reputation could have an adverse effect on its results of operations and financial position.

An interruption in or a breach of the Bank's information systems may result in lost business and other losses.

As with most other banks, the Bank relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, as illustrated by the recent launch of Hello bank!. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Bank's customer relationship management, general ledger, deposit, servicing and/or loan organization systems. The Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies have recently experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorized access, disable or degrade service, steal confidential data or sabotage information systems change frequently and often are not recognized until launched against a target, the Bank may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. The occurrence of any failures of or interruptions in the Bank's information systems resulting from such intrusions or from other causes could have an adverse effect on the Bank's reputation, financial condition and results of operations. Moreover, the mandatory transition on February 1, 2014 to the Single Euro Payment Area ("SEPA") could cause technical difficulties for wire orders submitted by the Bank's clients and processed by the Bank.

Unforeseen external events can interrupt the Bank's operations and cause substantial losses and additional costs.

Unforeseen events such as political and social unrest, severe natural disasters, a pandemic, terrorist attacks or other states of emergency could lead to an abrupt interruption of the Bank's operations and, to the extent not covered by insurance, could cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to additional costs (such as relocation of employees affected) and increase the Bank's costs (particularly insurance premiums).

The Bank is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates and may incur substantial liability for non-compliance with applicable laws and regulations.

The Bank is exposed to regulatory compliance risk, such as the inability to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging legal or regulatory requirements. Besides damage to the Bank's reputation and private rights of action, non-compliance could lead to significant legal proceedings, fines and expenses (including fines and expenses in excess of previously recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal of operating licenses. This risk is further exacerbated by continuously increasing regulatory oversight. This is the case in particular with respect to money laundering, the financing of terrorist activities or transactions involving countries that are subject to economic sanctions. For example, U.S. regulators and other government authorities have in recent years strengthened economic sanctions administered by the Office of Foreign Assets Control of the U.S. Department of Treasury ("OFAC") as well as the related legal and regulatory requirements.

In this respect, on June 30, 2014 the Bank entered into a series of agreements with, and was the subject of several orders issued by, U.S. federal and New York state government agencies and regulatory authorities including the U.S. Department of Justice, the New York County District Attorney's Office, the U.S. Attorney's Office for the Southern District of New York, the Board of Governors of the Federal Reserve System, the Office of Foreign Assets Control of the U.S. Department of the Treasury and the New York State Department of Financial Services, in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions. The fines and penalties imposed on the Bank as part of this settlement include, among other things, the payment of monetary penalties amounting in the aggregate to $8.97 billion (€6.6 billion), guilty pleas by BNP Paribas S.A., the parent company of the BNP Paribas group, to charges of having violated U.S. federal criminal law (conspiracy to violate the Trading with the Enemy Act and the International Emergency Economic Powers Act) and New York State criminal law (conspiracy and falsifying business records), and the suspension of the New York branch of BNP Paribas for (a) a one-year period (2015) of U.S dollar direct clearing focused mainly on the Oil & Gas Energy and Commodity Finance business line in certain locations and (b) a two-year period of U.S. dollar clearing as a correspondent bank for unaffiliated third party banks in New York and London. Although following this settlement the Bank expects to maintain its bank license where it operates and has received confirmations or assurances in this regard from its principal regulators, the settlement could provide the basis for a regulator to rescind or impose restrictions on the Bank's licenses and the Bank therefore cannot be entirely certain that no such rescissions or restrictions will result. It is also possible that as a result of the settlement existing clients or counterparties of the Bank will choose or be required to cease or limit their future business with the Bank. More specifically, the Bank cannot be certain that the suspension of U.S. dollar clearing in respect of certain of its business lines will not lead to a loss of business. More generally, the Bank cannot be certain that the damage to its reputation caused by this highly publicized matter will not materially and adversely affect its business and results of operations going forward.

The Bank has received requests for information from certain regulatory authorities globally who are investigating trading in the foreign exchange market. The Bank is cooperating with these investigations, including by conducting its own internal review of foreign exchange trading. The Bank is also named as a defendant in a consolidated putative class action brought in the United States District Court for the Southern District of New York alleging antitrust claims relating to the alleged manipulation of foreign exchange rates. Many of these matters are still in their early stages and it is accordingly too early to estimate their outcome or any fines that maybe levied by governmental bodies or damages that may be incurred from private litigation. A number of other financial institutions are also currently being investigated. Any settlements by these institutions may adversely affect the outcomes for other financial institutions, such as the Bank, in similar actions, especially as large settlements may be used as the basis or template for other settlements. As a result, these matters may expose the Bank to substantial monetary damages and defense costs in addition to criminal and civil penalties, and they could accordingly have a material adverse effect on the Bank's results of operations, financial condition or reputation.

The Bank is also exposed to the risk of changes in legislation or regulation in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the Group operates;
- general changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable capital adequacy and liquidity frameworks and restrictions on activities considered as speculative;
- general changes in securities regulations, including financial reporting and market abuse regulations;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls; and
- expropriation, nationalization, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the Bank, and have a material adverse effect on its business, financial condition and results of operations.

Notwithstanding the Bank's risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses.

The Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Bank's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that the Bank may have failed to identify or anticipate. The Bank's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behavior, valuations, assumptions or estimates. Some of the Bank's qualitative tools and metrics for managing risk are based on its use of observed historical market behavior. The Bank applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the Bank uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process.

These tools and metrics may fail to predict future risk exposures, e.g., if the Bank does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit the Bank's ability to manage its risks. The Bank's losses could therefore be significantly greater than the historical measures indicate. In addition, the Bank's quantified modeling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

The Bank's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that the Bank uses to hedge its exposure to various types of risk in its businesses is not effective, the Bank may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Bank holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the Bank's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Bank's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Bank's reported earnings.

The Bank may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions.

The Bank makes acquisitions on a regular basis. Integrating acquired businesses is a long and complex process. Successful integration and the realization of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realization. Moreover, the integration of the Bank's existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of the Bank's business, which could have a negative impact on the business and results of the Bank. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although the Bank undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the Bank may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

Intense competition, especially in France where it has the largest single concentration of its businesses, could adversely affect the Bank's revenues and profitability.

Competition is intense in all of the Bank's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of the ongoing consolidation of financial services that accelerated during the financial crisis or as a result of the presence of new players in the payment services area. If the Bank is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Bank and its competitors. In addition, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favorable terms. It is also possible that the presence in the global marketplace of nationalized financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, following the 2008/2009 financial crisis or the imposition of more stringent requirements (particularly capital requirements and activity restrictions) on large or systemically significant financial institutions could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Bank.

Risks Relating to the Notes

The Notes and the Guarantees may be subject to mandatory write-down or conversion to equity if the Bank becomes subject to a resolution procedure.

A recent European directive on the resolution of financial institutions adopted by the European Parliament and the Council of the European Union provides resolution authorities with the power to ensure that capital instruments and eligible liabilities, including senior debt instruments such as those that may be issued pursuant to this prospectus supplement, absorb losses at the point of non-viability of the issuing institution (should junior instruments prove insufficient to absorb all such losses), through the write-down or conversion to equity of such instruments (the "Bail-In Tool"). In addition, the Bail-In Tool might also apply to a guarantee obligation such as the Guarantees. The point of non-viability is defined as the point at which the resolution authority determines that (i) the institution is failing or likely to fail, (ii) there is no reasonable prospect that private action would prevent the failure and (iii) a resolution action is necessary in the public interest. The Bail-In Tool with respect to senior debt instruments such as those that may be issued pursuant to this prospectus supplement and, potentially, the Senior Guarantee, will become effective by January 1, 2016, at the latest. The terms and conditions of the Notes contain provisions giving effect to the Bail-in Tool. See "Description of the Notes—Condition 16—Bail-In Regulatory Power" in this Prospectus Supplement.

The Bail-In Tool could result in the full or partial write-down or conversion to equity of the Notes and, potentially, the Guarantees. In addition, if the Issuer's financial condition deteriorates, the existence of the Bail-In Tool could cause the market value of the Notes to decline more rapidly than would be the case in the absence of such tools.

For further information about the European resolution directive and related French legislation, see "Government Supervision and Regulation of BNP Paribas in France."

The unavailability of currencies could result in a substantial loss to you.

Except as set forth below, if payment on a Note is required to be made in a Specified Currency other than U.S. dollars and that currency is:

- unavailable due to the imposition of exchange controls or other circumstances beyond the relevant Issuer's control;
- no longer used by the government of the country issuing the currency; or
- no longer used for the settlement of transactions by public institutions of the international banking community,

then all payments on that Note shall be made in U.S. dollars until the Specified Currency is again available or so used. The amounts so payable on any date in the Specified Currency will be converted into U.S. dollars on the basis of the most recently available market exchange rate for the currency or as otherwise indicated in the applicable supplement. Any payment on a Note made under these circumstances in U.S. dollars will not constitute an event of default under the Fiscal and Paying Agency Agreement under which the Note was issued.

If the Specified Currency of a Note is officially redenominated, such as by an official redenomination of any Specified Currency that is a composite currency, then the payment obligations of the relevant Issuer on the Note will be the amount of such redenominated currency that represents the amount of such Issuer's obligations immediately before the redenomination. The Notes will not provide for any adjustment to any amount payable as a result of:

- any change in the value of the Specified Currency of those Notes relative to any other currency due solely to fluctuations in exchange rates; or
- any redenomination of any component currency of any composite currency, unless that composite currency is itself officially redenominated.

Currently, there are limited facilities in the United States for conversion of U.S. dollars into foreign currencies, and vice versa. In addition, banks do not generally offer non-U.S. dollar-denominated checking or savings account facilities in the United States. Accordingly, payments on Notes made in a currency other than U.S.

dollars will be made from an account at a bank located outside the United States unless otherwise specified in the applicable supplement. You should consult your own financial and legal advisors as to the risks of an investment in Notes denominated in a Specified Currency other than U.S. dollars.

Judgments in a foreign currency could result in a substantial loss to you.

The Notes will be governed by, and construed in accordance with, the laws of the State of New York. Courts in the United States customarily have not rendered judgments for money damages denominated in any currency other than the U.S. dollar. A 1987 amendment to the Judiciary Law of New York State provides, however, that a judgment or decree awarded in an action based upon an obligation denominated in a currency other than U.S. dollars will be rendered in the foreign currency of the underlying obligation. Any judgment or decree awarded in such an action will be converted into U.S. dollars at the rate of exchange prevailing on the date of the entry of the judgment or decree. There will be no provision for any further payments if exchange rates continue to change after the judgment is rendered.

The historical or hypothetical performance of the underlying asset is not an indication of future performance.

The historical or hypothetical performance of any Underlying Assets, which may be included in the applicable pricing supplement, should not be taken as an indication of the future performance of any such Underlying Assets. It is impossible to predict whether the level, value or price of any Underlying Asset will fall or rise during the term of the Notes.

Past fluctuations and trends in the Underlying Assets are not necessarily indicative of fluctuations or trends that may occur in the future.

Reported levels, values and prices of underlying assets and their components may be based on non-current information.

If trading is interrupted in the Underlying Assets or any of their components, publicly available information regarding the level, value or price of the Underlying Asset may be based on the last reported levels, values or prices. As a result, publicly available information regarding reported levels, values or prices of the Underlying Assets or their components may at times be based on non-current information.

The underlying assets or their components may trade around-the-clock; however, if a secondary market develops, the Notes may trade only during regular trading hours in the United States.

If the market for the Underlying Assets or their components is a global, around-the-clock market, the hours of trading for the Notes may not conform to the hours during which the Underlying Assets or their components are traded. To the extent that U.S. markets are closed while international markets remain open, significant movements may take place in the levels, values or prices of the Underlying Assets or their components that will not be reflected immediately in the price of the Notes. There may not be any systematic reporting of last-sale or similar information for the Underlying Assets or their components. The absence of last-sale or similar information and the limited availability of quotations would make it difficult for many investors to obtain timely, accurate data about the state of the market for the Underlying Assets or their components.

The Notes are intended to be held to maturity.

You may receive less, and potentially significantly less, than the amount you originally invested if you sell your Notes prior to maturity. You should be willing and able to hold your Notes until maturity.

The Notes may not be listed on any securities exchange and there may not be any secondary market.

The Notes may not be listed on any securities exchange, and upon issuance, the Notes will not have an established trading market. The Issuers cannot assure you that a trading market for the Notes will develop or, if one develops, that it will be maintained. Even if there is a secondary market, it may not provide liquidity. A lack of liquidity for the Notes may mean that investors are not able to sell their Notes or may not be able to sell their Notes at a price equal to the price that they paid for them, and, consequently, investors may suffer a partial or total loss of the amount of their investments.

While the Issuers anticipate that the Issuers' affiliate, BNPP Securities, may make a market for the Notes, it is not required to do so. Since the Notes may not be listed on any securities exchange, if BNPP Securities were to cease acting as a market maker, it is likely that there would be no secondary market for the Notes. You therefore must be willing and able to hold the Notes until maturity.

The price at which you will be able to sell your Notes prior to maturity will depend on a number of factors, and may be substantially less than the amount you had originally invested.

If you wish to liquidate your investment in the Notes prior to maturity, your only alternative, in the absence of any repayment at the option of the holder provisions, would be to sell your Notes. At that time, there may be an illiquid market for Notes or no market at all. Even if you were able to sell your Notes, there are many factors outside of the Issuers' control that may affect their market value. The Issuers believe that the market value of your Notes will be affected by the volatility of the Underlying Asset, the level, value or price of the Underlying Asset at the time of the sale, changes in interest rates, the supply and demand of the Notes and a number of other factors. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor.

The price, if any, at which you will be able to sell your Notes prior to maturity may be substantially less than the amount you originally invested depending upon, the level, value or price of the Underlying Asset at the time of the sale. The following paragraphs describe the manner in which the Issuers expect the market value of the Notes to be affected in the event of a change in a specific factor, assuming all other conditions remain constant.

Underlying Asset performance. The Issuers expect that the market value of the Notes prior to maturity will depend on the current level (or in some cases, performance from the date on which the Notes price) of the Underlying Asset relative to its initial level, value or price. If you decide to sell your Notes prior to maturity when the current level, price or value of the Underlying Asset at the time of sale is favorable relative to its initial level, value or price, you may nonetheless receive substantially less than the amount that would be payable at maturity based on that level, value or price because of expectations that the level, value or price will continue to fluctuate until the final level, value or price is determined.

Volatility of the Underlying Asset. Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the Underlying Assets or their components increases or decreases, the market value of the Notes may be adversely affected.

Interest rates. The Issuers expect that the market value of the Notes will be affected by changes in interest rates. Interest rates also may affect the economy and, in turn, the value of the components of the Underlying Asset, which would affect the market value of the Notes.

Supply and demand for the Notes. The Issuers expect that the market value of the Notes will be affected by the supply of, and demand for, the Notes. In general, if the supply of the Notes decreases and/or the demand for the Notes increases, the market value of the Notes may increase. Alternatively, if the supply for the Notes increases and/or the demand in the Notes decreases, the market value of the Notes may be adversely affected. The supply of the Notes, and therefore the market value of the Notes, may be affected by inventory positions held by BNPP Securities or any market maker.

Redemption/call rights. Either your right to redeem the Notes or the Issuers' right to call the Notes may affect the market value of the Notes. Generally, the grant of a redemption right to holders of Notes may enhance the market value of the Notes while a call right by the Issuers may adversely affect the market value of the Notes.

Our credit ratings, financial condition and results of operations. Actual or anticipated changes in the Issuers' and the Guarantor's current credit ratings, as well as the Issuers' financial condition or results of operations may significantly affect the market value of the Notes. However, because the return on the Notes is dependent upon factors in addition to the Issuers' and the Guarantor's ability to pay their obligations under the Notes (such as the current level, value or price of the Underlying Asset), an improvement in the Issuers' credit ratings, financial condition or results of operations is not expected to have a positive effect on the market value of the Notes. These credit ratings relate only to the Issuers' and the Guarantor's creditworthiness, do not affect or enhance the performance of the Notes and are not indicative of the risks associated with the Notes or an investment in the Underlying Asset. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time.

Time remaining to maturity. A "time premium" results from expectations concerning the level, value or price of the Underlying Asset during the period prior to the maturity of the Notes. As the time remaining to the maturity of the Notes decreases, this time premium will likely decrease, potentially adversely affecting the market value of the Notes. As the time remaining to maturity decreases, the market value of the Notes may be less sensitive to the volatility in the components of the Underlying Asset.

Events affecting or involving the Underlying Asset, economic, financial, regulatory, geographic, judicial, political and other developments that affect the level, value or price of the Underlying Assets and their components, and real or anticipated changes in those factors, also may affect the market value of the Notes. For example, for Underlying Assets composed of equity securities, earnings results of a component of the Underlying Asset, and real or anticipated changes in those conditions or results, may affect the market value of the Notes.

Agent's commission and cost of hedging. The initial offering price of the Notes includes the agent's commission or discount, if any, and the cost of hedging the Issuers' obligations under the Notes. These costs may include the Issuers' or the Issuers' affiliates' expected cost of providing that hedge and the profit the Issuers expect to realize in consideration for assuming the risks inherent in providing that hedge. As a result, assuming no change in market conditions or any other relevant factors, the price, if any, in secondary market transactions will likely be lower than the original issue price, and could result in a substantial loss to you.

The effect of one of the factors specified above may offset some or all of any change in the market value of the Notes attributable to another factor.

The Notes are not insured by the FDIC.

The Notes are not deposit liabilities of the Bank and neither the Notes nor your investment in the Notes are insured by the FDIC or any other governmental agency of the United States, France or any other jurisdiction.

Since the Notes are unsecured, your right to receive payments may be adversely affected.

The Notes will be unsecured obligations of the relevant Issuer and will rank *pari passu* with themselves. Each issue of Notes will be guaranteed by the Guarantor pursuant to the Guarantee. The obligations under the Guarantee will be unsecured obligations of the Guarantor and unsubordinated, in the case of the Senior Guarantee, and subordinated, in the case of the Subordinated Guarantee, and will rank *pari passu* with all its other present and future unsecured obligations that are unsubordinated or subordinated, as the case may be, subject as may from time to time be mandatory under applicable law.

There are no security interests in the Notes or other financial instruments held by the Bank.

There are no restrictions on the Issuers' ability or the ability of any of their affiliates to sell, pledge or otherwise convey all or any portion of the securities or other instruments acquired by the Issuers or their affiliates. Neither the Issuers nor any of their affiliates will pledge or otherwise hold those securities or other instruments for the benefit of holders of the Notes.

Consequently, in the event of a bankruptcy, insolvency or liquidation involving us, any of those securities or instruments that the Issuers own will be subject to the claims of the Issuers' creditors generally and will not be available specifically for the benefit of the holders of the Notes. The principal, coupon or any other amounts payable on the Notes constitute the Issuers' direct, unconditional, unsecured and unsubordinated obligations ranking *pari passu*, without any preference among themselves, with all the Issuers' other outstanding unsecured and unsubordinated obligations, present and future, except those obligations as are preferred by operation of law.

The material U.S. federal income tax consequences of an investment in some types of Notes are uncertain

There is no direct legal authority as to the proper tax treatment of some types of Notes, and therefore significant aspects of the tax treatment of some types of Notes are uncertain, as to both the timing and character of any inclusion in income in respect of your Note. The applicable pricing supplement will provide further information as to the tax treatment of the Issuers' Notes. The Issuers urge you to consult your tax advisor as to the tax consequences of your investment in a Note. For a more complete discussion of the U.S. federal income tax consequences of your investment in a Note, please see the discussion under "Taxation—United States Federal Income Taxation."

Certain payments on Notes may be subject to U.S. withholding tax under the U.S. Foreign Account Tax Compliance Rules and the Dividend Equivalent Withholding Rules.

The Foreign Account Tax Compliance Act ("FATCA") may impose a 30 percent withholding tax on payments from sources within the United States, and on the gross proceeds from the sale or disposition of Notes that can produce U.S. source interest income beginning after December 31, 2016. Withholding on certain "passthru payments" (a term not yet defined) made on Notes may also apply beginning in 2017.

In addition, under recently proposed regulations, beginning in 2016, a 30 percent withholding tax would be imposed on "dividend equivalent" payments on certain Notes, including certain Physical Delivery Notes and Linked Notes, that are contingent upon or determined by reference to the payment of a dividend from sources within the United States. In certain cases, "dividend equivalent" payments would include a payment of the purchase price or an adjustment to the purchase price of a Note, to the extent such payment is contingent upon or determined by reference to the payment of a dividend from sources within the United States. See "Taxation—United States Federal Income Taxation—Information Reporting and Backup Withholding" below for a more detailed discussion of these rules.

Trading and other transactions by the issuers or the issuers' affiliates could affect the level, value or price of underlying assets and their components, the market value of the notes or the amount of coupon, principal or other amounts payable on your Notes.

In connection with the Issuers' normal business practices or in connection with hedging the Issuers' obligations under the Notes, the Issuers and the Issuers' affiliates may from time to time buy or sell the Underlying Assets and their components, or similar instruments, or derivative instruments relating to the Underlying Assets or their components. These trading activities may present a conflict of interest between your interest in the Notes and the interests the Issuers and the Issuers' affiliates may have in the Issuers' proprietary accounts, in facilitating transactions, including block trades, for the Issuers' other customers and in accounts under the Issuers' management. These trading activities also could affect the level, value or price of the Underlying Assets in a manner that would decrease the market value of the Notes prior to maturity or the amount you would receive at maturity. To the extent that the Issuers or any of the Issuers' affiliates have a hedge position in the Underlying Assets or its components, or in a derivative or synthetic instrument related to the Underlying Assets or its components, the Issuers or any of the Issuers' affiliates may increase or liquidate a portion of those holdings at any time before, during or after the term of the Notes. This activity may affect the amount payable at maturity or any calculation of the market value of the Notes in a manner that would be adverse to your investment in the Notes. Depending on, among other things, future market conditions, the aggregate amount and the composition of those hedge positions are likely to vary over time. In addition, the Issuers or any of the Issuers' affiliates may purchase or otherwise acquire a long or short position in the Notes. The Issuers or any of the Issuers' affiliates may hold or resell any such position in the Notes.

Research reports and other transactions may create conflicts of interest between you and us.

The Issuers or one or more of the Issuers' affiliates may have published, and may in the future publish, research reports relating to the Underlying Assets or any of its components. The views expressed in this research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities may affect the level, value or price of the Underlying Assets or their components and, therefore, the market value of the Notes. Moreover, other professionals who deal in these markets may at any time have views that differ significantly from the Issuers. In connection with your purchase of the Notes, you should investigate the Underlying Asset and not rely on the Issuers' views with respect to future movements in the Underlying Assets and their components.

The Issuers or any of the Issuers' affiliates also may issue, underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments with returns indexed to the Underlying Asset. By introducing competing products into the marketplace in this manner, the Issuers or the Issuers' affiliates could adversely affect the market value of the Notes.

The Issuers and the Issuers' affiliates, at present or in the future, may engage in business relating to the person or organization responsible for calculating, publishing or maintaining the Underlying Assets, which the Issuers refer to as the "Sponsor" of the Underlying Asset. In addition, the Issuers or the Issuers' affiliates may engage in business relating to any components of the Underlying Assets, including making loans to, equity investments in, or providing investment banking, asset management or other advisory services to the respective Sponsor or issuer. In connection with these activities, the Issuers may receive information pertinent to the Underlying Assets or their components that the Issuers will not divulge to you.

No research recommendation on your Notes.

Although the Bank or one or more of the Issuers' affiliates may publish research on, or assign a research recommendation to, other financial products linked to the performance of any of the Underlying Assets, neither the Bank nor any of the Issuers' affiliates publishes research on, or assigns a research recommendation to, your Notes.

Transactions on the Notes could be subject to a future European financial transaction tax.

The European Commission has proposed a directive that, if adopted in its current form, would subject transactions in securities such as the Notes to a financial transaction tax (the "FTT"). The proposed directive would call for eleven European member states (the "Participating Member States") to impose a tax of at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

On May 6, 2014, the presidency of the Council of the European Union confirmed that all relevant issues will continue to be examined by national experts. It noted the intention of the Participating Member States to work on a progressive implementation of the FTT, focusing initially on the taxation of shares and some derivatives. The first steps would be implemented at the latest on January 1, 2016.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

The Notes may not be a suitable investment for all investors.

Each potential investor of the Notes must make its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with the help of a financial adviser. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this prospectus supplement or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- understand thoroughly the Terms and Conditions of the Notes and be familiar with the behavior of financial markets and of any financial variable which might have an impact on the return on the Notes; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Prospective purchasers should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes.

The European Central Bank ("ECB") is in the process of performing a comprehensive assessment of the Bank and other European banks, the outcome of which is uncertain.

The ECB announced in October 2013 that it would commence a comprehensive assessment, including stress tests and an asset quality review, of certain large European banks, including the Bank. The findings from this assessment, expected to be published in November 2014, may result in recommendations for additional supervisory measures and corrective actions affecting the Bank and the banking environment generally. It is not yet possible to assess the impact of such measures, if any, on the Bank or on the treatment of capital instruments (such as the Subordinated Notes). Furthermore, the disclosure of the ECB's findings or the implementation of additional supervisory measures that are viewed by the market as unfavorable to the Bank or the Subordinated Notes could adversely affect the trading price of the Subordinated Notes.

The Issuers are not required to redeem the Subordinated Notes in the case of a Gross-up Event.

There is uncertainty as to whether gross-up obligations in general, including those under the terms and conditions of the Subordinated Notes (as defined below), are enforceable under French law. If any payment obligations under the Subordinated Notes, including the obligations to pay additional amounts under paragraph 6 of the Terms and Conditions of the Notes below, are held illegal or unenforceable under French law, the relevant Issuer will have the right, but not the obligation, to redeem the Subordinated Notes. Accordingly, if the relevant Issuer does not redeem the Subordinated Notes upon the occurrence of a Gross-up Event (as defined below), holders of Subordinated Notes may receive less than the full amount due, and the market value of such Subordinated Notes will be adversely affected.

There are no events of default under the Subordinated Notes.

The terms and conditions of the Subordinated Notes do not provide for events of default allowing acceleration of the Subordinated Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Subordinated Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to holders of Subordinated Notes for recovery of amounts owing in respect of any payment of principal or interest on the Subordinated Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

The credit rating assigned to the Notes may be reduced or withdrawn.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time. In particular, such suspension, reduction or withdrawal may result from a change in the rating methodology of the assigning rating agency.

Noteholders may be bound by the actions of other Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders and couponholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The rights of Noteholders may be limited under French insolvency law.

Under French insolvency law holders of debt securities are automatically grouped into a single assembly of holders (the "Assembly") in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), accelerated safeguard (*procédure de sauvegarde accélérée*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a Medium Term Note programme) and regardless of their ranking and their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), proposed accelerated safeguard (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or proposed judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- partially or totally reschedule payments which are due and/or write-off debts and/or convert debts into equity (including with respect to amounts owed under the Notes); and/or
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the amount of debt securities held by the holders expressing a vote). No quorum is required to hold the Assembly.

For the avoidance of doubt, the provisions relating to the Meeting of Noteholders set out in the Terms and Conditions of the Notes will not be applicable in these circumstances.

SELECTED FINANCIAL DATA

The following tables present selected financial data concerning the Group as of and for the years ended December 31, 2013, 2012, 2011, 2010 and 2009, as well as selected financial data concerning the Group as of and for the six months ended June 30, 2014 and 2013.

The selected financial data for the Group as of and for the years ended December 31, 2013, 2012 and 2011 (except for the restated income statement for the year ended December 31, 2013) have been derived from, and should be read in conjunction with, the audited consolidated financial statements of the Group as of and for the years ended December 31, 2013 and December 31, 2012, including comparative columns for the year ended December 31, 2011, and the unaudited consolidated financial statements of the Group as of and for the six months ended June 30, 2014, incorporated by reference herein. The selected financial data for the Group as of and for the six months ended June 30, 2014 and 2013 have been derived from, and should be read in conjunction with, the unaudited consolidated financial statements of the Group as of and for the six months ended June 30, 2014, including comparative columns for the six months ended June 30, 2013, incorporated by reference herein.

The audited consolidated financial statements of the Group as of and for the years ended December 31, 2013, 2012 and 2011 and the unaudited consolidated financial statements of the Group as of and for the six months ended June 30, 2014 and 2013 have been prepared in accordance with IFRS as adopted by the European Union.

BNP Paribas Group	**Six months ended June 30,**		**Year ended December 31,**				
			(in millions of euros, except share data)				
Income Statement (EU-IFRS)	**2014**	**2013[1]**	**2013[1]**	**2012[2]**	**2011**	**2010**	**2009**
Net interest income	9,733	9,433	19,451	21,745	23,981	24,060	21,021
Net commission income	3,543	3,378	6,845	7,532	8,419	8,486	7,467
Net gain on financial instruments at fair value through profit or loss	2,529	2,752	4,584	3,312	3,733	5,109	6,085
Net gain on available-for-sale financial assets and other financial assets not measured at fair value	1,278	1,048	1,626	1,624	280	452	436
Net income from other activities	2,398	2,522	4,780	4,859	5,971	5,773	5,182
Revenues	**19,481**	**19,133**	**37,286**	**39,072**	**42,384**	**43,880**	**40,191**
Operating expense and depreciation	(12,899)	(12,387)	(25,317)	(26,543)	(26,116)	(26,517)	(23,340)
Gross operating income	**6,582**	**6,746**	**11,969**	**12,529**	**16,268**	**17,363**	**16,851**
Cost of risk	(1,939)	(1,871)	(3,643)	(3,941)	(6,797)	(4,802)	(8,369)
Provision related to US dollar payments involving parties subject to US sanctions			(798)	–	–	–	–
Costs related to the comprehensive settlement with US authorities	(5,950)			–	–	–	–
Operating income	**(1,307)**	**4,875**	**7,528**	**8,588**	**9,471**	**12,561**	**8,482**
Share of earnings of associates	245	261	537	489	80	268	178
Net gain on non-current assets	12	131	287	1,792	206	269	87
Change in value of goodwill	(3)		(251)	(490)	(106)	(78)	253
Income taxes	(1,424)	(1,545)	(2,680)	(3,061)	(2,757)	(3,856)	(2,526)
Minority interests	172	372	603	(754)	844	1,321	642
Net income attributable to equity holders	**(2,649)**	**3,350**	**4,818**	**6,564**	**6,050**	**7,843**	**5,832**
Basic earnings per share	(2.22)	2.59	3.68	5.17	4.82	6.33	5.20
Diluted earnings per share	(2.22)	2.59	3.67	5.16	4.81	6.32	5.20

(1) Restated according to IFRS 10 and 11 and the amendment to IAS 32. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in the Third Update to the 2013 Registration Document, incorporated by reference herein.
(2) Restated in accordance with the amendment to IAS 19. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in Chapter 4 of its 2013 Registration Document, incorporated by reference herein.

BNP Paribas Group Balance Sheet (EU-IFRS)	At June 30, 2014	At December 31, 2013[(1)]	At December 31, 2012[(2)]	At December 31, 2011	At December 31, 2010	At December 31, 2009
				(in millions of euros)		
Assets						
Cash and amounts due from central banks and post office banks	79,255	100,787	103,190	58,382	33,568	56,076
Financial assets at fair value through profit or loss						
Trading securities	195,513	157,735	143,465	157,624	222,347	206,074
Loans and repurchase agreements	166,264	152,036	146,899	153,799	211,629	209,668
Instruments designated at fair value through profit or loss	74,251	68,185	62,800	57,073	51,186	49,337
Derivative financial instruments	303,388	305,755	410,635	451,967	347,783	363,705
Derivatives used for hedging purposes	15,073	8,368	14,267	9,700	5,440	4,952
Available-for-sale financial assets	224,000	199,056	192,506	192,468	219,958	221,425
Loans and receivables due from credit institutions	54,280	57,545	40,406	49,369	62,718	88,920
Loans and receivables due from customers	623,703	612,455	630,520	665,834	684,686	678,766
Remeasurement adjustment on interest-rate risk hedged portfolios	4,619	3,568	5,836	4,060	2,317	2,407
Held-to-maturity financial assets	9,609	9,881	10,284	10,576	13,773	14,023
Current and deferred tax assets	8,244	8,850	8,732	11,570	11,557	12,117
Accrued income and other assets	110,260	88,656	99,207	93,540	83,124	103,361
Policyholders' surplus reserve		-	-	1,247	-	-
Equity-method investments	6,838	6,561	7,031	4,474	4,798	4,761
Investment property	1,535	1,772	927	11,444	12,327	11,872
Property, plant and equipment	17,250	16,929	17,319	18,278	17,125	17,056
Intangible assets	2,618	2,537	2,585	2,472	2,498	2,199
Goodwill	9,925	9,846	10,591	11,406	11,324	10,979
Total Assets	**1,906,625**	**1,810,522**	**1,907,200**	**1,965,283**	**1,998,158**	**2,057,698**
Liabilities and Shareholders' Equity						
Due to central banks and post office banks	4,780	662	1,532	1,231	2,123	5,510
Financial liabilities at fair value through profit or loss						
Trading securities	81,317	69,792	52,432	100,013	102,060	83,214
Borrowings and repurchase agreements	213,922	202,662	203,063	173,271	224,532	211,177
Instruments designated at fair value through profit or loss	51,524	47,342	43,530	42,044	53,021	58,794
Derivative financial instruments	301,162	301,439	404,598	447,467	345,492	356,152
Derivatives used for hedging purposes	17,531	12,139	17,286	14,331	8,480	8,108
Due to credit institutions	85,114	84,594	111,735	149,154	167,985	220,696
Due to customers	572,863	553,497	539,513	546,284	580,913	604,903
Debt securities	190,970	186,686	173,198	157,786	208,669	211,029
Remeasurement adjustment on interest-rate risk hedged portfolios	3,002	924	2,067	356	301	356
Current and deferred tax liabilities	2,716	2,477	2,943	3,489	3,745	4,762
Accrued expenses and other liabilities	102,874	78,381	86,691	81,010	65,229	72,425
Technical reserves of insurance companies	166,374	155,226	147,992	133,058	114,918	101,555
Provisions for contingencies and charges	11,867	11,922	11,380	10,480	10,311	10,464
Subordinated debt	12,339	11,824	15,223	19,683	24,750	28,209
Minority interests in consolidated subsidiaries	3,670	3,522	8,573	10,256	10,997	10,843
Shareholders' equity (group share)	84,600	87,433	85,444	75,370	74,632	69,501
Total Liabilities and Shareholders' Equity	**1,906,625**	**1,810,522**	**1,907,200**	**1,965,283**	**1,998,158**	**2,057,698**

(1) Restated according to IFRS 10 and 11 and the amendment to IAS 32. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in the Third Update to the 2013 Registration Document, incorporated by reference herein.
(2) Restated in accordance with the amendment to IAS 19. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in Chapter 4 of its 2013 Registration Document, incorporated by reference herein.

BNP Paribas Group Capital Ratios (EU-IFRS)[1]	At June 30,	At December 31,			
	2014[2]	**2013(1)**	**2012(2)**	**2011**	**2010**
Total ratio	12.1%	14.3%	15.5%	14.0%	14.5%
Tier 1 ratio	11.3%	12.8%	13.6%	11.6%	11.4%
Risk-weighted assets (in billions of euros)	620	560	552	614	601

(1) Restated according to IFRS 10 and 11 and the amendment to IAS 32. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in the Third Update to the 2013 Registration Document, incorporated by reference herein.
(2) Restated in accordance with the amendment to IAS 19. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in Chapter 4 of its 2013 Registration Document, incorporated by reference herein.

[1] The ratios included in this table are calculated on the basis of the capital adequacy regulations in effect at the end of the relevant fiscal year (i.e., ratios at December 31, 2011 were calculated in accordance with Basel 2.5, whereas ratios for all previous years were calculated in accordance with Basel 2). See "Capitalization of the Group".
[2] Basel 3 (CRD4) taking into consideration CRR transitory provisions (but with full deduction of goodwill).

CAPITALIZATION OF THE GROUP

The following table sets forth the consolidated capitalization of the Group as of June 30, 2014 and December 31, 2013.

Except as set forth in this section, there has been no material change in the capitalization of the Group since June 30, 2014.

(in millions of euros)	**As of June 30, 2014**	**As of December 31, 2013**
Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)[1]		
Debt securities at fair value through profit or loss	35,739	33,567
Other debt securities	77,087	75,605
Subordinated debt	8,132	8,939
Total Medium- and Long-Term Debt	**120,958**	**118,111**
Shareholders' Equity and Equivalents		
Issued capital[2]	2,492	2,490
Additional paid-in capital	24,240	24,322
Preferred shares and equivalent instruments[3]	6,599	6,614
Retained earnings	46,276	50,366
Unrealized or deferred gains and losses attributable to Shareholders	4,062	1,935
Undated participating subordinated notes[4]	222	222
Undated subordinated FRNs[5]	1,768	1,737
Total Shareholders' Equity and Equivalents	**85,659**	**87,686**
Minority interests	3,629	3,490
Total Capitalization	**210,246**	**209,287**

Notes:

1) Medium- and long-term debt does not include the following items: interbank items and customer term deposits. All medium- and long-term senior debt of the Bank ranks equally with deposits. The subordinated debt of the Bank is subordinated to all other debt with the exception of undated participating subordinated notes (titres participatifs). The Bank and its subsidiaries issue medium- to long-term debt on a continuous basis, particularly through private placements in France and abroad.

Euro against foreign currency as of December 31, 2013, CAD = 1.465, GBP = 0.836, CHF = 1.225, HKD = 10.693, JPY = 145.122, USD = 1.379

Euro against foreign currency as June 30, 2014, CAD = 1.461, GBP = 0.800, CHF = 1.214, HKD = 10.613, JPY = 138.689, USD = 1.369

2) At June 30, 2014, the Bank's share capital stood at €2,492,414,944 divided into 1,246,207,472 shares with a par value of €2 each.

3) In June 2005, BNP Paribas SA issued $1,350 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.186% semi-annually for a period of ten years. Thereafter, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month USD LIBOR plus a margin equal to 1.68% per annum. In the fourth quarter of 2011, the Bank launched an offer to exchange these notes for new unsubordinated bonds. Following completion of this tender offer, $1,070 million of the undated deeply subordinated non-cumulative notes remain outstanding.

In October 2005, BNP Paribas SA issued $400 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 6.25% per annum. As from October 17, 2011, BNP Paribas SA may redeem the notes at par on each interest payment date.

In October 2005, BNP Paribas SA issued €1 billion of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 4.875% per annum. As from October 17, 2011, BNP Paribas SA may redeem the notes at par on each interest payment date.

In April 2006, BNP Paribas SA issued €750 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 4.73% per annum from and including April 12, 2006 to but excluding April 12, 2016, payable annually in arrears on a non-cumulative basis on April 12 of each year, commencing on April 12, 2007, and thereafter at a floating rate equal to three-month EURIBOR plus a margin equal to 1.69% per annum, payable quarterly in arrears on January 12, April 12, July 12 and October 12 of each year commencing on July 12, 2016. As from April 12, 2016, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month EURIBOR plus a margin equal to 1.69% per annum. In the fourth quarter of 2011, the Bank launched a cash tender offer for these notes. Following completion of this tender offer, €549 million of the notes remain outstanding.

Also in April 2006, BNP Paribas SA issued £450 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.945% per annum from and including April 19, 2006 to but excluding April 19, 2016, payable annually in arrears on a non-cumulative basis on April 19 of each year, commencing on April 19, 2007, and thereafter at a floating rate equal to three-month GBP LIBOR plus a margin equal to 1.13% per annum, payable quarterly in arrears on January 19, April 19, July 19 and October 19 of each year commencing on July 19, 2016. As from July 19, 2016, BNP Paribas SA may redeem the notes at par on each interest payment date.

In July 2006, BNP Paribas SA issued €150 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.45% per annum from and including July 13, 2006 to but excluding July 13, 2026, payable annually in arrears on a non-cumulative basis on July 13, 2007, and thereafter at a floating rate equal to three-month Euribor plus a margin equal to 1.92% per annum, payable quarterly in arrears on January 13, April 13, July 13 and October 13 of each year commencing on October 13, 2026.

Also in July 2006, BNP Paribas SA issued £325 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.945% per annum from and including July 13, 2006 to but excluding July 13, 2016, payable annually in arrears on a non-cumulative basis on July 13 of each year, commencing on July 13, 2007, and thereafter at a floating rate equal to three-month GBP LIBOR plus a margin equal to 1.81% per annum, payable quarterly in arrears on January 13, April 13, July 13 and October 13 of each year commencing on October 13, 2016. In the fourth quarter of 2011, the Bank launched a cash tender offer for these notes. Following completion of this tender offer, £163 million of the notes remain outstanding.

In April 2007, BNP Paribas SA issued €750 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.019% per annum from and including April 13, 2007 to but excluding April 13, 2017, payable annually in arrears on a non-cumulative basis on April 13 of each year, commencing on April 13, 2008, and thereafter at a floating rate equal to three-month Euribor plus a margin equal to 1.72% per annum, payable quarterly in arrears on January 13, April 13, July 13 and October 13 of each year commencing on July 13, 2017. In the fourth quarter of 2011, the Bank launched a cash tender offer for these notes. Following completion of this tender offer, €638 million of the notes remain outstanding.

In June 2007, BNP Paribas SA issued $600 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 6.500% payable quarterly in arrears for a period of five years. As from June 2012, BNP Paribas SA may redeem the notes at par on each interest payment date.

In June 2007, BNP Paribas SA issued $1,100 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.195% payable semi-annually for a period of thirty years. Thereafter, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month USD LIBOR plus a margin equal to 1.29% per annum.

In October 2007, BNP Paribas SA issued £200 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.436% per annum for a period of ten years. Thereafter, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month GBP LIBOR plus a margin equal to 1.85% per annum.

In June 2008, BNP Paribas SA issued €500 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.781% per annum for a period of ten years. Thereafter, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month Euribor plus a margin equal to 3.75% per annum.

In September 2008, BNP Paribas SA issued €650 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 8.667% per annum for a period of five years. Thereafter, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month Euribor plus a margin equal to 4.05% per annum.

In September 2008, BNP Paribas SA issued €100 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.57% per annum for a period of ten years. Thereafter, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month Euribor plus a margin equal to 3.925% per annum.

In December 2009, BNP Paribas SA issued €2 million of undated deeply subordinated non-cumulative notes. They bear interest at a floating rate equal to three-month Euribor plus a margin equal to 3.75% per annum, payable quarterly in arrears for a period of ten years. As from December 2019, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month EURIBOR plus a margin equal to 4.75% per annum.

In December 2009, BNP Paribas SA issued €17 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.028% per annum for a period of ten years. As from December 2019, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month EURIBOR plus a margin equal to 4.75% per annum.

In December 2009, BNP Paribas SA issued $70 million of undated deeply subordinated non-cumulative notes. They bear interest at a floating rate equal to three-month USD LIBOR plus a margin equal to 3.750% per annum, payable quarterly in arrears for a period of ten years. As from December 2019, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month USD LIBOR plus a margin equal to 4.75% per annum.

In December 2009, BNP Paribas SA issued $0.5 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.384% per annum for a period of ten years. As from December 2019, BNP Paribas SA may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month USD LIBOR plus a margin equal to 4.75% per annum.

4) Undated participating subordinated notes issued by BNP SA between 1984 and 1988 for a total amount of €337 million are redeemable only in the event of the liquidation of the Bank, but may be redeemed in accordance with the terms specified in the French law of January 3, 1983. Under this option, 32,000 of the 2,212,761 notes originally issued were redeemed and subsequently cancelled in 2012. Payment of interest is

obligatory, but the Board of Directors may postpone interest payments if the Ordinary General Meeting of shareholders held to approve the financial statements notes that there is no income available for distribution.

5) Subordinated debt comprises an issue of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) made by Fortis Bank SA/NV (now acting in Belgium under the commercial name BNP Paribas Fortis) in December 2007, for a nominal amount of €3 billion and a market value of €1,025 million at December 31, 2011. They bear interest at a floating rate equal to three-month Euribor plus a margin equal to 2% paid quarterly in arrears. The CASHES are undated but may be exchanged for twinned Fortis SA/NV and Fortis N.V. (now named ageas SA/NV and ageas N.V., hereafter together referred to as "Ageas") shares (such twinned shares, "Fortis Units") at the holder's sole discretion at a price per Fortis Unit of €23.94. The CASHES will be automatically exchanged into Fortis Units on December 19, 2014 if the price of the Fortis Units is higher than or equal to €35.91 for twenty consecutive trading days. The principal amount will never be redeemed in cash and may not be bought back by the issuer Fortis Bank SA/NV or the co-obligor Ageas. The rights of the CASHES holders are limited to 46,439,042 Fortis Units held by Fortis Bank SA/NV and pledged for the benefit of the CASHES holders (i.e., the remainder, following the conversion of the CASHES acquired by the Bank as described below, of the 125,313,283 Fortis Units that Fortis Bank SA/NV acquired on the date of issuance of the CASHES).

In 2007, Fortis SA/NV and Fortis Bank SA/NV entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on Fortis Bank SA/NV of the relative difference between changes in the value of the CASHES and changes in the value of the Fortis Units. In addition, pursuant to the RPN(i) entered into in 2009, Fortis Bank SA/NV makes, or receives, quarterly payments to, or from, Ageas. Each quarterly interest payment (a three-month EURIBOR plus a margin equal to 20 bps) is made over a reference amount under the RPN. The net balance represented a subordinated liability of €651 million that is permitted for inclusion in Tier 1 capital.

On January 25, 2012, the Bank, Ageas and Fortis Bank SA/NV signed an agreement concerning partial settlement of the RPN and RPN(i) (by means of the acquisition of CASHES by the Bank through a tender offer and their subsequent exchange for the underlying Fortis Units) and the redemption by Fortis Bank SA/NV of the outstanding Redeemable Perpetual Cumulative Coupon Debt Securities (ISIN BE0117584202) issued by Fortis Bank SA/NV in 2001 for a nominal amount of €1,000 million (recognized as debt at amortized cost), of which Ageas held €953 million. The parties agreed that the Bank would launch a cash offer for the CASHES, and that, in a second step, the Bank would convert the CASHES acquired into underlying Fortis Units, with an undertaking not to sell them for a period of six months. The Bank would further receive a compensation from Ageas and Fortis Bank, and the RPN and RPN (i) mechanism would automatically cease to apply proportionally to the CASHES converted. The Bank announced on January 31, 2012 that the offer had closed on January 30 with a success rate of 63% at a price of 47.5% of the principal amount per CASHES. As a result, on February 2, 2012, the Bank acquired 7,553 CASHES, which it exchanged for 78,874,241 Fortis Units on February 6, 2012. The remainder of the CASHES has been maintained on the balance sheet and is included in Tier 1 capital in an amount of €241 million.

As of December 31, 2013, the remaining subordinated debt included €453 million of undated floating-rate subordinated notes (TSDIs) and €1,043 million of other undated subordinated notes.

THE LLC

The LLC is a Delaware limited liability company formed on October 1, 2002. The LLC is a wholly owned subsidiary of the Bank formed for the purpose of issuing the Notes and making the proceeds of the sale thereof available to the Bank, at its head office or branches, or its subsidiaries. The LLC's principal office is located at 787 Seventh Avenue, New York, New York 10019, and its telephone number is (212) 841-2000.

THE BANK AND THE GROUP

The BNP Paribas Group (of which the Bank is the parent company) is a European leader in banking and financial services. It has one of the largest international banking networks, a presence in 75 countries and almost 185,000 employees, including over 141,000 in Europe. The Bank enjoys key positions in its three activities: Retail Banking, Investment Solutions and Corporate and Investment Banking. At December 31, 2013[3], the Group had consolidated assets of €1,810.5 billion and shareholders' equity (Group share including income for 2013) of €87.4 billion. At June 30, 2014, the Group had consolidated assets of €1,906.6 billion and shareholders' equity (Group share including income for the period) of €84.6 billion

The Bank's principal office is located at 16, boulevard des Italiens, 75009 Paris, France, and its telephone number is 33 1 40 14 45 46.

THE BRANCH

BNP Paribas operates the New York branch (the "Branch") pursuant to a license issued by the Superintendent (as defined below) in 1976. The Branch conducts an extensive banking business serving U.S. and non-U.S. customers, including French clients of BNP Paribas and their U.S. subsidiaries. The Branch's principal office is located at 787 Seventh Avenue, New York, New York 10019, and its telephone number is (212) 841-2000.

[3] Restated according to IFRS 10 and 11 and the amendment to IAS 32. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in the Third Update to the 2013 Registration Document, incorporated by reference herein.

SUPERVISION AND REGULATION OF THE BRANCH AND BNP PARIBAS IN THE UNITED STATES

Banking Activities

The U.S. banking operations of BNP Paribas, including those conducted through the Branch, are subject to extensive state and U.S. federal regulation and supervision.

New York State Law

BNP Paribas is licensed by the New York Superintendent of Financial Services (the "Superintendent") under the New York Banking Law (the "NYBL") to conduct a commercial banking business in the State of New York through the Branch. The Branch is supervised, regulated and examined by the New York State Department of Financial Services and the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") and is subject to banking laws and regulations applicable to a foreign bank that operates a New York branch.

Under the NYBL and regulations adopted thereunder, BNP Paribas must keep on deposit for the Branch, with banks in the State of New York, high-quality eligible assets which are pledged to the Superintendent for certain purposes. The amount of assets required to be pledged is determined on the basis of a sliding scale (whereby the amount of assets required to be pledged as a percentage of the Branch's third-party liabilities decreases from 1% to 0.25% as such liabilities increase from $1 billion or less to more than $10 billion (up to a maximum of $100 million of assets pledged)) in the case of foreign banking corporations that have been designated as "well-rated" by the Superintendent, as BNP Paribas has been. Should BNP Paribas cease to be "well-rated" by the Superintendent, it may need to maintain substantial additional amounts of eligible assets with banks in the State of New York. Under the NYBL, the Superintendent is also empowered to require a New York branch of a foreign bank to maintain in New York specified assets equal to such percentage of certain of the branch's liabilities as the Superintendent may designate. At present, the Superintendent has set this percentage at 0%, although specific asset maintenance requirements may be imposed upon individual branches on a case-by-case basis. The Superintendent has not prescribed such a requirement for the Branch.

The NYBL authorizes the Superintendent to take possession of the business and property of a foreign bank's New York branch under certain circumstances including violation of law, conduct of business in an unauthorized or unsafe manner, capital impairment, the suspension of payment of obligations, initiation of liquidation proceedings against the foreign bank, or reason to doubt the foreign bank's ability to pay in full the claims of its creditors. Pursuant to the NYBL, when the Superintendent takes possession of a foreign bank's New York branch, it succeeds to the branch's assets, wherever located, and the assets of the foreign bank in the State of New York. In liquidating or dealing with the branch's business after taking possession of the branch, the Superintendent will accept for payment out of the branch's assets only the claims of depositors and other creditors unaffiliated with the foreign bank that arose out of transactions with the branch (without prejudice to the rights of the holders of such claims to be satisfied out of other assets of the foreign bank) and only to the extent those claims represent an enforceable legal obligation against such branch if such branch were a separate legal entity. After such claims are paid, together with any interest thereon, and the expenses of the liquidation have been paid or properly provided for, the Superintendent will turn over the remaining assets, if any, to other offices of the foreign bank that are being liquidated in the United States, upon the request of the liquidators of those offices, in the amounts which the liquidators of those offices demonstrate are needed to pay the claims accepted by those liquidators and any expenses incurred by the liquidators in liquidating those other offices of the foreign bank. After any such payments are made, any remaining assets will be turned over to the foreign bank or to its duly appointed liquidator or receiver.

U.S. Federal Law

In addition to being subject to New York laws and regulations, the Branch is also subject to U.S. federal regulation primarily under the International Banking Act of 1978, as amended (the "IBA"), including the amendments to the IBA made pursuant to the Foreign Bank Supervision Enhancement Act of 1991 (the "FBSEA"). Under the IBA, as amended by the FBSEA, all U.S. branches of foreign banks, such as the Branch, are subject to reporting and examination requirements of the Federal Reserve Board similar to those imposed on domestic banks that are owned or controlled by U.S. bank holding companies, and most U.S. branches and agencies of foreign banks, including the Branch, are subject to reserve requirements on deposits, although restrictions on the payment of interest on demand deposits were removed under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), effective July 2011. In addition, by reason of the conduct of banking activities in the United States (including through the Branch), BNP Paribas is also subject to reporting to, and supervision and examination by, the Federal Reserve Board in its capacity as BNP Paribas' U.S. "umbrella supervisor."

The Branch's deposits are not, and are not required or permitted to be, insured by the Federal Deposit Insurance Corporation (the "FDIC"). In general, subject to exceptions, the Branch is not permitted to accept domestic retail deposits having a balance of less than U.S.$250,000.

Among other things, the IBA provides that a state-licensed branch of a foreign bank (such as the Branch) may not engage in any type of activity that is not permissible for a federally-licensed branch or agency of a foreign bank unless the Federal Reserve Board has determined that such activity is consistent with sound banking practice. A state-licensed branch must also comply with the same single borrower (or issuer) lending and investment limits applicable to national banks. These limits are based on the foreign bank's worldwide capital and, in the case of a foreign bank with multiple U.S. branches or agencies (such as BNP Paribas), the foreign bank must aggregate the business of all of its U.S. branches and agencies in determining compliance with these limits. Under the Dodd-Frank Act, the lending limits applicable to the Branch include credit exposures that arise from derivative transactions, repurchase (and reverse repurchase) agreements, and securities lending (and securities borrowing) transactions with a counterparty. The Dodd-Frank Act also includes "push-out" provisions that could necessitate a restructuring of how BNP Paribas conducts its derivatives activities through the Branch. BNP Paribas and other U.S. and non-U.S. banking organizations must comply with the "push-out" provisions by July 2015. The Branch is also subject to certain quantitative limits and qualitative restrictions on the extent to which it may lend to or engage in certain other transactions with affiliates engaged in certain securities, insurance and merchant banking activities in the United States. In general, these transactions must be on terms that would ordinarily be offered to unaffiliated entities, and are subject to volume limits; such transactions that involve extensions of credit must be secured by designated amounts of specified collateral.

The Federal Reserve Board may terminate the activities of a U.S. branch or agency of a foreign bank if it finds that the foreign bank is not subject to comprehensive supervision on a consolidated basis in its home country, or if there is reasonable cause to believe that such foreign bank or an affiliate has violated the law or engaged in an unsafe or unsound banking practice in the United States, and as a result, continued operation of the branch or agency would be inconsistent with the public interest and the purposes of federal banking laws, or for a foreign bank that presents a risk to the stability of the U.S. financial system, the home country of the foreign bank has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk. If the Federal Reserve Board were to use this authority to close the Branch, creditors of the Branch would have recourse against BNP Paribas, unless the Superintendent or other regulatory authorities were to make alternative arrangements for the payment of the liabilities of the Branch.

The Bank Holding Company Act of 1956, as amended (the "BHCA"), imposes significant restrictions on BNP Paribas' U.S. non-banking operations and on its worldwide holdings of equity in companies which, directly or indirectly operate in the United States. Under amendments to the BHCA effected by the Gramm-Leach-Bliley Act (the "GLBA"), qualifying bank holding companies and foreign banks that become "financial holding companies" are permitted to engage through non-bank subsidiaries in a broad range of non-banking activities in the United States, including insurance, securities, merchant banking and other financial activities. The GLBA does not authorize banks or their affiliates to engage in commercial activities that are not financial in nature, and in general does not affect or expand the permitted activities of a U.S. branch of a foreign bank (such as the Branch). Moreover, the Dodd-Frank Act limits proprietary trading, derivative and certain other activities of bank holding companies and financial holding companies, including such activities conducted by foreign banks in the United States.

Under the BHCA, BNP Paribas is required to obtain the prior approval of the Federal Reserve Board before acquiring, directly or indirectly, the ownership or control of more than 5% of any class of voting securities (or “control”) of any U.S. bank, bank holding company or certain other types of U.S. depository institution or depository institution holding company. Under federal banking law and regulations issued by the Federal Reserve Board, the Branch is also restricted from engaging in certain “tying” arrangements involving products and services.

Under the GLBA and related Federal Reserve Board regulations, BNP Paribas elected to become a financial holding company effective April 2, 2001. To qualify as a financial holding company, BNP Paribas was required to certify and demonstrate that BNP Paribas was “well capitalized” and “well managed” (in each case, as defined by Federal Reserve Board regulation). These standards, as applied to BNP Paribas, are comparable to the standards U.S. domestic banking organizations must satisfy to qualify as financial holding companies. In terms of capital requirements, each of BNP Paribas and its U.S. subsidiary banks, Bank of the West, San Francisco, California, and First Hawaiian Bank, Honolulu, Hawaii (collectively, the “U.S. Subsidiary Banks”), must in general maintain a Tier 1 risk-based capital ratio of at least 6% and a total risk-based capital ratio of at least 10% (in each case, calculated in accordance with the respective home country standards of BNP Paribas and the U.S. Subsidiary Banks). In addition, the U.S. Subsidiary Banks must also meet applicable leverage ratio and Community Reinvestment Act standards. If, in the future, BNP Paribas were to acquire control of another U.S. bank (or certain other types of U.S. depository institution), or were to acquire control of a non-U.S. bank with a U.S. branch (or certain other U.S. banking operations), such U.S. or non-U.S. bank must also satisfy the Federal Reserve Board's "well-capitalized" and "well-managed" standards in order for BNP Paribas to maintain its status as a financial holding company. At any time when BNP Paribas or either of the U.S. Subsidiary Banks, or any such other U.S. or non-U.S. bank, is not well capitalized or well managed, or otherwise fails to take action to correct unsatisfactory conditions or to meet any of the requirements for BNP Paribas to maintain its financial holding company status, then, depending on the requirement in question, BNP Paribas may be required to discontinue certain financial activities or terminate its U.S. banking operations, or may be limited in its ability to expand certain activities or undertake certain acquisitions.

The GLBA and the regulations issued thereunder contain a number of other provisions that could affect BNP Paribas’ U.S. banking operations. One such provision relates to the financial privacy of consumers. In addition, the so called “push out” provisions of the GLBA narrow the exclusion of banks (including U.S. branches of foreign banks, such as the Branch) from the definitions of “broker” and “dealer” under the Exchange Act. The rules of the SEC narrowing the exclusion of banks from the definition of “dealer” took effect in 2003 and the rules of the SEC and the Federal Reserve Board narrowing the exclusion of banks from the definition of broker took effect for BNP Paribas in 2009. As a result, certain securities activities conducted by the Branch have been restructured or transferred to one or more U.S. registered broker-dealer affiliates.

Recent Financial Regulatory Reform

In response to the financial crisis, on July 21, 2010, the United States enacted the Dodd-Frank Act, which provides a broad framework for significant regulatory changes that will extend to almost every area of U.S. financial regulation. The Dodd-Frank Act contains a wide range of provisions that will affect financial institutions operating in the United States, including foreign banks such as BNP Paribas. However, for any restrictions that the Federal Reserve Board may issue for foreign banks, the Federal Reserve Board is directed to take into account the principle of national treatment and equality of competitive opportunity, and the extent to which the foreign bank is subject to comparable home country standards.

The Dodd-Frank Act provides regulators with tools to impose heightened capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk and bank holding companies with greater than $50 billion in assets. In February 2014, the Federal Reserve Board adopted new regulations that impose enhanced prudential standards on the U.S. operations of certain large foreign banking organizations, such as BNP Paribas. In particular, under the new regulations, or proposals that remain under consideration, the Branch or the combined U.S. operations of BNP Paribas or both would be subject to liquidity requirements, risk management and governance requirements, single counterparty credit limits, and, in certain circumstances, asset maintenance requirements as well as other prudential requirements. In addition, under the new regulations, the Branch’s parent, BNP Paribas, will be required to create a separately capitalized top-tier

U.S. intermediate holding company that would hold most or all of its direct and indirect U.S. subsidiaries. The intermediate holding company will be subject to capital standards (including many elements of the Basel 3 framework as implemented by U.S. federal banking regulators in July 2013), liquidity and other enhanced prudential standards, including single counterparty limits, capital planning and stress testing requirements, and an "early remediation" framework on a consolidated basis.

The Dodd-Frank Act also establishes a new U.S. regulatory regime for swaps and security-based swaps (generically referred to in this paragraph as "swaps"). Among other things, the Dodd-Frank Act provides the Commodity Futures Trading Commission and the SEC with jurisdiction and regulatory authority over swaps, requires the establishment of a comprehensive registration and regulatory framework applicable to swap dealers, such as BNP Paribas, and major swap participants, requires many types of swaps to be cleared and traded on an exchange or executed on swap execution facilities, requires swap market participants to report all swap transactions to swap data repositories and imposes capital, margin, business conduct, recordkeeping and other requirements on swap dealers and major swap participants. Although many swaps requirements are already in effect, the details of many of these requirements will be established through future rulemakings.

The Dodd-Frank Act also contains the so-called "Volcker Rule" limitations on proprietary trading and sponsorship of or investment in hedge funds or private equity funds, subject to certain exemptions. For non-U.S. banking entities, these exemptions include certain activity conducted outsite the United States that meet specific criteria. Final regulations implementing the Volcker Rule were issued in December 2013. The end of the conformance period for the Volcker Rule was extended until July 2015 (with the possibility of two one-year extensions under certain circumstances), by which time financial institutions subject to the rule, such as BNP Paribas, must bring their activities and investments into compliance and implement a specific compliance program. Further implementation efforts may be necessary based on subsequent regulatory interpretations, guidelines, or examinations.

Also included in the Dodd-Frank Act are provisions designed to promote enhanced supervision of financial markets, protect consumers and investors from financial abuse, and provide the government with the tools needed to manage a financial crisis.

Many aspects of the Dodd-Frank Act require rulemaking by U.S. federal supervisory agencies for full implementation. Until there is greater clarity on the nature of these regulations, it is not possible to assess fully the impact (including additional compliance costs) of the legislation and the regulations on the business of BNP Paribas and the operations of the Branch.

Anti-Money Laundering and Economic Sanctions

In recent years, a major focus of U.S. policy, legislation and regulation relating to financial institutions has been to combat money laundering and terrorist financing and to assure compliance with U.S. economic sanctions in respect of designated countries or entities. U.S. economic sanctions are enforced in part by OFAC.

U.S. regulations applicable to BNP Paribas (including the Branch) and its subsidiaries impose obligations to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, to verify the identity of their customers, report suspicious transactions, and implement due diligence procedures for certain correspondent and private banking accounts. Failure of BNP Paribas (including the Branch) to maintain and implement adequate programs to combat money laundering and terrorist financing, and to comply with U.S. economic sanctions, could have serious legal and reputational consequences.

GOVERNMENTAL SUPERVISION AND REGULATION OF BNP PARIBAS IN FRANCE

The French Banking System

The French banking system consists primarily of privately-owned banks and financial institutions, as well as a number of state-owned banks and financial institutions, all of which are subject to the same banking laws and regulations generally.

All French credit institutions are required to belong to a professional organization or central body affiliated with the French Credit Institutions and Investment Firms Association (*Association française des établissements de crédit et des entreprises d'investissement*), which represents the interests of credit institutions, payment institutions and investment firms in particular with the public authorities, provides consultative advice, disseminates information, studies questions relating to banking and financial services activities and makes recommendations in connection therewith. Most registered banks, including BNP Paribas, are members of the French Banking Association (*Fédération Bancaire Française*).

French Supervisory Bodies

The French Monetary and Financial Code (*Code monétaire et financier*) sets forth the conditions under which credit institutions, including banks, may operate. The French Monetary and Financial Code vests related supervisory and regulatory powers in certain administrative authorities.

The Financial Sector Consultative Committee (*Comité consultatif du secteur financier*) is made up of representatives of credit institutions, investment firms, insurance companies and insurance brokers and client representatives. The committee is a consultative organization that studies the relations between credit institutions, investment firms and insurance companies and their respective clientele and proposes appropriate measures in this area.

The Consultative Committee on Financial Legislation and Regulations (*Comité consultatif de la législation et de la réglementation financières*) reviews, at the request of the Minister of the Economy, any draft bill or regulations, as well as any draft EU regulations relating to the insurance, banking and investment service industry other than those draft regulations issued by the *Autorité des marchés financiers*.

The ACPR supervises financial institutions and insurance firms and is in charge of implementing measures for the prevention and resolution of banking crises and ensuring the protection of consumers and the stability of the financial system. The ACPR was created in January 2010 as a result of the merger of the Banking Commission (*Commission bancaire*), the Credit Institutions and Investment Firms Committee (*Comité des établissements de crédit et des entreprises d'investissement*) and the Insurance and Pensions Control Authority (*Autorité de contrôle des assurances et des mutuelle*s) and assumed the functions previously exercised by these authorities. Its powers have been extended to new resolution powers by the French banking reforms of July 26, 2013 (*Loi de séparation et de régulation des activités bancaires*) and of February 20, 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*). The ACPR is chaired by the Governor of the *Banque de France*. With respect to the banking sector, the ACPR makes individual decisions, grants banking and investment firm licenses, and grants specific exemptions as provided in applicable banking regulations. It supervises the enforcement of laws and regulations applicable to banks and other credit institutions, as well as investment firms, and controls their financial standing. Banks are required to submit periodic (either monthly or quarterly) accounting reports to the ACPR concerning the principal areas of their activities. The main reports and information filed by institutions with the ACPR include periodic regulatory reports, collectively referred to as *états périodiques réglementaires*. They include, among other things, the institutions' accounting and prudential (regulatory capital) filings, which are usually submitted on a quarterly basis, as well as internal audit reports filed once a year, all the documents examined by the institution's management in its twice-yearly review of the business and operations and the internal audit findings and the key information that relates to the credit institution's risk analysis and monitoring. The ACPR may also request additional information that it deems necessary and may carry out on-site inspections (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements). These reports and controls allow close monitoring of the condition of each bank and also facilitate computation of the total deposits of all banks and their use.

The ACPR may order financial institutions to comply with applicable regulations and to cease conducting activities which may adversely affect the interests of clients. The ACPR may also require a financial institution to take measures to strengthen or restore its financial situation, improve its management methods and/or adjust its organization and activities to its development goals. When a financial institution's solvency or liquidity, or the interests of its clients are or could be threatened, the ACPR is entitled to take certain provisional measures, including: submitting the institution to special monitoring and restricting or prohibiting the conduct of certain activities (including deposit-taking), the making of certain payments, the disposal of assets, the distribution of dividends to its shareholders, and/or the payment of variable compensation. The ACPR may also require credit institutions to maintain regulatory capital and/or liquidity ratios higher than required under applicable law.

Where regulations have been violated, the ACPR may act as an administrative court and impose sanctions, which may include warnings, fines, suspension or dismissal of managers, and deregistration of the bank, resulting in its winding up. The ACPR also has the power to appoint a temporary administrator to manage provisionally a bank that it deems to be mismanaged. The decisions of the ACPR may be appealed to the French Administrative Supreme Court (*Conseil d'Etat*). Insolvency proceedings may be initiated against banks or other credit institutions, or investment firms only after prior approval of the ACPR.

Furthermore, the ACPR may implement resolution measures, including but not limited to the Bail-In Tool described below, as provided by the French banking reform of July 26, 2013 (*Loi de séparation et de régulation des activités bancaires*).

On October 15, 2013, the European Union adopted new regulations establishing a single supervisory mechanism for the Eurozone and opt-in countries. As a result, the ECB will become the supervisory authority for large European credit institutions and banking groups, including BNP Paribas, on November 4, 2014. This supervision is expected to be carried out in France in close cooperation with the ACPR (in particular with respect to reporting collection and on-site inspections). The ACPR will retain its competence for anti-money laundering and conduct of business rules (consumer protection).

Banking Regulations

In France, credit institutions such as BNP Paribas must comply with the norms of financial management set by the Minister of Economy, the purpose of which is to ensure the creditworthiness and liquidity of French credit institutions. These banking regulations are mainly derived from EU directives. New banking regulations implementing the Basel III reforms were adopted on June 26, 2013: Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "CRD IV Directive") and Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms (the "CRD IV Regulation" and together with the CRD IV Directive, "CRD IV"). The CRD IV Regulation (with the exception of some of its provisions, which will enter into effect at later dates) became directly applicable in all EU member states including France on January 1, 2014. The CRD IV Directive became effective on January 1, 2014 (except for capital buffer provisions which shall apply as from January 1, 2016) and was implemented under French law by the banking reform dated February 20, 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*).

The BNP Paribas Group must comply with minimum capital ratio requirements. See "Capital Adequacy of the BNP Paribas Group". In addition to these requirements, the principal regulations applicable to deposit banks such as BNP Paribas concern risk diversification and liquidity, monetary policy, restrictions on equity investments and reporting requirements. In the various countries in which BNP Paribas operates, it complies with the specific regulatory ratio requirements in accordance with procedures established by the relevant supervisory authorities.

French credit institutions are required to maintain minimum capital to cover their credit, market, counterparty and operational risks. Currently, French credit institutions are required to meet a minimum capital ratio, obtained by dividing the institution's eligible regulatory capital by its risk-weighted assets, of 8%. In addition, BNP Paribas, as well as three other French banks, is required to maintain a temporary capital buffer and therefore has been subject to a minimum 9% core Tier 1 ratio since June 20, 2012. Since January 1, 2014, pursuant to CRD IV Regulation, credit institutions are required to maintain a minimum total capital ratio of 8%, a minimum Tier 1 capital ratio of 6% and a minimum common equity Tier 1 ratio of 4.5%, each to be obtained by dividing the institution's relevant eligible regulatory capital by its risk-weighted assets. In addition, they will have to comply with certain common equity Tier 1 buffer requirements, including a capital conservation buffer of 2.5% that will be applicable to all institutions as well as other common equity Tier 1 buffers to cover countercyclical and systemic risks. These buffer requirements will be implemented progressively until 2019.

Each French credit institution is required to calculate, as of the end of each month, the ratio of the weighted total of certain short-term and liquid assets to the weighted total of short-term liabilities. This liquidity ratio (*coefficient de liquidité*) is required to exceed 100% at all times. French credit institutions are entitled to opt for the "advanced" approach with respect to liquidity risk, upon request to the ACPR and under certain conditions. Under the advanced approach, the credit institution is able to use its internal methodologies to determine the liquidity risk and ensure that it has sufficient liquidity at all times to honor its commitments. The CRD IV Regulation introduces liquidity requirements from 2015, after an initial observation period. Institutions will be required to hold liquid assets, the total value of which would cover the net liquidity outflows that might be experienced under gravely stressed conditions over a period of thirty (30) days. This liquidity coverage ratio ("LCR") will be phased-in gradually, starting at 60% in 2015 and reaching 100% in 2018. Until the LCR is fully introduced, EU member states may maintain or introduce national liquidity requirements.

French credit institutions must satisfy, on a consolidated basis, certain restrictions relating to concentration of risks (*ratio de contrôle des grands risques*). The aggregate of a French credit institution's loans and a portion of certain other exposure (*risques*) to a single customer (and related entities) may not exceed 25% of the credit institution's regulatory capital as defined by French capital ratio requirements. Individual exposures exceeding 10% (and in some cases 5%) of the credit institution's regulatory capital are subject to specific regulatory requirements.

French credit institutions are required to maintain on deposit with the *Banque de France* a certain percentage of various categories of demand and short-term deposits. Deposits with a maturity of more than two years are not included in calculating the amount required to be deposited. The required reserves are remunerated at a level corresponding to the average interest rate over the maintenance period of the main refinancing operations of the European System of Central Banks.

The CRD IV Regulation will introduce a leverage ratio from January 1, 2018, if implemented by the Council and European Parliament following an initial observation period beginning January 1, 2015, during which institutions will be required to disclose their leverage ratio. The leverage ratio is defined as an institution's tier 1 capital divided by its average total consolidated assets.

BNP Paribas' commercial banking operations in France are also significantly affected by monetary policies established from time to time by the European Central Bank in coordination with the *Banque de France.* Commercial banking operations, particularly in their fixing of short-term interest rates, are also affected in practice by the rates at which the *Banque de France* intervenes in the French domestic interbank market.

French credit institutions are subject to restrictions on equity investments and, subject to various specified exemptions for certain short-term investments and investments in financial institutions and insurance companies, "qualifying shareholdings" held by credit institutions must comply with the following requirements: (a) no qualifying shareholding may exceed 15% of the regulatory capital of the concerned credit institution and (b) the aggregate of such qualifying shareholdings may not exceed 60% of the regulatory capital of the concerned credit institution. An equity investment is a qualifying shareholding for the purposes of these provisions if (i) it represents more than 10% of the share capital or voting rights of the company in which the investment is made or (ii) it provides, or is acquired with a view to providing, a "significant influence" (*influence notable*, presumed when the credit institution controls at least 20% of the voting rights) in such company. Further, the ACPR must authorize certain participations and acquisitions.

French regulations permit only licensed credit institutions to engage in banking activities on a regular basis. Similarly, institutions licensed as banks may not, on a regular basis, engage in activities other than banking, bank related activities and a limited number of non-banking activities determined pursuant to the regulations issued by the Minister of the Economy. A regulation issued in November 1986 and amended from time to time sets forth an exhaustive list of such non-banking activities and requires revenues from those activities to be limited in the aggregate to a maximum of 10% of total net revenues.

Examination

In addition to the resolution powers set out below, the principal means used by the ACPR to ensure compliance by large deposit banks with applicable regulations is the examination of the detailed periodic (monthly or quarterly) financial statements, *états périodiques réglementaires* and other documents that these banks are required to submit to the ACPR. In the event that any examination were to reveal a material adverse change in the financial condition of a bank, an inquiry would be made, which could be followed by an inspection. The ACPR may also inspect banks (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements) on an unannounced basis.

Deposit Guarantees

All credit institutions operating in France are required by law to be a member of the deposit and resolution guarantee fund (*Fonds de Garantie des Dépôts et de Résolution*), except branches of European Economic Area banks that are covered by their home country's guarantee system. Domestic customer deposits denominated in euro and currencies of the European Economic Area are covered up to an amount of €100,000 and securities up to an aggregate value of €70,000, per customer and per credit institution, in both cases. The contribution of each credit institution is calculated on the basis of the aggregate deposits and one-third of the gross customer loans held by such credit institution and of the risk exposure of such credit institution.

Additional Funding

The Governor of the *Banque de France*, as chairman of the ACPR, can request that the shareholders of a credit institution in financial difficulty fund the institution in an amount that may exceed their initial capital contribution. However, credit institution shareholders have no legal obligation in this respect and, as a practical matter, such a request would likely be made to holders of a significant portion of the institution's share capital.

Internal Control Procedures

French credit institutions are required to establish appropriate internal control systems, including with respect to risk management and the creation of appropriate audit trails.

French credit institutions are required to have a system for analyzing and measuring risks in order to assess their exposure to credit, market, global interest rate, intermediation, liquidity and operational risks. Such system must set forth criteria and thresholds allowing the identification of significant incidents revealed by internal control procedures. Any fraud generating a gain or loss of a gross amount superior to 0.5% of the Tier 1 capital is deemed significant provided that such amount is greater than €10,000.

With respect to credit risks, each credit institution must have a credit risk selection procedure and a system for measuring credit risk that permit, *inter alia*, centralization of the institution's on- and off-balance sheet exposure and for assessing different categories of risk using qualitative and quantitative data. With respect to market risks, each credit institution must have systems for monitoring, among other things, its proprietary transactions that permit the institution to record on at least a day-to-day basis foreign exchange transactions and transactions in the trading book, and to measure on at least a day-to-day basis the risks resulting from trading positions in accordance with the capital adequacy regulations. The institution must prepare an annual report for review by the institution's board of directors and the ACPR regarding the institution's internal procedures and the measurement and monitoring of the institution's exposure.

Compensation Policy

French credit institutions and investment firms are required to ensure that their compensation policy is compatible with sound risk management principles. A significant portion of the compensation of employees whose activities may have a significant impact on the institution's risk exposure must be performance-based and a significant fraction of this performance-based compensation must be non-cash and deferred. Under the CRD IV Directive as implemented under French law, the aggregate amount of variable compensation of the above-mentioned employees cannot exceed the aggregate amount of their fixed salary; the shareholders' meeting may, however, decide to increase this ceiling to two times their fixed salary. The cap of variable compensation will apply to compensation awarded for services or performance as from the year 2014.

Money Laundering

French credit institutions are required to report to a special government agency (TRACFIN) placed under the authority of the Minister of the Economy all amounts registered in their accounts that they suspect come from drug trafficking or organized crime, from unusual transactions in excess of certain amounts, as well as all amounts and transactions that they suspect to be the result of offence punishable by a minimum sentence of at least one-year imprisonment or that could participate in the financing of terrorism. French credit institutions are also required to establish "know your customer" procedures allowing identification of the customer (as well as the beneficial owner) in any transaction and to have in place systems for assessing and managing money-laundering and terrorism financing risks in accordance with the varying degree of risk attached to the relevant clients and transactions.

European Resolution Directive

Directive 2014/59/EC of the European Parliament and of the Council dated May 15, 2014 (the "RRD") provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The stated aim of the RRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

The powers provided to "resolution authorities" in the RRD include write down/conversion powers to ensure that capital instruments and eligible liabilities (including senior debt instruments such as the Notes) fully absorb losses at the point of non-viability of the issuing institution (referred to as the "Bail-In Tool"). Accordingly, the RRD contemplates that resolution authorities may require the write down of such capital instruments and eligible liabilities in full on a permanent basis, or convert them in full into common equity tier 1 instruments ("RRD Non-Viability Loss Absorption"). The RRD provides, *inter alia*, that resolution authorities shall exercise the write down power in a way that results in (i) common equity tier 1 instruments being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments being written down or converted into common equity tier 1 instruments on a permanent basis and (iii) thereafter, eligible liabilities (including senior debt instruments such as the Notes) being written down or converted in accordance with a set order of priority.

The point of non-viability under the RRD is the point at which the national authority determines that:

(a) the institution is failing or likely to fail, which includes situations where:

> (i) the institution infringes/will in the near future infringe the requirements for continuing authorization in a way that would justify withdrawal of such authorization including, but not limited to, because the institution has incurred/is likely to incur losses depleting all or a significant amount of its own funds;
>
> (ii) the assets are/will be in a near future less than its liabilities;
>
> (iii) the institution is/will be in a near future unable to pay its debts or other liabilities when they fall due; and/or
>
> (iv) the institutions require extraordinary public financial support;

(b) there is no reasonable prospect that a private action would prevent the failure; and

(c) a resolution action is necessary in the public interest.

Except for the Bail-In Tool with respect to eligible liabilities (such as the Notes) which will apply as from January 1, 2016 at the latest, the RRD contemplates that the measures set out therein, including the Bail-In Tool with respect to capital instruments, will apply as from January 1, 2015.

The Guarantor's obligations under the Guarantee are expressed to be limited to those owed by BNP Paribas to Noteholders. As a consequence, the application of the Bail-In Tool to the Notes could effectively limit the Guarantor's obligation under the Guarantee. In addition, the Bail-In Tool might also apply to a guarantee obligation such as the Guarantee. While Noteholders, as beneficiaries of the Guarantee, are creditors of the New York branch of the Guarantor, and therefore benefit from the NYBL's statutory preference regime with respect to assets of the

New York branch, if BNP Paribas' obligations under the Notes or the Guarantor's obligations under the Guarantee were subject to Bail-In, there would be no remaining claim (or reduced remaining claim) that would benefit from this preference regime. As a result, the Bail-In Tool, if applied to the Notes or to liabilities of the Guarantor, could effectively limit the extent of a recovery under the Guarantee.

In addition to the Bail-In Tool, the RRD provides resolution authorities with broader powers to implement other resolution measures with respect to banks which reach non-viability, which may include (without limitation) the sale of the bank's business, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

It is not yet possible to assess the full impact of the relevant loss absorption provisions. There can be no assurance that, once implemented, the existence of applicable loss absorption provisions or the taking of any actions currently contemplated or as finally reflected in such provisions would not adversely affect the price or value of a Noteholder's investment in the Notes and/or the ability of the BNP Paribas to satisfy its obligations under the Notes and/or the ability of the Guarantor to satisfy its obligations under the Guarantee.

French Bail-In Tool and Other Resolution Measures

Among other things, the French banking law dated July 16, 2013 (*Loi de séparation et de régulation des activités bancaires*) charges the ACPR with implementing measures for the prevention and resolution of banking crises and gives the ACPR very broad powers with respect to "failing banks," i.e., banks that, currently or in the near future (i) no longer comply with regulatory capital requirements, (ii) are not able to make payments that are, or will be imminently, due or (iii) require extraordinary public financial support.

French banking law provides that the ACPR may apply a bail-in tool, but only to subordinated instruments, not to senior debt instruments such as the Notes. The ACPR will also be entitled to (i) transfer all or part of the bank's assets and activities, including to a bridge bank, (ii) force a bank to issue new equity, (iii) temporarily suspend payments to creditors and (iv) terminate executives or appoint a temporary administrator (*administrateur provisoire*). Conversion ratios and transfer prices are determined by the ACPR on the basis of a "fair and realistic" assessment.

The ACPR must use its powers "in a proportionate manner" to achieve the following objectives: (i) to preserve financial stability, (ii) to ensure the continuity of banking activities, services and transactions of financial institutions, the failure of which would have systemic implications for the French economy, (iii) to protect deposits and (iv) to avoid, or limit to the fullest extent possible, any public bail-out.

Further, recovery and resolution plans are required from credit institutions, or groups of credit institutions, whose balance sheet exceeds a certain threshold that will be fixed by a decree of the French Government. No separate obligation will arise with respect to an entity within the group that is already supervised on a consolidated basis. Each such bank or banking group must prepare a recovery plan (*plan préventif de rétablissement*) that will be reviewed by the ACPR. The ACPR is in turn required to prepare a resolution plan (*plan préventif de résolution*) for such bank or banking group.

Recovery plans must set out measures contemplated in case of a significant deterioration of a bank's financial situation. Such plans must be updated on a yearly basis (or immediately following a significant change in a bank's organization or business). The ACPR must assess the recovery plan to determine whether its resolution powers could in practice be effective, and, as necessary, can request changes in a bank's organization. More generally, the ACPR will comment on the draft recovery plan and can require modifications.

Resolution plans must set out, in advance of any failure, how the various resolution powers set out above are to be implemented for each bank, given its specific circumstances.

As from January 1, 2015, a single resolution board established by the Regulation of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism and a single resolution fund and amending Regulation (EU) No. 1093/2010 will be in charge of resolution planning and preparation of resolution decisions for cross-border credit institutions and banking groups as well as credit institutions and banking group directly supervised by the ECB such as BNP Paribas. The ACPR will remain responsible for implementing the resolution plan according to the single resolution board's instructions.

TERMS AND CONDITIONS OF THE NOTES

The following updates and supersedes in its entirety the section "Terms and Conditions of the Notes" in the base prospectus and updates the related portions of the "Summary" section of the base prospectus.

The Terms and Conditions of the Notes that follow will be attached to, or incorporated by reference into, each Book-Entry Note and that will be endorsed upon each certificated Note. The applicable supplement prepared by, or on behalf of, the Issuers in relation to any Notes may specify other Terms and Conditions that shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of a specific issue of Notes. The applicable supplement will be incorporated into, or attached to, each Book-Entry Note and endorsed upon each certificated Note. Capitalized terms used in this section but not defined herein shall have the meanings assigned to them in the Fiscal and Paying Agency Agreement (as defined below) or in the applicable supplement unless the context otherwise requires or unless otherwise stated.

This Note is one of a Series of the Notes ("Notes," which expression shall mean (i) in relation to any Notes represented by a Book-Entry Note, units of the lowest specified denomination ("Specified Denomination") in the Specified Currency of the relevant Notes, (ii) certificated Notes issued in exchange (or part exchange) for a Book-Entry Note and (iii) any Book-Entry Note) issued subject to, and with the benefit of, an Amended and Restated Fiscal and Paying Agency Agreement (as it may be updated or supplemented from time to time, the "Fiscal and Paying Agency Agreement") dated May 30, 2008, and made among the Issuers, the Guarantor and The Bank of New York, as fiscal and paying agent (the "Fiscal and Paying Agent"). The Bank and certain of its affiliates maintain lines of credit or have other banking relationships with the Fiscal and Paying Agent in the ordinary course of business. The Fiscal and Paying Agent, any additional paying agent (each, a "Paying Agent" and, together with the Fiscal and Paying Agent, the "Paying Agents") and the Calculation Agent are referred to together as the "Agents."

As used in this section, "Tranche" means Notes that are identical in all respects, including as to listing, and "Series" means each original issue of Notes together with any further issues expressed to form a single series with the original issue that are denominated in the same currency and that have the same maturity date or redemption month, as the case may be, interest basis and interest payment dates, if any, and the terms of which, save for the issue date or interest commencement date and the issue price, are otherwise identical, including whether the Notes are listed, and the expressions "Notes of the relevant Series" and "holders of Notes of the relevant Series" and related expressions shall be construed accordingly.

To the extent the supplement for a particular Series of Notes specifies other Terms and Conditions that are in addition to, or inconsistent with, these Terms and Conditions, such new Terms and Conditions shall apply to such Series of Notes.

The holders for the time being of the Notes ("Noteholders"), which expression shall, in relation to any Notes represented by a Book-Entry Note, be construed as provided in "—Form, Denomination, Title and Transfer" below, are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Fiscal and Paying Agency Agreement and the applicable supplement, which are binding on them. The statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Fiscal and Paying Agency Agreement. Copies of the Fiscal and Paying Agency Agreement, and the supplement for the Notes of any Series, are available at the principal office of the Fiscal and Paying Agent.

Any reference herein to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system, including Euroclear France and the *Intermédiaires financiers habilités* authorized to maintain accounts therein (together, "Euroclear France"), approved by the Issuers and the Fiscal and Paying Agent.

The obligations of the Issuers under the Unsubordinated Notes will be guaranteed on a senior basis by the Guarantor pursuant to a Senior Guarantee. The Guarantor's obligations under the Senior Guarantee constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and will rank *pari passu* with all present and future, unsecured, unconditional and unsubordinated obligations of the Bank, without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law. The Senior Guarantee is available for inspection at the principal office of the Fiscal and Paying Agent.

The obligations of the Issuers under the Subordinated Notes will be guaranteed on a subordinated basis by the Guarantor pursuant to a Subordinated Guarantee. The Guarantor's obligations under the Subordinated

Guarantee constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and will rank *pari passu* with all other present and future unsecured, unconditional and ordinary subordinated obligations of the Bank. Subject to applicable law, in the event of the voluntary liquidation of the Bank, bankruptcy proceeding, or any other similar proceedings affecting the Bank, the rights of a holder of any Subordinated Notes under the Subordinated Guarantee will be subordinated to the full payment of unsubordinated creditors of the Bank (including depositors) but, subject to such payment in full, a holder of Subordinated Notes will be paid under the Subordinated Guarantee in priority to *prêts participatifs* granted to the Bank, *titres participatifs* issued by the Bank and Undated Deeply Subordinated Notes (*titres subordonnés de dernier rang*) issued by the Bank. The Subordinated Guarantee is available for inspection at the principal office of the Fiscal and Paying Agent.

Neither the Fiscal and Paying Agency Agreement nor the Subordinated Guarantee limits the amount of liabilities ranking *pari passu* with or senior to the obligations under the Fiscal and Paying Agency Agreement that may be incurred or assumed by the Bank or the Subordinated Guarantee that may be incurred or assumed by the Guarantor.

At any time when Subordinated Notes are outstanding, the relevant Issuer may not be dissolved, and, with respect to the LLC only, the Guarantor may not transfer exclusive or partial control over the LLC, without the prior written approval or written non-objection of the *Secrétariat général de l'Autorité de contrôle prudentiel et de résolution*.

1. Form, Denomination, Title and Transfer

(a) *Form, Denomination and Title*

The Notes are in book-entry form in the Specified Currency and Specified Denominations. Notes will trade only in book-entry form, and Book-Entry Notes will be issued in physical (paper) form to DTC, as described in the Fiscal and Paying Agency Agreement. This Note is an Unsubordinated Note or a Subordinated Note as indicated in the applicable supplement. This Note is, to the extent specified in the applicable supplement, a Fixed-Rate Note, a Floating-Rate Note, a Zero Coupon Note, a Linked Note, a Physical Delivery Note or a Dual Currency Note, or any appropriate combination thereof or, subject to all applicable laws and regulations, any other kind of Note specified in the applicable supplement. Whenever Dual Currency Notes or Linked Notes are issued to bear interest on a fixed- or floating-rate basis, or on a non-interest-bearing basis, the provisions in these Terms and Conditions relating to Fixed-Rate Notes, Floating-Rate Notes and Zero Coupon Notes, respectively, shall, where the context so admits, apply to such Dual Currency Notes or Linked Notes. Any reference in these Terms and Conditions to Physical Delivery Notes shall mean Notes in respect of which either an amount of principal and/or interest is payable by reference to an underlying equity, bond, security or other asset as may be specified in the applicable supplement (the "Underlying Assets"), and a "Physical Delivery Amount," being the number of Underlying Assets plus or minus any amount due to or from the Noteholder in respect of each Note, is deliverable and/or payable, in each case, by reference to one or more Underlying Assets as the relevant Issuer and the relevant Agents may agree and as set out in the applicable supplement.

The Issuers have appointed the Fiscal and Paying Agent at its office specified below to act as registrar of the Notes. The Issuers shall cause to be kept at the specified office of the Fiscal and Paying Agent for the time being at 101 Barclay Street, New York, New York a register (the "Register") with respect to each Issuer on which shall be entered, among other things, the name and address of the holders of such Issuer's Notes and particulars of all transfers of title to such Issuer's Notes.

For so long as DTC or its nominee is the registered owner or holder of a global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such global Note for all purposes under the Fiscal and Paying Agency Agreement and the Notes, except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be.

(b) Transfers of Registered Notes

(i) Transfers of interests in global Notes

Transfers of beneficial interests in global Notes will be effected by DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in certificated form or for a beneficial interest in another global Note only in the authorized denominations set out in the applicable supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Fiscal and Paying Agency Agreement, including any required certifications.

(ii) Transfers of Notes in certificated form

Subject as provided in paragraph (v) below and to compliance with all applicable legal and regulatory restrictions, upon the terms and subject to the conditions set forth in the Fiscal and Paying Agency Agreement, including the transfer restrictions contained therein, a Note in certificated form may be transferred in whole or in part (in the authorized denominations set out in the applicable supplement). In order to effect any such transfer (A) the holder or holders must (1) surrender the Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of a Paying Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorized in writing and (2) complete and deposit such other certifications specified in the Fiscal and Paying Agency Agreement and as may be required by such Paying Agent and (B) such Paying Agent must, after due and careful inquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuers and the Fiscal and Paying Agent may from time to time prescribe (the initial such regulations being set out in Schedule 5 to the Fiscal and Paying Agency Agreement). Subject as provided above, the Fiscal and Paying Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of such Paying Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Note in certificated form of a like aggregate nominal amount to the Note (or the relevant part of the Note) transferred. In the case of the transfer of only part of a Note in certificated form, a new Note in certificated form in respect of the balance of the Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under "Redemption and Purchase" below, the Issuers shall not be required to register the transfer of any Note, or part of a Note, called for partial redemption.

(iv) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular, uninsured mail and except that the Issuers may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(v) Exchanges and transfers of Notes generally

Holders of Notes in certificated form may exchange such Notes for interests in a global Note of the same type at any time, subject to compliance with all applicable legal and regulatory restrictions and upon the terms and subject to the conditions set forth in the Fiscal and Paying Agency Agreement.

2. Status of the Notes

(a) *Status (Unsubordinated Notes)*

If the Notes are Unsubordinated Notes, the Notes are direct, unconditional and unsecured obligations of the relevant Issuer and rank, and will rank, *pari passu*, without any preference among themselves and at least *pari passu* with all other present and future unsecured, unconditional and unsubordinated indebtedness of such Issuer, other than statutorily preferred exceptions.

(b) *Status (Subordinated Notes)*

If the Notes are Subordinated Notes, the Notes will constitute direct, unconditional, unsecured and subordinated obligations of the relevant Issuer and will rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of such Issuer. Subject to applicable law, in the event of the voluntary liquidation of such Issuer, bankruptcy proceedings, or any other similar proceedings affecting such Issuer, the rights of the holders to payment under the Notes will be subordinated to the full payment of the unsubordinated creditors (including, in the case of the Bank, depositors) of such Issuer and, subject to such payment in full, such holders of Subordinated Notes issued by the Bank will be paid in priority to *prêts participatifs* granted to the Bank, *titres participatifs* issued by the Bank and any Undated Deeply Subordinated Notes issued by the Bank (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*). The Subordinated Notes of the Bank are issued pursuant to the provisions of Article L. 228-97 of the French *Code de Commerce*.

As noted above, the Guarantor's obligations under the Subordinated Guarantee of Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and will rank *pari passu* with all other present and future unsecured, unconditional and ordinary subordinated obligations of the Bank. Subject to applicable law, in the event of the voluntary liquidation of the Bank, bankruptcy proceeding, or any other similar proceedings affecting the Bank, the rights of a holder of any Subordinated Notes under the Subordinated Guarantee will be subordinated to the full payment of unsubordinated creditors of the Bank (including depositors) but, subject to such payment in full, a holder of Subordinated Notes will be paid under the Subordinated Guarantee in priority to *prêts participatifs* granted to the Bank, *titres participatifs* issued by the Bank and Undated Deeply Subordinated Notes (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*) issued by the Bank.

3. **Interest**

(a) *Interest on Fixed-Rate Notes*

(i) Each Fixed-Rate Note bears interest on its nominal amount, or if it is a partly paid Note, the amount paid up, from, and including, the interest commencement date at the rates per annum equal to the fixed rates of interest payable in arrears on the fixed interest dates in each year and on the maturity date. The first payment of interest will be made on the fixed interest date next following the interest commencement date and, if the first anniversary of the interest commencement date is not a fixed interest date, will amount to the initial broken amount specified in the applicable supplement. If the maturity date is not a fixed interest date, interest from and including the preceding fixed interest date, or the interest commencement date, to the maturity date will amount to the final broken amount. Except as provided in the applicable supplement, the amount of interest payable on each fixed interest date in respect of the fixed interest period ending on such date will amount to the fixed coupon amount.

(ii) If interest is required to be calculated for a period ending other than on a fixed interest date, such interest shall be calculated by applying the fixed rate of interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resulting figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention.

(iii) "Day Count Fraction" means, in respect of the calculation of an amount of interest for any Fixed Interest Period:

(A) if "Actual/Actual (ISMA)" is specified in the applicable supplement:

(1) in the case of Notes for which the number of days in the relevant period from, and including, the most recent fixed interest date, or, if none, the interest commencement date, to, but excluding, the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates, as specified in the applicable supplement, that would occur in one calendar year; or

(2) in the case of Notes for which the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(a) the number of days in the Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates, as set forth in the applicable supplement, that would occur in one calendar year; and

(b) the number of days in the Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in that Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) if "30/360" is specified in the applicable supplement, the number of days in the period from and including the most recent fixed interest date, or, if none, the interest commencement date, to, but excluding, the relevant payment date (such number of days being calculated on the basis of twelve 30-day months) divided by 360.

(iv) The supplement, in relation to each Series of Notes in relation to which this paragraph 3(a) is specified as being applicable, shall set forth which of the following Business Day Conventions shall be applicable.

(A) If the "Following Business Day Convention" is specified in the applicable supplement, interest shall be payable in arrears on the fixed interest dates set forth in the applicable supplement; provided that, if any fixed interest date would otherwise fall on a date that is not a Business Day, the relevant fixed interest date will be the first following day that is a Business Day.

(B) If the "Modified Following Business Day Convention" is specified in the applicable supplement, interest shall be payable in arrears on such fixed interest dates as are set forth in the applicable supplement; provided that, if any fixed interest date would otherwise fall on a date that is not a Business Day, the relevant fixed interest date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case the relevant fixed interest date will be the first preceding day that is a Business Day.

(C) Such other convention may be specified in the applicable supplement.

In this paragraph 3(a):

(1) "Business Day" means a day that is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business, including dealing in foreign exchange and foreign currency deposits, in New York City; and

(b) in relation to any sum payable in a Specified Currency other than U.S. dollars, a day on which commercial banks and foreign exchange markets settle payments and are open for general business, including dealing in foreign exchange and foreign currency deposits, in the principal financial center of the country of the relevant Specified Currency, as specified in the applicable supplement.

(2) "Determination Dates" means the dates set forth in the applicable supplement.

(3) "Determination Period" means each period from, and including, a Determination Date to, but excluding, the next Determination Date, including, if either the interest commencement date or the final fixed interest date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date.

(4) "Fixed Interest Period" means the period from, and including, a fixed interest date, or the interest commencement date, to, but excluding, the next, or first, fixed interest date.

(5) "Sub-unit" means, with respect to any currency other than the U.S. dollar, the lowest amount of that currency available as legal tender in the country of that currency and, with respect to the U.S. dollar, means one cent.

(b) *Interest on Floating-Rate Notes*

(i) Interest Payment Dates

The supplement, in relation to each Series of Notes in relation to which this paragraph 3(b) is specified as being applicable, shall set forth which of the following Business Day Conventions shall be applicable.

(A) If the "FRN Convention" is specified in the applicable supplement, interest shall be payable in arrears on each date (each an "Interest Payment Date") that numerically corresponds to their issue date or such other date as may be set forth in the applicable supplement or, as the case may be, the preceding Interest Payment Date, in the calendar month that is the number of months specified in the applicable supplement after the month in which such issue date or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred; provided that:

(1) if there is no such numerically corresponding day in the calendar month on which an Interest Payment Date should occur, then the relevant Interest Payment Date will be the last day that is a Business Day (as defined below) in that month;

(2) if an Interest Payment Date would otherwise fall on a day that is not a Business Day, then the relevant Interest Payment Date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day that is a Business Day; and

(3) if such issue date or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Interest Payment Dates will be the last day that is a Business Day in the month that is the specified number of months after the month in which such Issue Date or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred.

(B) If the "Following Business Day Convention" is specified in the applicable supplement, interest shall be payable in arrears on such dates (each an "Interest Payment Date") as are set forth in the applicable supplement; provided that, if any Interest Payment Date would otherwise fall on a date that is not a Business Day, the relevant Interest Payment Date will be the first following day that is a Business Day.

(C) If the "Modified Following Business Day Convention" is specified in the applicable supplement, interest shall be payable in arrears on such dates (each an "Interest Payment Date") as are set forth in the applicable supplement; provided that, if any Interest Payment Date would otherwise fall on a date that is not a Business Day, the relevant Interest Payment Date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day that is a Business Day.

(D) Such other convention may be specified in the applicable supplement.

Each period beginning on, and including, such Issue Date or such other date as aforesaid and ending on, but excluding, the first Interest Payment Date and each period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is herein called an "Interest Period."

In this paragraph 3(b), "Business Day" means a day that is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business, including dealing in foreign exchange and foreign currency deposits, in New York City; and

(b) in relation to any sum payable in a Specified Currency other than U.S. dollars, a day on which commercial banks and foreign exchange markets settle payments and are open for general business, including dealing in foreign exchange and foreign currency deposits, in the principal financial center of the country of the relevant Specified Currency, as specified in the applicable supplement.

(ii) Rate of Interest

The “Rate of Interest” payable from time to time in respect of Floating-Rate Notes will be determined in the manner specified in the applicable supplement, which may be “ISDA Determination,” “AFB Determination” or “Screen Rate Determination,” as described below.

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus, as indicated in the applicable supplement, the Margin, if any. For the purposes of this subparagraph (iii), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal and Paying Agent under an interest rate swap transaction if the Fiscal and Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as of the Issue Date of the first Series of the Notes (the “ISDA Definitions”) and under which:

(A) the Floating-Rate Option is as specified in the applicable supplement;

(B) the Designated Maturity is a period specified in the applicable supplement; and

(C) the relevant Reset Date is either (i) if the applicable Floating-Rate Option is based on the London inter-bank offered rate (“LIBOR”) or on the Euro zone inter-bank offered rate (“EURIBOR”) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable supplement.

For the purposes of this sub-paragraph (iii), “Floating Rate,” “Calculation Agent,” “Floating-Rate Option,” “Designated Maturity,” “Margin” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

(iv) AFB Determination

Where so specified in the applicable supplement, interest will be payable on such dates, at such a rate (the “AFB Rate”) and in such amounts, plus or minus, as set forth in the applicable supplement, the margin, if any, as would have been payable, regardless of any event of default or termination event thereunder, by the relevant Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to foreign exchange and derivatives transactions (an “AFB Agreement”), as in effect on the date of issue of the Notes, published by the *Association Francaise des Banques* and evidenced by a Confirmation (as defined in the AFB Agreement) with the holder of the relevant Note under which:

(A) such Issuer was the floating amount payer;

(B) the Fiscal and Paying Agent was the Agent (as defined in the AFB Agreement) or as otherwise specified in the applicable supplement;

(C) the interest commencement date was the transaction date;

(D) the lowest Specified Denomination was the notional amount;

(E) the Interest Payment Dates were the floating amount payment dates; and

(F) all other terms were as specified in the applicable supplement.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

(1) the amount of interest determined for such Interest Payment Date will be the Interest Amount (as defined herein) for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under sub-paragraph (vi) below;

(2) the Rate of Interest for such Interest Period will be the floating rate (as defined in the AFB Agreement) determined by the Fiscal and Paying Agent in accordance with the preceding sentence; and

(3) the Fiscal and Paying Agent will be deemed to have discharged its obligations under sub-paragraph (vi) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(v) Screen Rate Determination

Where "Screen Rate Determination" is specified in the applicable supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean, rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, of the offered quotations,

(expressed as a percentage rate per annum) for the reference rate or rates that appears or appear, as the case may be, on the relevant screen page as at 11:00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus, as indicated in the applicable supplement, the margin, if any, all as determined by the Fiscal and Paying Agent. If five or more of such offered quotations are available on the relevant screen page, the highest, or, if there is more than one such highest quotation, one only of such quotations, and the lowest, or, if there is more than one such lowest quotation, one only of such quotations, shall be disregarded by the Fiscal and Paying Agent for the purpose of determining the arithmetic mean, rounded as provided above, of such offered quotations.

The Fiscal and Paying Agency Agreement contains provisions for determining the Rate of Interest in the event that the relevant screen page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. The applicable supplement may, if agreed by the relevant Agents, set out such provisions in full.

If the reference rate from time to time in respect of Floating-Rate Notes is specified in the applicable supplement as being other than LIBOR or EURIBOR, the rate of interest in respect of such Notes will be determined as provided in the applicable supplement.

(vi) Determination of Rate of Interest and Calculation of Interest Amount

The Fiscal and Paying Agent will, on or as soon as practicable after each date on which the rate of interest is to be determined (the "Interest Determination Date"), determine the rate of interest, subject to any minimum or maximum rate of interest specified in the applicable supplement, and calculate the amount of interest (the "Interest Amount") payable on the Floating-Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the rate of interest to the Specified Denomination, or if there is more than one, the lowest Specified Denomination, multiplying such sum by the Day Count Fraction (as defined herein) specified in the applicable supplement and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency, one half of such a Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

(A) if "Actual/365" or "Actual/Actual ISDA" is specified in the applicable supplement, the actual number of days in the Interest Period divided by 365, or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365;

(B) if "Act/Act" or "Actual/Actual" is specified in the applicable supplement, the actual number of days in the Interest Period divided by the actual number of days in the year in which such Interest Period falls;

(C) if "Actual/365 (Fixed)" is specified in the applicable supplement, the actual number of days in the Interest Period divided by 365;

(D) if "Actual/365 (sterling)" is specified in the applicable supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(E) if "Actual/360" is specified in the applicable supplement, the actual number of days in the Interest Period divided by 360;

(F) if "30/360," "360/360" or "Bond Basis" is specified in the applicable supplement, the number of days in the Interest Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, unless (1) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (2) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month; and

(G) if "30E/360" or "Eurobond Basis" is specified in the applicable supplement, the number of days in the Interest Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the maturity date, the maturity date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month.

(vii) Minimum and/or Maximum Interest Rate

If the applicable supplement specifies a Minimum Interest Rate for any Interest Period, then, in the event that the rate of interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii), (iii), (iv) or (v) above, as appropriate, is less than such Minimum Interest Rate, the rate of interest for such Interest Period shall be such Minimum Interest Rate.

If the applicable supplement specifies a Maximum Interest Rate for any Interest Period, then, in the event that the rate of interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii), (iii), (iv) or (v) above, as appropriate, is greater than such Maximum Interest Rate, the rate of interest for such Interest Period shall be such Maximum Interest Rate.

(viii) Notification of Rate of Interest and Interest Amount

The Fiscal and Paying Agent will cause the rate of interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the relevant Issuer, and to any stock exchange on which the relevant Floating-Rate Notes are for the time being listed, and, except where the relevant Notes are unlisted and are in global form and held in their entirety on behalf of DTC, Euroclear or Clearstream, Luxembourg, in which event there may be substituted for such publication the delivery of such notice to DTC, Euroclear and Clearstream, Luxembourg, for communication to the holders of the Notes, to be published in accordance with "Notices" below as soon as possible after determination of the rate of interest and each Interest Amount, but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended, or appropriate alternative arrangements made by way of adjustment, in the event of an extension or shortening of the Interest Period. Any such amendment will be notified promptly to each stock exchange on which the relevant Floating-Rate Notes are for the time being listed and to the Noteholders in accordance with "Notices" below. For the purposes of this sub-paragraph (viii), "Business Day" means a day, other than a Saturday or a Sunday, on which commercial banks are open for business in New York.

(ix) Certificates to be Final

All certificates, communications, determinations, calculations and decisions made for the purposes of the provisions of this paragraph 3(b) by the Fiscal and Paying Agent or, if applicable, the Calculation Agent, shall, in the absence of gross negligence or willful misconduct, be binding on the Issuers, the Fiscal and Paying Agent or, if applicable, the Calculation Agent and all Noteholders, and, in the absence as aforesaid, no liability to the Noteholders shall attach to the Fiscal and Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Zero Coupon Notes*

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the amount determined in accordance with “Redemption and Repurchase—Early Redemption Amounts” below, as its Amortized Face Amount (as defined herein). As from the maturity date, any overdue principal of such Note shall bear interest at a rate per annum equal to the accrual yield specified in the applicable supplement. Such interest shall continue to accrue, as well after as before any judgment, until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note. Such interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month the actual number of days elapsed in that incomplete month or on such other basis as may be specified in the applicable supplement.

(d) *Interest on Linked Notes and Physical Delivery Notes*

In the case of Linked Notes and Physical Delivery Notes, if applicable, where the rate of interest and/or the amount of interest, whether on any Interest Payment Date, fixed interest date, early redemption, maturity or otherwise, fails to be determined by reference to the index and/or the formula and/or otherwise, the rate of interest and/or the amount of interest shall be determined in accordance with the index and/or the formula or otherwise in the manner specified in the applicable supplement.

(e) *Interest on Partly Paid Notes*

In the case of partly paid notes (“Partly Paid Notes”), other than Partly Paid Notes that are Zero Coupon Notes, interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable supplement.

(f) *Interest Payments*

Interest will be paid subject to and in accordance with the provisions of “Payments” below. Interest will cease to accrue on each Note, or, in the case of the redemption only of part of a Note, that part only of such Note, on the due date for redemption thereof unless payment of principal or the payment and/or delivery of the Physical Delivery Amount, if applicable, is improperly withheld or refused, in which event interest will continue to accrue, as well after as before any judgment, until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (ii) the day on which the Fiscal and Paying Agent has notified the holder thereof, either in accordance with “Notices” below or individually, of receipt of all sums due in respect thereof up to that date.

4. **Payments**

For the purposes of this paragraph 4, references to payment or repayment, as the case may be, of principal and/or interest and other similar expressions shall, where the context so admits, be deemed also to refer to delivery of any Physical Delivery Amounts.

(a) Method of Payment

Payments of principal, other than installments of principal prior to the final installment, in respect of each Note, whether or not in global form, will be made against presentation and surrender, or, in the case of part payment of any sum due, endorsement, of the Note at the specified office of any Paying Agent. Such payments will be made by transfer to the Designated Account (as defined below) of the holder, or the first named of joint holders, of the Note appearing in the register of holders of the Notes maintained by the Fiscal and Paying Agent (i) where in global form, at the close of the business day (being for this purpose a day on which DTC, Euroclear or Clearstream/Luxembourg, as applicable, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day, being for this purpose a day on which banks are open for business in the city where the specified office of such Paying Agent is located, before the relevant due date (the “Record Date”). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a check in the Specified Currency drawn on a Designated Bank (as defined below). For the purposes of this paragraph 4(a), “Designated Account” means the account that, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account, maintained by a holder with a Designated Bank and identified as such in the Register, and “Designated Bank” means, in the case of payment in a Specified Currency other than U.S. dollars, a bank in the principal financial center of the country of such Specified Currency and, in the case of a payment in U.S. dollars, any bank that processes payments in U.S. dollars.

Payments of interest and payments of installments of principal, other than the final installment, in respect of each Note, whether in global form, will be made by a check in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of such Paying Agent is located immediately preceding the relevant due date to the holder, or the first named of joint holders, of the Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which DTC, Euroclear or Clearstream/Luxembourg, as applicable, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day, whether such fifteenth day is a business day, before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of any Paying Agent not less than three business days, in the city where the specified office of such Paying Agent is located, before the due date for any payment of interest in respect of a Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest, other than interest due on redemption, and installments of principal, other than the final installment, in respect of the Notes that become payable to the holder who has made the initial application until such time as the Fiscal and Paying Agent is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Note on redemption and the final installment of principal will be made in the same manner as payment of the principal amount of such Note.

Holders of Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Note as a result of a check posted in accordance with this paragraph 4 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Notes.

None of the Issuers, the Guarantor or any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal and interest, if any, in respect of certificated Notes will, subject as provided below, be made against presentation or surrender of such certificated Notes at any specified office of any Paying Agent. Payments of principal in respect of installments, if any, other than the last installment, will, subject as provided below, be made against surrender of the relevant receipt. Payment of the last installment will be made against surrender of the relevant certificated Note. Each receipt must be presented for payment of such installment together with the relevant certificated Note against which the amount will be payable in respect of that installment. If any certificated Notes are redeemed or become repayable prior to their respective maturity dates, or the Interest Payment Date falling in the redemption month in respect thereof, as the case may be, principal will be payable on surrender of each such Note together with all unmatured receipts appertaining thereto. Unmatured receipts and receipts presented without the certificated Notes to which they appertain do not constitute obligations of the Issuers. All payments of interest and principal with respect to certificated Notes will be made only against presentation and surrender of the relevant certificated Notes or receipts, except as otherwise provided in the third succeeding paragraph.

Subject as provided below and, in the case of Physical Delivery Notes, subject also as provided in the applicable supplement, payments in respect of certificated Notes, other than Dual Currency Notes, denominated in a Specified Currency, other than U.S. dollars, or, in the case of Dual Currency Notes, payable in a Specified Currency, other than U.S. dollars, will, subject as provided below, be made by a check in the Specified Currency drawn on or, at the option of the holder and upon 15 days prior notice to the Fiscal and Paying Agent, by transfer to an account; in the case of payment in yen, to a non-resident of Japan, a non-resident account, in the Specified Currency maintained by the payee with, a bank in the principal financial center of the country of the Specified Currency. Payments in U.S. dollars will be made by credit or transfer to a U.S. dollar account or any other account to which U.S. dollars may be credited or transferred specified by the payee or, at the option of the payee, by a check in U.S. dollars. The applicable supplement may also contain provisions for variation of settlement where, for reasons beyond the control of the Issuers or any Noteholder, including, without limitation, unlawfulness, illegality, impossibility, force majeure, non-transferability or the like (each a "Payment Disruption Event"), the Issuers are not able to make, or any Noteholder is not able to receive, as the case may be, payment on the due date and in the Specified Currency of any amount of principal or interest due under the Notes.

In the case of Physical Delivery Notes that are settled by way of delivery, on the due date for redemption, the Issuers shall deliver, or procure the delivery of, the documents evidencing the number of and/or constituting the Underlying Assets plus or minus any amount due to or from the Noteholder deliverable in respect of each Note (the "Physical Delivery Amount") to, or to the order of, the Noteholder in accordance with the instructions of the Noteholder contained in the Transfer Notice (as defined below). The Physical Delivery Amount shall be evidenced in the manner described in the applicable supplement. The applicable supplement may also contain provisions for variation of settlement pursuant to an option to such effect or where the Issuers or the holder of a Physical Delivery Note, as the case may be, is not able to deliver or take delivery of as the case may be, the Underlying Assets, or where a Settlement Disruption Event, as described in the applicable supplement has occurred, all as provided in the applicable supplement.

Payments of principal and interest, if any, in respect of Notes represented by any global Note will be made in the manner specified above and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent. A record of each payment made on such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by the Paying Agent to which such global Note is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note, and the relevant Issuer will be discharged by payment to the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment so made by such Issuer to the holder of the relevant global Note. No person other than the holder of the relevant global Note shall have any claim against the relevant Issuer in respect of any payments due on that global Note.

Fixed-Rate Notes in certificated form should be presented for payment on or before the relevant redemption date.

If any date for payment of any amount in respect of any Note is not a Payment Day (as defined herein), then the holder thereof shall not be entitled to payment of the amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay.

For these purposes, "Payment Day" means any day that, subject to "Prescription" below, is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business, including dealing in foreign exchange and foreign currency deposits, in:

(A) the relevant place of presentation;

(B) any additional financial center specified in the applicable supplement; and

(ii) either (A) in relation to any sum payable in a Specified Currency other than the U.S. dollar, a day on which commercial banks and foreign exchange markets settle payments and are open for general business, including dealing in foreign exchange and foreign currency deposits, in the principal financial center of the country of the relevant Specified Currency, as set forth in the applicable supplement, or (B) in relation to any sum payable in U.S. dollars, a day on which the Federal Reserve System is open.

If the due date for redemption of any interest bearing Note in certificated form is not a due date for the payment of interest relating thereto, interest accrued in respect of such Note from and including the last preceding due date for the payment of interest, or from the interest commencement date, will be paid against surrender of such Note.

The name of the Fiscal and Paying Agent and its initial specified offices are set out below. The Issuers reserve the right at any time to vary or terminate the appointment of the Fiscal and Paying Agent and to appoint additional or other Paying Agents and/or to approve any change in the specified office of any Paying Agent, provided that (i) there will at all times be a Fiscal and Paying Agent and (ii) the Issuers shall at all times maintain a Paying Agent with a specified office outside the European Union or in a European Union Member State ("Member State") that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any subsequent meeting of the ECOFIN Council on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive or Directives.

In addition, the Issuers shall immediately appoint a Paying Agent having a specified office in New York City in the circumstances described in paragraph 4(a) above. Any variation, termination, appointment or change shall only take effect, other than in the case of insolvency, when it shall be of immediate effect, after not less than 30 nor more than 45 days prior notice shall have been given to the Noteholders in accordance with "Notices" below.

Payments in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) *Physical Delivery Notes*

The applicable supplement will contain provisions relating to the procedure for the delivery of any Physical Delivery Amount in respect of Physical Delivery Notes, including, without limitation, liability for the costs of transfer of Underlying Assets.

The Underlying Assets will be delivered at the risk of the relevant Noteholder in such manner as may be specified in the transfer notice pursuant to which such Underlying Assets are delivered (the "Transfer Notice," the form of which is annexed to the Fiscal and Paying Agency Agreement) and, notwithstanding the provisions of "Interest—Interest Payments" above, no additional payment or delivery will be due to a Noteholder where any Underlying Assets are delivered after their due date in circumstances beyond the control of either the Issuers or the Fiscal and Paying Agent.

5. **Redemption and Purchase**

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, Notes will be redeemed by the relevant Issuer at their final redemption amount, or, in the case only of Physical Delivery Notes where the applicable supplement specifies that such Notes will be redeemed by payment and/or delivery of a Physical Delivery Amount, by the payment and the delivery of the Physical Delivery Amount, specified in, or determined in the manner specified in, the applicable supplement in the Specified Currency on the Maturity Date specified in the applicable supplement, in the case of Notes that are not Floating-Rate Notes, or on the Interest Payment Date falling in the redemption month specified in the applicable supplement, in the case of Floating-Rate Notes. Notes may not be redeemed other than in accordance with these Terms and Conditions.

(b) *Redemption for Taxation Reasons*

(i) If as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France or the United States or any other authority thereof or therein (A) the relevant Issuer or the Guarantor would be required to pay additional amounts in respect of the Notes or Guarantees, as provided in paragraph 6 (a "Withholding Tax Event") or (B) the Guarantor would, in respect of payments to the LLC pursuant to any loan or advance of proceeds from the issuance of the Notes by the LLC to the Guarantor, be required to pay additional amounts in order that the LLC, after deduction of any withholding taxes or duties, will receive the full amount then due and payable under the Notes, then the Issuers, in the case of (A) and the LLC, in the case of (B) may at its option at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) but subject, in the case of Subordinated Notes, to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity Date*) below, on giving not more than 45 nor less than 30 days notice to the Noteholders (in accordance with paragraph 12) which notice shall be irrevocable, redeem all, but not less than all, of the Notes as to which the conditions set forth in clauses (A) or (B) apply at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which such Issuer or the Guarantor, as the case may be, could make payment without withholding for such taxes.

(ii) If the Issuers or the Guarantor would, on the next due date for payment of any amount in respect of the Notes or Guarantees, be prevented by French law from making such payment notwithstanding the undertaking to pay additional amounts as provided in paragraph 6 (a "Gross-up Event"), then the relevant Issuer upon prior notice of such fact to the principal Paying Agent, may in the case of Subordinated Notes, subject to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity* Date) below, or shall in the case of Unsubordinated Notes, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) redeem all, but not less than all, of the Notes then outstanding as to which the conditions set forth in clauses (A) or (B) of subparagraph (i) apply at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, upon giving not less than 7 nor more than 45 days prior notice to the Noteholders (in accordance with paragraph 12), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which such Issuer or the Guarantor, as the case may be, could make payment of the full amount of interest payable in respect of the Notes or, if such date is already past, as soon as practicable thereafter.

(c) *Redemption at the Option of the Issuers ("Issuer Call')*

If Issuer Call is specified in the applicable supplement, the relevant Issuer may, subject in the case of Subordinated Notes, to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity Date*) below, having given, unless otherwise specified in connection with a particular offering of notes:

(i) not less than 5 nor more than 30 days notice to the Noteholders in accordance with "Notices" below, or as otherwise specified in the applicable supplement; and

(ii) not less than 5 days before the giving of the notice referred to in (i), notice to the Fiscal and Paying Agent;

which notices shall be irrevocable and shall specify the date fixed for redemption, redeem all or some of the Notes then outstanding on any optional redemption date and at the optional redemption amounts specified in, or determined in the manner specified in, the applicable supplement together, if appropriate, with interest accrued to, but excluding, the relevant optional redemption date. Any such redemption must be of a nominal amount equal to the minimum redemption amount or a higher redemption amount. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by certificated Notes, and in accordance with the rules of DTC, Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection the "Selection Date"). In the case of Redeemed Notes represented by certificated Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with "Notices" below, not less than 5 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by certificated Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of certificated Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from, and including, the Selection Date to, and including, the date fixed for redemption pursuant to this paragraph (c), and notice to that effect shall be given by such Issuer to the Noteholders in accordance with "Notices" below, at least five days prior to the Selection Date.

In the case of Subordinated Notes, no redemption at the option of the Issuer will be permitted prior to five years from the date of issue thereof.

(d) *Redemption at the Option of the Noteholders ("Noteholder Put")*

In the case of Subordinated Notes, no redemption of the Notes at the option of the Noteholder is, permitted. If a Noteholder Put is specified in the applicable supplement, and provided that this Note is not a Subordinated Note, upon the holder of any Note giving to the relevant Issuer in accordance with "Notices" below not less than 15 nor more than 30 days notice, such Issuer will, upon the expiration of such notice, redeem, subject to and in accordance with the terms specified in the applicable supplement, in whole, but not in part, such Note on the optional redemption date and at the optional redemption amount together, if appropriate, with interest accrued to, but excluding, the optional redemption date.

If a Note is in certificated form and held outside DTC, Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of such Note the holder of such Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the holder must specify a bank account, or, if payment is required to be made by check, an address, to which payment is to be made under this paragraph 5, accompanied by the Note or evidence satisfactory to the Paying Agent concerned that the Note will, following delivery of the Put Notice, be held to its order or under its control. If the Note is represented by a global Note or is in certificated form and held through DTC, Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of such Note the holder of the Note must, within the notice period, give notice to the Paying Agent of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg or any common depositary for them to the Paying Agent by electronic means, in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg from time to time and, if a Note is represented by a global Note, at the same time present or procure the presentation of the relevant global Note to the Paying Agent for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except if prior to the due date of redemption an Event of Default shall have occurred and be continuing, in which event such holder, at his option, may elect by notice to the relevant Issuer to withdraw the notice given pursuant to this paragraph 5 and instead to declare such Note forthwith due and payable pursuant to "Events of Default—Enforcement" below.

(e) *Optional Redemption of Subordinated Notes upon the occurrence of a Capital Event*

Upon the occurrence of a Capital Event (as defined below), the Bank may (at its option but subject to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity Date*) below) at any time subject to having given no less than thirty (30) nor more than forty five (45) calendar days' notice to the Noteholders in accordance with "Notices" below (which notice shall be irrevocable), redeem the Subordinated Notes in whole, but not in part, at their final redemption amount, together with all interest accrued to the date fixed for redemption.

"Capital Event" means that, by reason of a change in the regulatory classification of the Notes under the Relevant Rules that was not reasonably foreseeable by the Bank on the Issue Date of the first Tranche of the relevant Series of Notes, the Notes are fully excluded from the Tier 2 Capital of the Bank, provided that such exclusion is not as a result of (i) any applicable limits on the amount of Tier 2 Capital or (ii) a regulatory capital treatment of a higher quality for the Bank.

"CRD IV" means the Directive 2013/36/EU of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, as published in the Official Journal of the European Union on June 27, 2013, as amended or replaced from time to time.

"CRR" means the Regulation 2013/575 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, as published in the Official Journal of the European Union on June 27, 2013, as amended or replaced from time to time.

"Relevant Regulator" means the *Secrétariat général de l'Autorité de contrôle prudentiel et de résolution* and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Bank.

"Relevant Rules" means the capital rules from time to time applicable to the Bank and as applied by the Relevant Regulator and as amended from time to time including the rules contained in or implementing the CRD IV, the CRR and/or the RRD.

"RRD" means the Directive 2014/59/EU of the European Parliament and of the Council of the European Union on resolution and recovery of credit institutions and investment firms, dated May 15, 2014 as amended or replaced from time to time.

"Tier 2 Capital" means capital which is treated under the Relevant Rules by the Relevant Regulator as a constituent of tier 2 capital of the Bank.

(f) *Optional Redemption of Subordinated Notes upon the occurrence of a Tax Deduction Event*

If by reason of any change in the French laws or regulations, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after the Issue Date of the first Tranche of the relevant Series of Subordinated Notes, the tax regime applicable to any interest payment under the Subordinated Notes is modified and such modification results in the amount of the interest payable by the Bank under the Subordinated Notes that is tax-deductible by the Bank for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes being reduced (a "Tax Deduction Event"), the Bank may, subject to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity Date*) below, at its option, at any time, subject to having given no less than thirty (30) nor more than forty five (45) calendar days' notice to the Fiscal and Paying Agent and the Noteholders (in accordance with paragraph 12) redeem all, and not some only, of the relevant Series of Subordinated Notes then outstanding at the final redemption amount together with accrued interest (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Bank could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to the same extent as it was on the Issue Date of the first Tranche of the relevant Series of Subordinated Notes.

(g) *Early Redemption Amounts*

For the purposes of paragraph 5(b) above and "Events of Default—Enforcement" below, the Notes will be redeemed at an amount (the "Early Redemption Amount") calculated as follows, together, if appropriate, with interest accrued to, but excluding, the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and repayable:

(i) in the case of Notes with a final redemption amount equal to its nominal amount, at the final redemption amount thereof; or

(ii) in the case of Notes, other than Zero Coupon Notes, with a final redemption amount that is or may be lesser or greater than the issue price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable supplement or, if no such amount or manner is set out in the supplement, at their nominal amount; or

(iii) in the case of Physical Delivery Notes, as determined in the manner specified in the applicable supplement; or

(iv) in the case of Zero Coupon Notes, at an amount (the "Amortized Face Amount") equal to the sum of:

(A) the reference price specified in the applicable supplement; and

(B) the product of the accrual yield specified in the applicable supplement, compounded annually, being applied to the reference price from and including the issue date to, but excluding, the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period of less than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed in such incomplete month or such other calculation basis as may be specified in the applicable supplement.

(h) *Purchases*

In the case of Unsubordinated Notes: The Issuers and their affiliates may at any time purchase Notes at any price in the open market or otherwise, in each case in accordance with applicable securities laws.

In the case of Subordinated Notes: The Issuers and their affiliates may, subject to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity Date*) below, purchase Subordinated Notes at any price in the open market or otherwise in each case in accordance with applicable securities laws.

Notwithstanding the above, the Bank or any agent on its behalf shall have the right at all times to purchase Subordinated Notes for market making purposes provided that: (a) the prior written approval of the Relevant Regulator shall be obtained; and (b) the total principal amount of the Subordinated Notes so purchased does not exceed the lower of (i) ten (10) per cent. (or any other threshold as may be requested by the Relevant Regulator in accordance with the Relevant Rules from time to time) of the initial aggregate principal amount of the relevant Series of Subordinated Notes and any further notes issued under paragraph 11 and (ii) three (3) per cent. of the Tier 2 Capital of the Bank from time to time outstanding. The Subordinated Notes so purchased by the Bank may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Notes.

(i) *Cancellation*

All Notes that are redeemed or purchased by the Issuers to be cancelled will forthwith be cancelled and accordingly may not be re-issued or resold.

(j) *Installments*

Each Note in certificated form that is redeemable in installments will be redeemed in the installment amounts and on the installment dates specified in the applicable supplement. All installments, other than the final installment, will be paid by surrender of, in the case of a certificated Note, the relevant Receipt, which must be presented with the Note to which it appertains, and, in the case of a global Note, the relevant Note and issue of a new Note in the nominal amount remaining outstanding, all as more fully described in "Payments" above.

(k) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraphs (b), (c) or (d) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iv) above, as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date that is the earlier of:

(A) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

(B) the date on which the full amount payable has been received by the Fiscal and Paying Agent and notice to that effect has been given to the Noteholders in accordance with "Notices" below.

(l) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this paragraph 5 as amended or varied by the information specified in the applicable supplement.

(m) *Conditions to redemption of Subordinated Notes prior to Maturity Date*

The Subordinated Notes may only be redeemed, purchased or cancelled (as applicable) pursuant to paragraph (b)(i) (Redemption for Taxation Reasons- Withholding Tax Event), paragraph (b)(ii) (Redemption for Taxation Reasons- Gross-up Event), paragraph (c) (Redemption at the Option of the Issuer ("Issuer Call")), paragraph (e) (Optional Redemption of Subordinated Notes upon the occurrence of a Capital Event), paragraph (f) (Optional Redemption of Subordinated Notes upon the occurrence of a Tax Deduction Event) or paragraph (h) (Purchase) (subject to the provisions set out in the second paragraph of the section relating to Subordinated Notes of paragraph (h)), as the case may be, if

(A) the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable);

The Relevant Rules prescribe certain conditions for the granting of permission by the Relevant Regulator to a request by the Issuer to reduce, repurchase, call or redeem the Subordinated Notes.

In this respect, CRR provides that the Relevant Regulator shall grant permission to a reduction, repurchase, call or redemption of the Subordinated Notes provided that either of the following conditions is met:

(i) on or before such reduction, repurchase, call or redemption of the Subordinated Notes, the relevant Issuer replaces the Subordinated Notes with own funds instruments of equal or higher quality on terms that are sustainable for such Issuer's income capacity; or

(ii) the relevant Issuer has demonstrated to the satisfaction of the Relevant Regulator that its own funds would, following such reduction, repurchase, call or redemption, exceed the capital ratios required under the Relevant Rules by a margin that the Relevant Regulator may consider necessary on the basis set out in CRD IV for it to determine the appropriate level of capital of an institution.

In addition, the CRR provides that the Relevant Regulator may only permit the relevant Issuer to redeem the Subordinated Notes before five years after the date of issuance of the first Tranche of the relevant Series of Notes if:

(1) the conditions listed in paragraphs (i) or (ii) above are met; and

(2) in the case of redemption due to the occurrence of a Capital Event, (i) the Relevant Regulator considers such change to be sufficiently certain and (ii) the Relevant Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of the issuance of the first Tranche of the relevant Series of Subordinated Notes; or

(3) in the case of redemption due to the occurrence of a Withholding Tax Event, a Tax Deduction Event or a Gross-up Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Withholding Tax Event, Tax Deduction Event or Gross-up Event is material and was not reasonably foreseeable at the time of issuance of the first Tranche of the relevant Series of Subordinated Notes.

The Relevant Rules may be modified from time to time after the date of issuance of the first Tranche of the relevant Series of Subordinated Notes.

(B) in the case of a redemption as a result of a Withholding Tax Event, a Tax Deduction Event or a Gross-up Event, the Issuer has delivered a certificate signed by one of its senior officers to the Fiscal and Paying Agent (and copies thereof will be available at the Fiscal and Paying Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Withholding Tax Event, Tax Deduction Event or Gross-up Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

6. **Taxation**

(a) *Additional Amounts*

If French or U.S. law should require that any payments in respect of the Notes or Guarantees be subject to withholding with respect to any taxes or duties whatsoever, the relevant Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Note, after deduction of such taxes or duties, will receive the full amount then due and payable; provided, however, that such Issuer may, in that event, redeem all of the Notes then outstanding as to which such requirement to pay additional amounts applies in accordance with the provisions of paragraph 5(b) above, and provided further that no such additional amounts shall be payable with respect to any Note:

(i) to or on behalf of a holder who is subject to such taxes or duties in respect of such Note by reason of his being connected with France or the United States (as the case may be) otherwise than by reason only of the holding of such Note; or

(ii) presented for payment more than 30 days after the relevant date, except to the extent that the holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(iii) where such withholding or deduction is imposed on a payment which is required to be made pursuant to the European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council of the European Union meeting of November 26-27, 2000 or any subsequent meeting of the Council on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or Directives; or

(iv) for any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner (or any financial institution through which the holder or beneficial owner holds the Note or through which payment on the Note is made) to enter into or to comply with any applicable certification, documentation, information or other reporting requirement or agreement concerning accounts maintained by the holder, beneficial owner (or any such financial institution) or concerning ownership of the holder or beneficial owner (or any such financial institution) or concerning ownership of the holder or beneficial owner, or any substantially similar requirement or agreement; or

(v) for any tax that is imposed under section 871(m) of the United States Internal Revenue Code, or any regulations or other guidance promulgated thereunder; or

(vi) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State; or

(vii) where the payment of principal or interest on such Note is made to any Noteholder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that the beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of the Note; or

(viii) for any (a) estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes, or (b) taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or Guarantee; or

(ix) for any taxes payable under section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (or any successor or amended versions of these provisions), any regulations or other official guidance thereunder, or any agreement (including any intergovernmental agreement or any law implementing such intergovernmental agreement) entered into in connection therewith; or

(x) for any combination of (i) through (ix) above.

As used herein the "relevant date" in relation to any Note means whichever is the later of:

(A) the date on which the payment in respect of such Note first became due and payable; or

(B) if the full amount of the moneys payable on such a date in respect of such Note has not been received by the principal Paying Agent on or prior to the due date, the date on which notice is duly given to the Noteholders that such moneys have been so received.

References herein to principal and/or interest shall be deemed also to refer to any additional amounts which may be payable under this paragraph 6.

(b) *Supply of Information*

Each holder of Notes shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be reasonably required by the latter in order for it to comply with the identification and reporting obligations imposed on it by European Council Directive 2003/48/EC or any European Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any subsequent meeting of the Council of the European Union on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or Directives.

7. **Redenomination**

Where redenomination is specified in the applicable supplement as being applicable, the Issuers may, without the consent of the Noteholders, on giving prior notice to the Fiscal and Paying Agent, DTC, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with "Notices" below, elect that, with effect from the Redenomination Date (as deemed herein) specified in the notice, the relevant Notes shall be redenominated in euro.

The election, with respect to the relevant Notes, will have effect as follows:

(a) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the established rate, provided that, if the Issuers determine, with the agreement of the Fiscal and Paying Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuers shall promptly notify the Noteholders, the stock exchange, if any, on which the Notes may be listed and the Paying Agents of such deemed amendments;

(b) except to the extent that an Exchange Notice (as defined herein) has been given in accordance with sub-paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if certificated Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuers in the denominations of euro 1,000, euro 10,000, euro 100,000 and, but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Fiscal and Paying Agent may approve, euro 0.01 and such other denominations as the Fiscal and Paying Agent shall determine and notify to the Noteholders;

(d) the payment obligations contained in any Notes so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the relevant Issuer. New euro-denominated Notes will be issued in exchange for Notes denominated in the Specified Currency in such manner as the Fiscal and Paying Agent may specify and as shall be notified to the Noteholders in the notice given by the relevant Issuer (the "Exchange Notice") that replacement euro-denominated Notes are available for exchange. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account, or any other account to which euro may be credited or transferred, specified by the payee or, at the option of the payee, by a euro check;

(f) if the Notes are Fixed-Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on a fixed interest date, it will be calculated by applying the rate of interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resulting figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention;

(g) if the Notes are Floating-Rate Notes, the applicable supplement will specify any relevant changes to the provisions relating to interest; and

(h) such other changes shall be made to these Terms and Conditions as the Issuers may decide, after consultation with the Fiscal and Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

8. **Events of Default and Enforcement**

(a) *Events of Default*

In the case of Unsubordinated Notes, the holders of at least 50% of the aggregate principal amount of such Series of outstanding Unsubordinated Notes may give written notice to the relevant Issuer and the Fiscal and Paying Agent that the Unsubordinated Notes are, and shall accordingly forthwith become, immediately due and repayable at its Early Redemption Amount, together, if appropriate, with interest accrued to the date of repayment, in any of the following events ("Events of Default"):

(i) the relevant Issuer fails to pay any principal payable in respect of the Unsubordinated Notes, or any of them, when due and payable; or

(ii) the relevant Issuer fails to pay any amount other than principal amounts payable in respect of the Unsubordinated Notes, or any of them, when due and payable, and such default is not remedied within 30 days after the relevant due date; or

(iii) the relevant Issuer fails to perform or observe any of its other obligations under the Unsubordinated Notes, and such default is not remedied within 45 days after notice of such default has been given to the Fiscal and Paying Agent by any Noteholder; or

(iv) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Branch in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Branch or of any substantial part of the property of the Branch, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or the commencement by the Branch of a voluntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Branch to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding, or the filing by the Branch of a petition or answer or consent seeking reorganization or relief under any applicable U.S. federal or state law, or the consent by the Branch to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Branch or of any substantial part of the property of the Branch, or the making by the Branch of an assignment for the benefit of creditors, or the taking of corporate action by the Branch in furtherance of any such action, and such action or proceeding shall be continuing if not rescinded, suspended or stayed for a period of 30 consecutive days; or

(v) with respect to Unsubordinated Notes issued by the LLC only, the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the LLC in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law, or (B) a decree or order appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the LLC or of any substantial part of the property of the LLC, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or the commencement by the LLC of a voluntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the LLC to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding, or the filing by the LLC of a petition or answer or consent seeking reorganization or relief under any applicable U.S. federal or state law, or the consent by the LLC to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the LLC or of any substantial part of the property of the LLC, or the making by the LLC of an assignment for the benefit of creditors, or the taking of corporate action by the LLC in furtherance of any such action, and such action or proceeding shall be continuing if not rescinded, suspended or stayed for a period of 30 consecutive days; or

(vi) with respect to Unsubordinated Notes issued by the Bank only, the Bank ceases its payments, or a judgment is issued for the judicial liquidation *(liquidation judiciaire*) of the Bank or for a transfer of the whole of its business (*cession totale de 1 'entreprise*), or the Bank is subject to similar proceedings, or, in the absence of legal proceedings, the Bank makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed by the Bank for its winding-up or dissolution, except in connection with a merger or other reorganization in which all of the Bank's assets are transferred to, and all of the Bank's debts and liabilities (including the Notes) are assumed by, another entity which continues the Bank's activities.

(b) *Enforcement (Subordinated Notes)*

In the case of Subordinated Notes, the holder of any Subordinated Note may, upon written notice to the Fiscal and Paying Agent, cause such Subordinated Note to become due and payable, together with accrued interest thereon, if any, as of the date on which said notice is received by the Fiscal and Paying Agent, in the event that a resolution is passed or a judgment is issued for the liquidation of the LLC or an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire or liquidation amiable*) of the Bank.

9. **Prescription**

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiration of 10 years from the due date thereof, and claims for payment of interest, if any, in respect of the Notes shall be prescribed upon the expiration of five years from the due date thereof.

10. **Replacement of Notes**

If any Note, including any global Note, is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Fiscal and Paying Agent upon payment by the claimant of the costs incurred in connection therewith and on such terms as to evidence an indemnity as the relevant Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued. Cancellation and replacement of Notes shall be subject to compliance with such procedures as may be required under any applicable law and subject to any applicable stock exchange requirements.

11. **Further Issues**

The Issuers shall (subject, for Subordinated Notes, to the prior information of the Relevant Regulator) be at liberty from time to time without the consent of the Noteholders to issue further notes, such further notes forming a single series with the existing Notes so that such further notes and the Notes carry rights identical in all respects, or in all respects except for the first payment of interest thereon.

12. **Notices**

(a) All notices to the holders of registered Notes will be valid if mailed to the addresses of the registered holders.

(b) All notices regarding Notes, both certificated and global, will be valid if published once in a leading English-language daily newspaper with general circulation in the United States, which is expected to be the Wall Street Journal. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication.

(c) Until such time as any certificated Notes are issued, there may, so long as all the global Notes for a particular Series, whether listed or not, are held in their entirety on behalf of DTC, Euroclear and Clearstream, Luxembourg, be substituted, in relation only to such Series, for such publication as aforesaid in Condition 12(b), the delivery of the relevant notice to DTC, Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes, except that if the Notes are listed on a stock exchange and the rules of that stock exchange so require, the relevant notice will in any event be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the notice was given to DTC, Euroclear and/or Clearstream, Luxembourg.

(d) Notices to be given by any holder of any Notes shall be in writing and given by delivering the same, together with the relevant Note or Notes, to the Fiscal and Paying Agent. While any Notes are represented by a global Note, such notice may be given by a holder of any of the Notes so represented to the Fiscal and Paying Agent via DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal and Paying Agent and DTC, Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

(e) All notices given to Noteholders, irrespective of how given, shall also be delivered in writing to DTC, Euroclear and Clearstream, Luxembourg and, in the case of listed Notes, to the relevant stock exchange.

13. **Meetings of Noteholders, Modification and Waiver**

With respect to each Series of Notes, the relevant Issuer and the Fiscal and Paying Agent may, with the consent of the holders of at least 50% in aggregate principal amount of the then outstanding Notes of such Series, modify and amend the provisions of such Notes, including to grant waivers of future compliance or past default by such Issuer. However, no such amendment or modification will apply, without the consent of each Noteholder affected thereby, to Notes of such Series owned or held by such Noteholder with respect to the following matters:

(a) to change the stated maturity of the principal of or interest on such Notes;

(b) to reduce the principal amount of or interest on such Notes;

(c) to change the currency of payment of principal or interest on such Notes, except as provided in paragraph 7 above; and

(d) to impair the right to institute suit for the enforcement of any payment in respect of such Notes.

In addition, no such amendment or notification may, without the consent of each Noteholder of such Notes, reduce the percentage of principal amount of Notes of such Series outstanding necessary to make these modifications or amendments to such Notes or to reduce the quorum requirements or the percentages of votes required for the adoption of any action at a Noteholder meeting.

In addition, in the case of a Series of Subordinated Notes, any proposed modification of any provision of such Subordinated Notes (including a modification of the provisions as to subordination referred to in paragraph 2(b) above) requiring the consent of holders of at least 50% in principal amount of the then outstanding Subordinated Notes of such Series can only be effected subject to the prior approval of the Relevant Regulator.

Each Issuer may also agree to amend any provision of any Series of Notes of such Issuer with the holder thereof, but that amendment will not affect the rights of the other Noteholders or the obligations of such Issuer with respect to the other Noteholders.

No consent of the Noteholders is or will be required for any modification or amendment requested by an Issuer or by the Fiscal and Paying Agent or with the consent of such Issuer to:

(a) add to such Issuer's covenants for the benefit of the Noteholders; or

(b) surrender any right or power of such Issuer in respect of a Series of Notes or the Fiscal and Paying Agency Agreement; or

(c) provide security or collateral for a Series of Notes; or

(d) cure any ambiguity in any provision, or correct any defective provision, of a Series of Notes; or

(e) change the terms and conditions of a Series of Notes (other than Subordinated Notes) or the Fiscal and Paying Agency Agreement in any manner that such Issuer and the Fiscal and Paying Agent mutually deem necessary or desirable so long as any such change does not, and will not, adversely affect the rights or interest of any Noteholder of such Notes; or

(f) redenominate the Notes of a Series in euro when redenomination is specified in the applicable supplement as being applicable.

Each Issuer may at any time ask for written consent or call a meeting of the Noteholders of a Series to seek their approval of the modification of or amendment to, or obtain a waiver of, any provision of such Series of Notes of such Issuer. This meeting will be held at the time and place determined by such Issuer and specified in a notice of such meeting furnished to the Noteholders. This notice must be given at least 30 days and not more than 60 days prior to the meeting.

If at any time the holders of at least 10% in principal amount for the then outstanding Notes of a Series request the Fiscal and Paying Agent to call a meeting of the holders of such Notes for any purpose, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Fiscal and Paying Agent will call the meeting for such purpose. This meeting will be held at the time and place determined by the Fiscal and Paying Agent, after consultation with the relevant Issuer, and specified in a notice of such meeting furnished to the Noteholders. This notice must be given at least 30 days and not more than 60 days prior to the meeting.

Noteholders who hold a majority in principal amount of the then outstanding Notes of a Series will constitute a quorum at a noteholders' meeting. In the absence of a quorum, a meeting may be adjourned for a period of at least 20 days. At the reconvening of a meeting adjourned for lack of quorum, holders of 25% in principal amount of the then outstanding Notes of such Series shall constitute a quorum. Notice of the reconvening of any meeting may be given only once, but must be given at least ten days and not more than 15 days prior to the meeting.

At any meeting when there is a quorum present, holders of at least 50% in principal amount of the Notes of a Series represented and voting at the meeting may approve the modification or amendment of, or a waiver of compliance for, any provision of the Notes of such Series except for specified matters requiring the consent of each Noteholder, as set forth above. Modifications, amendments or waivers made at such a meeting will be binding on all current and future Noteholders.

14. **Agents**

In acting under the Fiscal and Paying Agency Agreement, the Agents will act solely as agents of the Issuers and do not assume any obligations or relationship of agency or trust to or with the Noteholders, except that, without affecting the obligations of the Issuers to the Noteholders, to repay Notes and pay interest thereon, funds received by the Fiscal and Paying Agent for the payment of the principal of or interest on the Notes shall be held by it in trust for the Noteholders until the expiration of the relevant period of prescription described under "Prescription" above. The Issuers will agree to perform and observe the obligations imposed upon them under the Fiscal and Paying Agency Agreement. The Fiscal and Paying Agency Agreement contains provisions for the indemnification of the Agents and for relief from responsibility in certain circumstances and entitles any of them to enter into business transactions with the Issuers and any of its affiliates without being liable to account to the Noteholders for any resulting profit.

15. **Governing Law; Consent to Jurisdiction and Service of Process; Immunity**

The Fiscal and Paying Agency Agreement provides that the Notes will be governed by, and construed in accordance with, the laws of the State of New York; provided, however, that Condition 2(b) of the Notes will be governed by, and construed in accordance with, French law.

Each of the Bank and the Guarantor has consented to the jurisdiction of the courts of the State of New York and the U.S. courts located in The City of New York with respect to any action that may be brought in connection with the Notes, with respect to the Bank, and the Guarantees, with respect to the Guarantor. Each of the Bank and the Guarantor has appointed the Treasurer of the Branch as its agent upon whom process may be served in any action brought against the Bank in any U.S. or New York State court.

The Bank and its properties are currently not entitled to any sovereign or other immunity and the Bank has agreed that, to the extent that it may hereafter become entitled to any such immunity, it waives such immunity with respect to matters arising out of or in connection with the Notes issued by it or the Guarantees.

16. Bail-In Regulatory Power

By subscribing or otherwise acquiring the Notes, Noteholders shall be bound by the exercise of any Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below), which may result in the write-down or cancellation of all, or a portion of, the principal amount of, or outstanding amount payable in respect of, and/or interest on, the Notes and/or the conversion of all, or a portion, of the principal amount of, or outstanding amount payable in respect of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to these terms and conditions of the Notes to give effect to such exercise of Bail-In Power.

"Bail-in Power" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in France in effect and applicable in France to the Issuer (or any successor entity thereof), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a French resolution regime under the French monetary and financial code, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

No repayment of the principal amount of the Notes or payment of interest thereon (to the extent of the portion thereof affected by the exercise of the Bail-in Power) shall become due and payable after the exercise of any Bail-in Power by the Relevant Resolution Authority, unless such repayment or payment would be permitted to be made by the Issuer under the laws and regulations then applicable to the Issuer.

Upon the Issuer becoming aware of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes, the Issuer shall notify Noteholders (and other parties that should be notified, if applicable), in accordance with Condition 12 ("Notices") above. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in the first paragraph of this section.

The exercise of the Bail in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an event of default and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable in respect of the Notes, subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in France.

"The Relevant Resolution Authority" is any authority with the ability to exercise the Bail-in Power.

17. Definitions in these Terms and Conditions

The following expressions have the following meanings:

(a) "Adjusted" means that for the purposes of an Interest Period where the Interest Payment Date is not a Payment Day, the Interest Amount for that Interest Period will accrue up to, but excluding, the first following Business Day, if Following Business Day Convention is specified in the applicable supplement, or up to, but excluding, the first following Business Day or the first preceding Business Day, as the case may be, if Modified Following Business Day Convention is specified in the applicable supplement.

(b) "Established Rate" means the rate for the conversion of the Specified Currency, including compliance with rules relating to roundings in accordance with applicable European Community regulations, into euro established by the Council of the European Union pursuant to Article 1091(4) of the Treaty.

(c) “Euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty.

(d) “London Business Day” means a day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

(e) “New York and London Business Day” means a day, other than a Saturday or a Sunday, on which commercial banks are open for business in the city of New York, New York and the city of London.

(f) “New York Business Day” means a day, other than a Saturday or a Sunday, on which commercial banks are open for business in the city of New York, New York.

(g) “Redenomination Date” means, in the case of interest bearing Notes, any date for payment of interest under the Notes or, in the case of Zero Coupon Notes, any date, in each case specified by the relevant Issuer in the notice given to the Noteholders pursuant to paragraph 6(a) above, that falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union.

(h) “Treaty” means the Treaty on the Functioning of the European Union, as amended.

(i) “Unadjusted” means that for the purposes of an Interest Period where the Interest Payment Date is not a Payment Day, the Interest Amount for that Interest Period will accrue up to, but excluding, the stated Interest Páyment Date.

(j) “Undated Deeply Subordinated Notes” means the direct, unconditional, unsecured and subordinated obligations of the Bank, which rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and deeply subordinated indebtedness of the Bank and have no fixed maturity date.

GUARANTEES

*This section shall supplement and, to the extent inconsistent, shall supersede and replace any such inconsistent section within, the section entitled "*Guarantees*" in the base prospectus.*

The obligations of the Issuers to pay principal, interest and other amounts (including any additional amounts) under the Notes will be guaranteed by the Guarantor.

The obligations of the Issuers under the Unsubordinated Notes (the "Unsubordinated Notes") will be guaranteed on a senior basis by the Guarantor pursuant to a Senior Guarantee. The Guarantor's obligations under the Senior Guarantee constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and will rank *pari passu* with all present and future, unsecured, unconditional and unsubordinated obligations of the Bank, without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law. The Senior Guarantee is available for inspection at the principal office of the Fiscal and Paying Agent.

The obligations of the Issuers under the Subordinated Notes (the "Subordinated Notes") will be guaranteed on a subordinated basis by the Guarantor pursuant to a Subordinated Guarantee. The Guarantor's obligations under the Subordinated Guarantee constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and will rank *pari passu* with all other present and future unsecured, unconditional and ordinary subordinated obligations of the Bank. Subject to applicable law, in the event of the voluntary liquidation of the Bank, bankruptcy proceeding, or any other similar proceedings affecting the Bank, the rights of a holder of any Subordinated Notes under the Subordinated Guarantee will be subordinated to the full payment of unsubordinated creditors of the Bank (including depositors) but, subject to such payment in full, a holder of Subordinated Notes will be paid under the Subordinated Guarantee in priority to *prêts participatifs* granted to the Bank, *titres participatifs* issued by the Bank and Undated Deeply Subordinated Notes (*titres subordonnés de dernier rang*) issued by the Bank. The Subordinated Guarantee is available for inspection at the principal office of the Fiscal and Paying Agent.

The Guarantees will include a provision with respect to additional amounts similar to the "Additional Amounts" section under "Description of the Notes" with respect to any amounts to be paid under the Guarantees. The Guarantees are available for inspection at the principal office of the Fiscal and Paying Agent.

The holders of the Notes will be beneficiaries of the Guarantees. No trustee or other fiduciary will be appointed to make claims under the Guarantees on behalf of Noteholders. The Guarantor will be required to make payment under the Guarantees following the receipt of a notice from a holder to the effect that the Issuer has defaulted in respect of an obligation that is guaranteed by the Guarantor, supporting documentation with respect thereto, and evidence of the title of such Holder to the relevant Notes.

The Guarantees will be governed by, and construed in accordance with, the laws of the State of New York; except that the provisions of the Guarantees relating to the ranking of the Guarantor's obligations thereunder will be governed by, and construed in accordance with, French law.

The Issuers and the Guarantor will consent to the jurisdiction of the courts of the State of New York and the U.S. courts located in The City of New York, Borough of Manhattan, with respect to any action that may be brought in connection with the Guarantees.

Under the Guarantees, the Guarantor has guaranteed the obligations owed by the Issuers to the Holders. In the case of application of the Bail-In Tool to the Notes, as described under "Government Supervision and Regulation of BNP Paribas in France", such that the Issuer's obligations under the Notes are reduced, the amounts due under the Guarantees could be correspondingly reduced.

In addition, the Bail-In Tool might also apply to a guarantee obligation such as the Guarantees. While holders of the Notes, as beneficiaries of the Guarantees, are creditors of the New York branch of the Guarantor, and therefore benefit from the NYBL's statutory preference regime with respect to assets of the New York branch, if the

Issuer's obligations under the Notes or the Guarantor's obligation under the Guarantees were subject to Bail-In, there would be no remaining claim (or a reduced remaining claim) that would benefit from this preference regime.

As a result, the Bail-In Tool, if applied to the Notes or to liabilities of the Guarantor, could effectively limit the extent of a recovery under the Guarantees.

For further information about the Bail-In Tool, see "Government Supervision and Regulation of BNP Paribas in France" in this prospectus supplement.

TAXATION

United States Federal Income Taxation

The following is a summary of certain U.S. federal income tax considerations that may be relevant to the holder of a Note. This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. This summary deals only with holders that will hold Notes as capital assets, and does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, insurance companies, a partnership or partners therein, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction or persons that have a "functional currency" other than the U.S. dollar.

For purposes of this discussion, a "United States holder" is a holder of a Note that is an individual who is a citizen or resident of the United States or a domestic U.S. corporation or an entity that otherwise is subject to U.S. federal income taxation on a net income basis in respect of a Note. A "non-United States holder" is a holder of a Note that is a nonresident alien individual or a foreign corporation.

Scope. Depending on the relevant economic terms of the Notes, including whether holders of the Notes have principal protection, the Notes may be characterized for U.S. federal income tax purposes as indebtedness, forward contracts or other financial derivatives, or possibly (in the case of Physical Delivery Notes) as interests in the Underlying Assets of any linked payments on the Notes or (in the case of undated Subordinated Notes) as equity of BNP Paribas. The following discussion addresses the consequences to holders of Notes that are characterized for U.S. federal income tax purposes as (i) indebtedness of the Issuer, (ii) a grant by the holder of an option on a forward contract with respect to Underlying Assets or underlying indices, funds or other interests (the "Underlying") (a "Reverse Convertible Note") or (iii) a cash-settled forward contract with respect to the Underlying (a "Forward Contract Note"). Any special U.S. federal income tax considerations relevant to a particular issue of Notes, including any Linked Notes, Physical Delivery Notes and undated Subordinated Notes that are not characterized as indebtedness for U.S. federal income tax purposes, will be provided in the applicable Pricing Supplement.

In general, a Note other than a Reverse Convertible Note and a Forward Contract Note will be treated as indebtedness for U.S. federal income tax purposes unless otherwise indicated in the applicable pricing supplement. By purchasing such a Note, each holder agrees to treat the Note as indebtedness for U.S. federal income tax purposes.

This summary applies to Dual Currency Notes only if one of the Specified Currencies is the U.S. dollar. A description of the tax considerations relevant to other Dual Currency Notes will be provided in the applicable pricing supplement.

United States Holders

Consequences of Notes Characterized As Debt

The following discussion applies to Notes that are characterized as indebtedness for U.S. federal income tax purposes.

Payments of Interest. Payments of "qualified stated interest" (as defined below under "Original Issue Discount") on a Note will be taxable to a United States holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the United States holder's method of tax accounting). If such payments of interest are made with respect to a Physical Delivery Note or other Note that provides for payments of interest in property (other than cash), the amount of interest income realized by a United States holder will be the fair market value of such property at the time of the payment. If such payments of interest are made with respect to a Note denominated in a Specified Currency other than U.S. dollars (a "Foreign Currency Note"), the amount of interest income realized by a United States holder that uses the cash method of tax accounting will be the U.S. dollar value of the Specified Currency payment based on the exchange rate in effect on the date of receipt regardless of whether the payment in fact is converted into U.S. dollars. A United States holder that uses the accrual method of accounting for tax purposes will accrue interest income on the Note in the relevant foreign currency and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the United States holder's taxable year), or, at the accrual basis United States holder's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. A United States holder that makes such an election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS. A United States holder that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a Foreign Currency Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss but generally will not be treated as an adjustment to interest income received on the Note.

Purchase, Sale and Retirement of Notes. A United States holder's tax basis in a Note generally will equal the cost of such Note to such holder, increased by any amounts includible in income by the holder as original issue discount and market discount and reduced by any amortized premium (each as described below) and any payments other than payments of qualified stated interest made on such Note. In the case of a Foreign Currency Note, the cost of such Note to a United States holder will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis United States holder (and, if it so elects, an accrual basis United States holder) will determine the U.S. dollar value of the cost of such Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. The amount of any subsequent adjustments to a United States holder's tax basis in a Note in respect of original issue discount, market discount and premium denominated in a Specified Currency will be determined in the manner described under "Original Issue Discount" and "Premium and Market Discount" below. The conversion of U.S. dollars to a Specified Currency and the immediate use of the Specified Currency to purchase a Foreign Currency Note generally will not result in taxable gain or loss for a United States holder.

Upon the sale, exchange or retirement of a Note, a United States holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as such) and the United States holder's tax basis in such Note. If a United States holder receives property (other than cash) in respect of the sale, exchange or retirement of a Note, the amount realized will be the fair market value of such property at the time of such sale, exchange or retirement. If a United States holder receives a currency other than the U.S. dollar in respect of the sale, exchange or retirement of a Note, the amount realized will be the U.S. dollar value of the Specified Currency received, calculated at the exchange rate in effect on the date the instrument is disposed of or retired. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis United States holder, and if it so elects, an accrual basis United States holder will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. The election available to accrual basis United States holders in respect of the purchase and sale of Foreign Currency Notes traded on an established securities market, discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to market discount, Short-Term Notes (as defined below) and foreign currency gain or loss, gain or loss recognized by a United States holder generally will be long-term capital gain or loss if the United States holder has held the Note for more than one year at the time of disposition. Long term capital gains recognized by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deduction of capital losses is subject to limitations.

Gain or loss recognized by a United States holder on the sale, exchange or retirement of a Foreign Currency Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held such Note. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the Notes.

*Original Issue Discoun*t. United States holders of Notes with original issue discount ("OID") (each such Note an "Original Issue Discount Note") generally will be subject to the special tax accounting rules for obligations issued with OID provided by the Internal Revenue Code of 1986, as amended, and certain regulations promulgated thereunder (the "OID Regulations"). United States holders of such Notes should be aware that, as described in greater detail below, they generally must include OID in ordinary gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash attributable to that income.

In general, each United States holder of an Original Issue Discount Note, whether such holder uses the cash or the accrual method of tax accounting, will be required to include in ordinary gross income the sum of the "daily portions" of OID on the Note for all days during the taxable year that the United States holder owns the Note. The daily portions of OID on an Original Issue Discount Note are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be any length and may vary in length over the term of an Original Issue Discount Note, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of an initial holder, the amount of OID on an Original Issue Discount Note allocable to each accrual period is determined by (a) multiplying the "adjusted issue price" (as defined below) of the Original Issue Discount Note at the beginning of the accrual period by the yield to maturity of such Original Issue Discount Note (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of qualified stated interest (as defined below) allocable to that accrual period. If the total amount of OID on a Note calculated pursuant to the preceding sentence is less than the product of (a) 0.25% of the Note's "stated redemption price at maturity" (generally, the sum of all payments on the Note other than payments of qualified stated interest) and (b) the number of complete years to the Note's maturity, the Note will be treated as having no OID. The yield to maturity of a Note is the discount rate that causes the present value of all payments on the Note as of its original issue date to equal the issue price of such Note. The "adjusted issue price" of an Original Issue Discount Note at the beginning of any accrual period will generally be the sum of its issue price (generally including accrued interest, if any) and the amount of OID allocable to all prior accrual periods, reduced by the amount of all payments other than payments of qualified stated interest (if any) made with respect to such Note in all prior accrual periods. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the relevant Issuer) at least annually during the entire term of an Original Issue Discount Note at a single fixed rate of interest or, subject to certain conditions, based on one or more interest indices. In the case of an Original Issue Discount Note that is a Floating Rate Note, both the "yield to maturity" and "qualified stated interest" will generally be determined for these purposes as though the Original Issue Discount Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to the interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield that is reasonably expected for the Note. (Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index.) As a result of this "constant yield" method of including OID in income, the amounts includible in income by a United States holder in respect of an Original Issue Discount Note denominated in U.S. dollars generally are lesser in the early years and greater in the later years than the amounts that would be includible on a straight-line basis.

All payments on an Original Issue Discount Note (other than payments of qualified stated interest) will generally be viewed first as payments of previously-accrued OID (to the extent thereof), with payments attributed first to the earliest-accrued OID, and then as payments of principal.

A United States holder generally may make an irrevocable election to include in its income its entire return on a Note (*i.e.*, the excess of all remaining payments to be received on the Note, including payments of qualified stated interest, over the amount paid by such United States holder for such Note) under the constant-yield method described above. For Notes purchased at a premium or bearing market discount in the hands of the United States holder, the United States holder making such election will also be deemed to have made the election (discussed below in "— Premium and Market Discount") to amortize premium or to accrue market discount in income currently on a constant-yield basis.

In the case of an Original Issue Discount Note that is also a Foreign Currency Note, a United States holder should determine the U.S. dollar amount includible in income as OID for each accrual period by (a) calculating the amount of OID allocable to each accrual period in the Specified Currency using the constant-yield method described above, and (b) translating the amount of the Specified Currency so derived at the average exchange rate in effect during that accrual period (or portion thereof within a United States holder's taxable year) or, at the United States holder's election (as described above under "— Payments of Interest"), at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. Because exchange rates may fluctuate, a United States holder of an Original Issue Discount Note that is also a Foreign Currency Note may recognize a different amount of OID income in each accrual period than would the holder of an otherwise similar Original Issue Discount Note denominated in U.S. dollars. Upon the receipt of an amount attributable to OID on a Foreign Currency Note (whether in connection with a payment of an amount that is not qualified stated interest or the sale or retirement of the Original Issue Discount Note), a United States holder will recognize ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate in effect on the date of receipt or on the date of disposition of the Original Issue Discount Note, as the case may be) and the amount accrued (using the exchange rate applicable to such previous accrual).

A subsequent United States holder of an Original Issue Discount Note that purchases the Note at a cost less than its remaining redemption amount (as defined below), or an initial United States holder that purchases an Original Issue Discount Note at a price other than the Note's issue price, also generally will be required to include in gross income the daily portions of OID, calculated as described above. However, if the United States holder acquires the Original Issue Discount Note at a price greater than its adjusted issue price, such holder may reduce its periodic inclusions of OID income to reflect the premium paid over the adjusted issue price. The "remaining redemption amount" for a Note is the total of all future payments to be made on the Note other than payments of qualified stated interest.

Floating Rate Notes generally will be treated as "variable rate debt instruments" under the OID Regulations. Accordingly, the stated interest on a Floating Rate Note generally will be treated as "qualified stated interest" and such a Note will not have OID solely as a result of the fact that it provides for interest at a variable rate. If a Floating Rate Note does not qualify as a "variable rate debt instrument," such Note will be subject to special rules (the "Contingent Payment Regulations") that govern the tax treatment of debt obligations that provide for contingent payments. See "Linked Debt Notes and Other Notes Providing for Contingent Payments" below. A description of the tax considerations relevant to United States holders of any such Notes will be provided in the applicable pricing supplement.

Certain of the Notes may be subject to special redemption, repayment or interest rate reset features, as indicated in the applicable pricing supplement. Notes containing such features, in particular Original Issue Discount Notes, may be-subject to special rules that differ from the general rules discussed above. Purchasers of Notes with such features should carefully examine the applicable pricing supplement and should consult their own tax advisors with respect to such Notes since the tax consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the purchased Notes.

*Premium and Market Discoun*t. A United States holder of a Note that purchases the Note at a cost greater than its remaining redemption amount (as defined in the third preceding paragraph) will be considered to have purchased the Note at a premium, and may elect to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Note. Such election, once made, generally applies to all bonds held or subsequently acquired by the United States holder on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A United States holder that elects to amortize such premium must reduce its tax basis in a Note by the amount of the premium amortized during its holding period. Original Issue Discount Notes purchased at a premium will not be subject to the OID rules described above. With respect to a United States holder that does not elect to amortize bond premium, the amount of bond premium will be included in the United States holder's tax basis when the Note matures or is disposed of by the United States holder. Therefore, a United States holder that does not elect to amortize such premium and that holds the Note to maturity generally will be required to treat the premium as capital loss when the Note matures.

In the case of premium in respect of a Foreign Currency Note, a United States holder should calculate the amortization of such premium in the Specified Currency. Amortization deductions attributable to a period reduce interest payments in respect of that period and therefore are translated into U.S. dollars at the exchange rate used by the United States holder for such interest payments. Exchange gain or loss will be realized with respect to amortized bond premium on such a Note based on the difference between the exchange rate on the date or dates such premium is recovered through interest payments on the Note and the exchange rate on the date on which the United States holder acquired the Note.

If a United States holder of a Note purchases the Note at a price that is lower than its remaining redemption amount, or in the case of an Original Issue Discount Note, its adjusted issue price, by at least 0.25% of its remaining redemption amount multiplied by the number of remaining whole years to maturity, the Note will be considered to have "market discount" in the hands of such United States holder. In such case, gain realized by the United States holder on the disposition of the Note generally will be treated as ordinary income to the extent of the market discount that accrued on the Note while held by such United States holder. In addition, the United States holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Note. In general terms, market discount on a Note will be treated as accruing ratably over the term of such Note, or, at the election of the holder, under a constant yield method. Market discount on a Foreign

Currency Note will be accrued by a United States holder in the Specified Currency. The amount includible in income by a United States holder in respect of such accrued market discount will be the U.S. dollar value of the amount accrued, generally calculated at the exchange rate in effect on the date that the Note is disposed of by the United States holder.

A United States holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating a portion of any gain realized on a sale of a Note as ordinary income. If a United States holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any accrued market discount on a Foreign Currency Note that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the United States holder's taxable year). Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

Legislation has been proposed that would require a United States holder to accrue market discount on a Note if the holder acquired the Note after December 31, 2014. Under the proposed legislation, a United States holder would be required to include in gross income the sum of the "daily portions" of market discount, subject to a maximum inclusion amount, for all days during the taxable year that the United States holder owns such Note, in a manner similar to the inclusion of OID described above. No assurance can be given as to whether the proposed legislation will be enacted, or if so in what form. Prospective investors should consult their own tax advisors concerning the potential application of these rules to their investment in Notes.

Short-Term Notes. The rules set forth above will also generally apply to Notes having maturities of not more than one year ("Short-Term Notes"), but with certain modifications.

First, the OID Regulations treat *none* of the interest on a Short-Term Note as qualified stated interest. Thus, all Short-Term Notes will be Original Issue Discount Notes. OID will be treated as accruing on a Short-Term Note ratably, or at the election of a United States holder, under a constant yield method.

Second, a United States holder of a Short-Term Note that uses the cash method of tax accounting and is not a bank, securities dealer, regulated investment company or common trust fund, and does not identify the Short-Term Note as part of a hedging transaction, will generally not be required to include OID in income on a current basis. Such a United States holder may not be allowed to deduct all of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry such Note until the maturity of the Note or its earlier disposition in a taxable transaction. In addition, such a United States holder will be required to treat any gain realized on a sale, exchange or retirement of the Note as ordinary income to the extent such gain does not exceed the OID accrued with respect to the Note during the period the United States holder held the Note. Notwithstanding the foregoing, a cash-basis United States holder of a Short-Term Note may elect to accrue original issue discount on a current basis (in which case the limitation on the deductibility of interest described above will not apply). A United States holder using the accrual method of tax accounting and certain cash-basis United States holders (including banks, securities dealers, regulated investment companies and common trust funds) generally will be required to include original issue discount on a Short-Term Note in income on a current basis.

Third, any United States holder (whether cash or accrual basis) of a Short-Term Note can elect to accrue the "acquisition discount," if any, with respect to the Note on a current basis. If such an election is made, the OID rules will not apply to the Note. Acquisition discount is the excess of the remaining redemption amount of the Note at the time of acquisition over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the United States holder, under a constant-yield method based on daily compounding.

Finally, the market discount rules will not apply to a Short-Term Note.

Linked Debt Notes and Other Notes Providing for Contingent Payments. Linked Notes may be treated as debt instruments or characterized in another fashion, as appropriate. Unless otherwise noted in the applicable Pricing Supplement, Linked Notes that are characterized as indebtedness for U.S. federal income tax purposes (including, for this purpose, any such Physical Delivery Notes), hereinafter referred to as "Linked Debt Notes" will be treated as "contingent payment debt instruments" for U.S. Federal income tax purposes. As a result, the Linked Debt Notes will generally be subject to the OID Regulations and a United States holder will be required to accrue income on the Linked Debt Notes as set forth below, provided that the Note has a term of more than one year and does not provide for payments in a foreign currency or determined by reference to a foreign currency or any debt obligation denominated in a foreign currency.

At the time the Linked Debt Notes are issued, the relevant Issuer will be required to determine a "comparable yield" for the Linked Debt Notes that takes into account the yield at which such Issuer could issue a fixed rate debt instrument with terms similar to those of the Linked Debt Notes (including the level of subordination, term, timing of payments and general market conditions, but excluding any adjustments for liquidity or the riskiness of the contingencies with respect to the Linked Debt Notes). The comparable yield may be greater than or less than the stated interest rate, if any, with respect to the Linked Debt Notes.

Solely for purposes of determining the amount of interest income that a United States holder will be required to accrue, the relevant Issuer will be required to construct a "projected payment schedule" in respect of the Linked Debt Notes representing a series of payments the amount and timing of which would produce a yield to maturity on the Linked Debt Notes equal to the comparable yield. NEITHER THE COMPARABLE YIELD NOR THE PROJECTED PAYMENT SCHEDULE CONSTITUTES A REPRESENTATION BY THE RELEVANT ISSUER REGARDING THE ACTUAL AMOUNT THAT THE LINKED NOTES WILL PAY. For U.S. federal income tax purposes, a United States holder is required to use the comparable yield and the projected payment schedule established by the relevant Issuer in determining interest accruals and adjustments in respect of a Linked Debt Note, unless such United States holder timely discloses and justifies the use of other accruals and adjustments to the IRS. The relevant Issuer will provide the comparable yield and projected payment schedule, or instructions on how to obtain that information, in the applicable pricing supplement.

Based on the comparable yield and the issue price of the Linked Debt Notes, a United States holder of a Linked Debt Note (regardless of accounting method) will be required to accrue as OID the sum of the daily portions of interest on the Linked Debt Note for each day in the taxable year on which the holder held the Linked Debt Note, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the Linked Debt Note (as set forth below). The daily portions of interest in respect of a Linked Debt Note are determined by allocating to each day in an accrual period the taxable portion of interest on the Linked Debt Note that accrues in the accrual period. The amount of interest on a Linked Debt Note that accrues in an accrual period is the product of the comparable yield on the Linked Debt Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of a Linked Debt Note. The adjusted issue price of a Linked Debt Note at the beginning of the first accrual period will equal its issue price and for any accrual period thereafter will be (x) the sum of the issue price of such Linked Debt Notes and any interest previously accrued thereon by a holder (disregarding any positive or negative adjustments) minus (y) the amount of any projected payments on the Linked Debt Note for previous accrual periods.

A United States holder will be required to recognize interest income equal to the amount of any positive adjustment (*i.e.*, the excess of actual payments over projected payments) in respect of a Linked Debt Note for a taxable year. A negative adjustment (*i.e.*, the excess of projected payments over actual payments) in respect of a Linked Debt Note for a taxable year (i) will first reduce the amount of interest in respect of the Linked Debt Note that a United States holder would otherwise be required to include in income in the taxable year and (ii) to the extent that the negative adjustment exceeds the amount described in (i), will give rise to an ordinary loss, up to the amount by which the holder's total interest inclusions on the debt instrument in prior taxable years exceed the total amount of the holder's net negative adjustments treated as ordinary loss on the debt instrument in prior taxable years. A net negative adjustment is not subject to the two percent floor limitation imposed on miscellaneous deductions under section 67 of the Internal Revenue Code. Any negative adjustment in excess of the amounts described above in (i) and (ii) will be carried forward to offset future interest income in respect of the Linked Debt Note or to reduce the amount realized on a sale, exchange or retirement of the Linked Debt Note.

Upon a sale, exchange or retirement of a Linked Debt Note (including a repurchase or redemption of the Note at the option of the relevant Issuer or the holder), a United States holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and such holder's tax basis in the Linked Debt Note. If the relevant Issuer delivers property (other than cash) to a holder in retirement of a Linked Debt Note, the amount realized will equal the fair market value of the property, determined at the time of such retirement, plus the amount of cash, if any, received in lieu of property. A United States holder's tax basis in a Linked Debt Note will equal the cost thereof, increased by the amount of interest income previously accrued by the holder in respect of the Linked Debt Notes (disregarding any positive or negative adjustment) and decreased by the amount of all prior projected payments in respect of the Linked Debt Note. A United States holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions over the total negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. If there are no remaining contingent payments at the time of the sale, exchange or retirement of the Linked Debt Note under the projected payment schedule, any gain or loss recognized by the holder generally will be capital gain or loss.

A United States holder will have a tax basis in any property (other than cash) received upon any payment on or the retirement of a Linked Debt Note equal to the fair market value of such property, determined at the time of such retirement. Any gain or loss realized by a United States holder on a sale or exchange of such property generally will be capital gain or loss and will generally be long-term capital gain or loss if the sale or exchange occurs more than one year after such payment or the retirement of the Linked Debt Note.

The tax consequences to a United States holder of a Short-Term Note that provides for contingent payments are not clear. Under the special rules applicable to Short-Term Notes, a United States holder using an accrual method of accounting generally is required to accrue original issue discount with respect to a Note, as described above. However, the rules applicable to Short-Term Notes do not address how to accrue income with respect to a future contingent payment. Moreover, the Contingent Payment Regulations that require United States holders to accrue interest income regardless of their method of accounting do not apply to Short-Term Notes. Taxpayers using an accrual method of accounting generally are not required to include amounts in income until all the events have occurred that fix the right to receive the income and the amount of the income can be determined with reasonable accuracy. Accordingly, although no assurances can be provided in this regard, it appears that in the case of contingent payment Short-Term Notes, a United States holder using the accrual method of accounting should not be required to include amounts in income prior to the date on which the amount of such payment becomes fixed, while a United States holder using the cash method of accounting generally should include such amounts in income at the time that such payment is received.

In the case of Linked Debt Notes that provide for payments in or determined by reference to a foreign currency, or that are denominated in a foreign currency, special tax rules apply. A description of the tax considerations relevant to holders of such a Linked Debt Note will be provided in the applicable pricing supplement.

Fixed but Deferred Contingent Payments. Subject to the discussion in the first following paragraph, if a contingent payment in respect of a Linked Debt Note becomes fixed more than six months prior to the date such payment is scheduled to be made, the United States holder of such Note will incur a positive adjustment or negative adjustment on such date under the Contingent Payment Regulations, depending on whether the amount so fixed is greater than or less than the projected amount of the contingent payment, respectively. The amount of any such adjustment will be equal to the difference between the present value of the amount that is fixed and the present value of the projected amount of the contingent payment, measured as of the date the contingent amount becomes fixed and determined using a discount rate equal to the comparable yield. The amount of such a positive adjustment or negative adjustment will increase or decrease, respectively, the adjusted issue price of the Note and the United States holder’s tax basis in the Note. The projected payment schedule will be modified prospectively to reflect the fixed amount of the payment on the date that the contingent payment becomes fixed, so that when the contingent payment is actually made no adjustment will be required. The accrual period of the Note will end on the date that the contingent payment becomes fixed, and a new accrual period will begin on the following day.

Notwithstanding the foregoing, if all contingent payments on a Linked Debt Note were to become fixed substantially contemporaneously more than six months prior to its maturity, any positive or negative adjustments on the instrument must be taken into account in a reasonable manner over the period to which they relate. Also, if contingent stated interest payments are adjusted to compensate for contingencies regarding the reasonableness of the debt instrument’s stated rate of interest, such contingent stated interest payments are recognized over the period to which they relate in a reasonable manner.

United States holders should be aware that the Form 1099-OID reporting interest accruals on such Linked Debt Notes that they may receive may *not* take the adjustments described in the two preceding paragraphs into account, and thus may overstate or understate the United States holders’ interest inclusions.

In the case where a United States holder has a tax basis that is greater than or less than the adjusted issue price of a Note, the amount allocated to a projected payment, as described under “Purchasers of Linked Debt Notes at a Price Other than Adjusted Issue Price,” will be treated as a negative adjustment or positive adjustment, respectively, on the date such payment becomes fixed.

Purchasers of Linked Debt Notes at a Price Other than Adjusted Issue Price. If a United States holder purchases a Linked Debt Note in the secondary market for an amount that differs from the adjusted issue price of the Notes at the time of purchase, that United States holder will be required to accrue interest income on the Note in accordance with the comparable yield even if market conditions have changed since the date of issuance. The regular rules for accruing bond premium, acquisition premium and market discount will not apply. Instead, a United States holder must reasonably determine whether the difference between the purchase price for a Note and the adjusted issue price of a Note is attributable to a change in expectations as to the contingent amounts potentially payable in respect of the Notes, a change in interest rates since the Notes were issued, or both, and allocate the difference accordingly to the remaining daily portions of interest and projected payments.

If the purchase price of the Linked Debt Note is less than its adjusted issue price, a positive adjustment will result, increasing the amount of interest (or decreasing the amount of ordinary loss) that a United States holder would otherwise accrue and include in income each year and upon redemption or maturity in accordance with the United States holder's reasonable allocation of the difference to daily portions of interest or to projected payments, as discussed above. If the purchase price is more than the adjusted issue price of the Linked Debt Note, a negative adjustment will result, decreasing the amount of interest (or increasing the amount of ordinary loss) that a United States holder would otherwise accrue and include in income each year and upon redemption or maturity by the amounts allocated to daily portions of interest or projected payments. Any positive or negative adjustment that a United States holder is required to make if the United States holder purchases the Notes at a price other than the adjusted issue price will increase or decrease, respectively, that United States holder's tax basis in the Notes.

If a United States holder receives a Form 1099-OID reporting interest accruals on such Linked Debt Notes, the form will not reflect the effect of any positive or negative adjustments resulting from such United States holder's purchase of a Note in the secondary market at a price that differs from its adjusted issue price on the date of purchase. United States holders are urged to consult their tax advisors as to whether, and how, the adjustments should be made to the amounts reported on any Form 1099-OID.

Consequences of Reverse Convertible Notes and Forward Contract Notes

The following discussion applies to Notes that may be characterized as either a Reverse Convertible Note, a Forward Contract Note or in some other manner, rather than as debt.

The following discussion assumes that none of the Underlying consists of shares of an issuer that is a passive foreign investment company for U.S. federal income tax purposes. If this assumption is not correct, then the U.S. federal income tax consequences of owning the Notes could differ significantly from the consequences described below.

Consequences of Reverse Convertible Notes

Unless otherwise specified in an applicable prospectus supplement, in purchasing a Reverse Convertible Note, each holder and the Issuer agree to treat such Note for U.S. federal income tax purposes as a grant by the holder to the Issuer of an option on a forward contract, pursuant to which forward contract each holder will purchase from the Issuer Underlying Assets, and under which option (a) at the time of issuance of the Notes the holder deposits irrevocably with the Issuer a fixed amount of cash to assure the fulfillment of the holder's purchase obligation described in clause (d) below, (b) until maturity the Issuer will be obligated to pay interest to the holder, as compensation for the use of such cash deposit during the term of the Reverse Convertible Notes, (c) the Issuer will be obligated to pay an option premium to the holder in consideration for granting the option, which premium will be payable in a number of parts (as part of the coupon payments), (d) if pursuant to the terms of the Reverse Convertible Notes at maturity the holder is obligated to purchase Underlying Assets, then such cash deposit unconditionally and irrevocably will be applied by the Issuer in full satisfaction of the holder's purchase obligation under the Reverse Convertible Notes, and the Issuer will deliver to the holder the number of Underlying Assets that the holder is entitled to receive at that time pursuant to the terms of the Reverse Convertible Notes, and (e) if pursuant to the terms of the Reverse Convertible Notes at maturity the holder is not obligated to purchase Underlying Assets, the Issuer will return such cash deposit to the holder at maturity.

Under the above, agreed-to characterization of the Reverse Convertible Notes, (i) amounts paid to the Issuer in respect of the original issue of a Reverse Convertible Note will be treated as allocable in their entirety to the amount of the cash deposit attributable to such Note, (ii) amounts denominated as interest will be characterized as interest payable on the amount of such deposit, and will be includible in the income of a United States holder as interest in the manner described below, and (iii) amounts denominated as option premium will be characterized as option premium, and will be includible in the income of a United States holder in the manner described below. As discussed below, there is no assurance that the IRS will agree with this treatment, and alternative treatments of the Reverse Convertible Notes could result in less favorable U.S. federal income tax consequences to a holder, including a requirement to accrue income on a current basis or to recognize gain on the receipt of the Underlying Assets (or their cash equivalent) at maturity.

Except as discussed below, under the above, agreed-to characterization of the Reverse Convertible Notes, the interest payments will be included in the income of a United States holder as interest at the time that such interest is accrued or received in accordance with such United States holder's method of accounting.

Under the above, agreed-to characterization of the Reverse Convertible Notes, the option premium payments will not be included in the income of a United States holder until the sale or other taxable disposition of the Reverse Convertible Notes or the retirement of the Reverse Convertible Notes for cash. Accordingly, all the premium payments on the Reverse Convertible Notes (except for the last premium payment) generally will not be included in the income of a United States holder when they are received. Upon the sale or other taxable disposition of the Reverse Convertible Notes or at maturity, as the case may be, the option premium payments will be treated in the manner described below.

Under the above, agreed-to, characterization of the Reverse Convertible Notes, if at maturity the Issuer pays the Reverse Convertible Notes in cash, including the last interest payment and the last option premium payment, then a United States holder (i) would include the last interest payment in income as interest in the manner described above and (ii) would recognize short-term capital gain equal to the entire amount of option premium, which amount is equal to the sum of all of the option premium payments.

Under the above, agreed-to characterization of the Reverse Convertible Notes, if at maturity under the terms of a Reverse Convertible Note the Issuer delivers the appropriate number of Underlying Assets pursuant to the United States holder's purchase obligation under the Reverse Convertible Notes and the Issuer pays the last interest payment and the last option premium payment, then such United States holder (i) will include the last interest payment in income as interest in the manner described above, (ii) will recognize no gain or loss on the purchase of Underlying Assets by application of the cash deposit and (iii) will recognize no gain or loss on the entire amount of all of the option premium payments. The United States holder will have a tax basis in such Underlying Assets equal to the United States holder's original cost for the Reverse Convertible Notes in exchange for which such United States holder received such Underlying Assets less (x) an amount equal to the entire amount of all of the option premium payments and less (y) the portion of the tax basis of the Notes allocable to any fractional share, as described in the next sentence. A United States holder will recognize gain or loss (which will be short-term capital gain or loss) with respect to any cash received in lieu of fractional shares, in an amount equal to the difference between the cash received and the portion of the basis of the Reverse Convertible Notes allocable to fractional shares (based on the relative number of fractional shares and full shares delivered to the United States holder). A United States holder's holding period for Underlying Assets received will begin on the day following the receipt of such Underlying Assets.

If, as a result of one or more antidilution adjustments, at maturity (accelerated or otherwise) the Issuer delivers any combination of cash, shares and other property, pursuant to the United States holder's purchase obligation under the Reverse Convertible Notes, although not free from doubt, the United States holder should allocate its cash deposit (less the entire amount of the option premium payments received) pro rata to each of the cash, any shares and any other property received on a fair market value basis. Under this treatment, the United States holder generally would be taxed as described in the preceding paragraph, except that the United States holder's basis in any shares or any other property received would equal the relevant pro rata portion of its deposit (less the entire amount of the option premium payments received) allocated thereto and the United States holder would recognize short-term capital gain or loss equal to the difference between the cash received and the amount allocated thereto.

Under the above, agreed-to characterization of the Reverse Convertible Notes, upon the sale or other taxable disposition of a Reverse Convertible Note, a United States holder generally will recognize short-term capital gain or loss equal to the difference between (x) an amount equal to the amount realized on the sale or other taxable disposition (to the extent such amount is not attributable to accrued but unpaid interest or accrued OID on the Reverse Convertible Notes, as described above, which will be taxed as such) plus the amount of option premium previously paid to such United States holder, if any, and (y) such United States holder's adjusted tax basis in the Reverse Convertible Notes. A United States holder's adjusted tax basis in a Reverse Convertible Note generally will equal such United States holder's cost for that Note, except that in the case of a Short-Term Note such adjusted tax basis will be increased by any amounts included in income by the holder as OID and reduced by any interest payments made on such Note.

Due to the absence of authority as to the proper characterization of the Reverse Convertible Notes and the absence of any comparable instruments for which there is a widely accepted tax treatment, no assurance can be given that the IRS will accept, or that a court will uphold, the agreed-to characterization and tax treatment described above. Under any such alternative characterization, the timing and character of income from the Notes could differ substantially from that described above. UNITED STATES HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING POSSIBLE ALTERNATIVE CHARACTERIZATIONS OF THE REVERSE CONVERTIBLE NOTES. Under a possible alternative characterization of the Reverse Convertible Notes, for example, the IRS could seek to treat the Reverse Convertible Notes as contingent payment debt instruments, as described above under "Consequences of Notes Characterized As Debt—Linked Debt Notes and Other Notes Providing for Contingent Payments." In addition, it is possible that the IRS could maintain that amounts denominated as option premium (i) should be characterized for U.S. federal income tax purposes as interest, or (ii) should be treated as a return on the United States holder's investment in the Reverse Convertible Notes that constitutes income.

It is also possible that future legislation would cause Reverse Convertible Notes to be subject to tax on a mark-to-market basis, or that future regulations or other IRS guidance would require the accrual of income with respect to the Reverse Convertible Notes on a current basis at ordinary rates (as opposed to capital gains rates) or to treat the Reverse Convertible Notes in another manner that significantly differs from the agreed-to treatment discussed above. It is impossible to predict how future legislation or regulatory changes would impact the treatment of Reverse Convertible Notes.

Consequences of Forward Contract Notes

Unless otherwise specified in an applicable prospectus supplement, in purchasing a Forward Contract Note, each holder and the Issuer agree to treat such Note for U.S. federal income tax purposes as a cash-settled forward contract on the value of the Underlying at maturity under which an amount equal to the purchase price of the Forward Contract Notes is treated as a non-interest-bearing cash deposit to be applied at maturity in full satisfaction of the holder's payment obligation under the forward contract. (Prospective investors should note that cash proceeds of offerings will not be segregated by the Issuer during the term of the Forward Contract Notes, but instead will be commingled with the Issuer's other assets and applied in a manner consistent with the section "Use of Proceeds and Hedging" in this base prospectus and as supplemented by any "Use of Proceeds and Hedging" section in the applicable prospectus supplement.)

Under the above, agreed-to characterization, a United States holder's tax basis in a Forward Contract Note generally will equal the holder's cost for that Forward Contract Note. Upon the sale or other taxable disposition of a Forward Contract Note, a United States holder generally will recognize gain or loss equal to the difference between the amount realized on the sale or other taxable disposition and the United States holder's tax basis in the Forward Contract Notes. Such gain or loss generally will be long-term capital gain or loss if the United States holder has held the Forward Contract Notes for more than one year at the time of disposition.

Under the above, agreed-to characterization, at maturity a United States holder will recognize capital gain or loss equal to any difference between the amount of cash received from the Issuer and the United States holder's tax basis in the Forward Contract Notes at that time. Such gain or loss generally will be long-term capital gain or loss if the United States holder has held the Forward Contract Notes for more than one year at maturity.

Due to the absence of authority as to the proper characterization of the Forward Contract Notes and the absence of any comparable instruments for which there is a widely accepted tax treatment, no assurance can be given that the IRS will accept, or that a court will uphold, the characterization of the Forward Contract Notes as cash-settled forward contracts and the tax treatment described above. In particular, the IRS could seek to analyze the federal income tax consequences of owning Forward Contract Notes under the Contingent Payment Regulations. Under alternative characterizations of the Forward Contract Notes, it is possible, for example, that a Forward Contract Note could be treated as including a debt instrument and a forward contract or two or more options.

It is also possible that future regulations or other IRS guidance would require holders to accrue income on the Forward Contract Notes on a current basis. The U.S. Treasury Department has issued proposed regulations that require current accrual of income with respect to contingent nonperiodic payments made under certain notional principal contracts. The preamble to the regulations states that the "wait and see" method of tax accounting does not properly reflect the economic accrual of income on such contracts, and requires a current accrual of income with respect to some contracts already in existence at the time the proposed regulations were released. While the proposed regulations do not apply to prepaid forward contracts, the preamble to the proposed regulations expresses the view that similar timing issues exist in the case of prepaid forward contracts. If the IRS published future guidance requiring current accrual of income with respect to contingent payments on prepaid forward contracts, it is possible that holders could be required to accrue income over the term of the Forward Contract Notes.

Some or all of the net long-term capital gain arising from certain "constructive ownership" transactions may be characterized as ordinary income, in which case an interest charge would be imposed on any such ordinary income. These rules could potentially be applicable to the notes with a term greater than one year in circumstances where the Underlying Assets includes an equity interest in a "pass-thru entity," as defined under the Code. These rules have no immediate application to forward contracts in respect of the stock of most corporations (or indices on such stock) including any notes where the Underlying represents an equity basket or stock of a specific company, assuming the specific company and each of the companies whose stocks are included in the equity basket is not and will not become at any time during the term of the notes, a passive foreign investment company for U.S. federal income tax purposes. The rules, however, grant discretionary authority to the U.S. Treasury Department to expand the scope of "constructive ownership" transactions to include forward contracts in respect of the stock of all corporations. The rules separately also direct the Treasury to promulgate regulations excluding a forward contract that does not convey "substantially all" of the economic return on any underlying asset from the scope of "constructive ownership" transactions. This category may include certain Reverse Convertible Notes and Forward Contract Notes. It is not possible to predict whether such regulations will be promulgated by the U.S. Treasury Department, or the form or effective date that any regulations that may be promulgated might take.

It is also possible that future legislation would cause Forward Contract Notes to be subject to tax on a mark-to-market basis, or that future regulations or other IRS guidance would require the accrual of income with respect to the Forward Contract Notes on a current basis at ordinary rates (as opposed to capital gains rates), possibly in excess of any amounts paid currently or to treat the Notes in another manner that significantly differs from the agreed-to treatment discussed above. It is impossible to predict how future legislation or regulatory changes would impact the treatment of Forward Contract Notes.

Non-United States Holders

Under U.S. federal income tax law as currently in effect, holders of Notes that are not United States persons will not be subject to U.S. federal income taxes, including withholding taxes, on payments of interest on the Notes so long as the requirements described under "Information Reporting and Backup Withholding" below are satisfied, unless such interest is effectively connected with the conduct by the holder of a trade or business in the United States.

The gain realized on any sale or exchange of the Notes by a holder that is not a United States person will not be subject to U.S. federal income tax, including withholding tax so long as the requirements described under "Information Reporting and Backup Withholding" below are satisfied, unless (i) such gain is effectively connected with the conduct by the holder of a trade or business in the United States or (ii) in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the sale and either (A) such gain or income is attributable to an office or other fixed place of business maintained in the United States by such holder or (B) such holder has a tax home in the United States.

Foreign Account Tax Compliance Act

FATCA will impose a 30% U.S. withholding tax on certain U.S. source payments, including interest (and OID), and on the gross proceeds from a disposition of property of a type which can produce U.S. source interest paid after December 31, 2016 ("withholdable payments"), if paid to a foreign financial institution, unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities information about its direct and indirect U.S. accountholders and investors, qualifies for an exemption from the requirement to enter into such an agreement, or satisfies the terms of an applicable intergovernmental agreement. Withholding on certain "passthru payments" (a term not yet defined) made on Notes may also apply beginning in 2017. With respect to Notes that are treated as "obligations" for purposes of FATCA, any such withholding would apply to payments on Notes, and would apply only to passthru payments on Notes issued six months or more after Treasury regulations defining the term "passthru payments" are published. In addition, France has entered into an intergovernmental agreement with the United States, which could result in the imposition of additional withholding and reporting requirements under French law.

By purchasing the Notes, U.S. holders agree to provide an IRS form W-9, and whatever other information may be necessary to comply with these reporting obligations. If an amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from interest or other payments on the Notes as a result of an investor's failure to comply with these rules, neither the Issuer nor the Guarantor nor any paying agent nor any other person would be required to pay additional amounts with respect to any Notes as a result of the deduction or withholding of such tax. As a result, if payments in respect of the Notes are subject to FATCA withholding, investors may receive less interest or principal than expected. Holders of Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

Information Reporting and Backup Withholding

The Paying Agent will be required to file information returns with the IRS with respect to payments made to certain United States holders of Notes. In addition, certain United States holders may be subject to backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the Paying Agent, fail to certify that they are not subject to backup withholding tax, or otherwise fail to comply with applicable backup withholding tax rules. Persons holding Notes who are not United States holders may be required to comply with applicable certification procedures to establish that they are not United States holders in order to avoid the application of such information reporting requirements and backup withholding tax. Any amount paid as backup withholding may be creditable against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the U.S. Internal Revenue Service.

The U.S. Treasury Department and the IRS have recently released proposed regulations under Section 871(m) of the Internal Revenue Code. Under the proposed regulations, beginning in 2016, a 30 percent withholding tax would be imposed on "dividend equivalent" payments on certain Notes, including certain Physical Delivery Notes and Linked Notes, that are contingent upon or determined by reference to the payment of a dividend from sources within the United States. In certain cases, "dividend equivalent" payments would include a payment of the purchase price or an adjustment to the purchase price of a Note, to the extent such payment is contingent upon or determined by reference to the payment of a dividend from sources within the United States. While the regulations remain in proposed form, and significant aspects of the application of the regulations to Notes are uncertain, the Paying Agent may be required to withhold on certain amounts with respect to certain Notes paid to non-U.S. holders. Holders should consult their own tax advisors on how Section 871(m) of the Code and the proposed regulations may apply to payments they receive in respect of Notes.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Savings Directive"), Member States of the EU are required to provide to the tax authorities of another Member State, inter alia, details of interest payments within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or secured by such a person for, an individual resident in or certain limited types of entity established in, that other Member State.

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of the beneficial owner.

However, for a transitional period, certain Member States (Luxembourg and Austria) may instead apply a withholding system in relation to interest payments, unless during such period they elect otherwise. The beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for an exchange of information procedure. The rate of withholding is 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income. The current Luxembourg government has announced its intention to elect out of the withholding system in favor of the automatic exchange of information with effect from January 1, 2015.

A number of non-EU countries and dependent or associated territories of certain Member States have adopted, or agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those countries and territories in relation to payments made by a person in a Member State to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, one of those countries or territories.

On March 24, 2014, the Council of the European Union adopted a directive amending the Savings Directive (the “Amending Savings Directive”) which, when implemented, will amend and broaden the scope of the requirements described above. In particular, additional steps may be required in certain circumstances to identify the beneficial owner of interest payments (through a look through approach).

The EU Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with the Amending Savings Directive. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive, and the Amending Savings Directive, on their investment.

French Taxation

The following is a summary of certain tax considerations that may be relevant to holders of Notes issued by the Bank who (i) are non-French tax residents, (ii) do not hold their Notes in connection with a business or profession conducted in France as a permanent establishment or fixed base situated therein and (iii) do not concurrently hold shares of the Bank and are not otherwise affiliated with the Bank within the meaning of article 30.12 of the French General Tax Code. This summary is based on laws, regulations and administrative circulars now in effect, all of which are subject to change, possibly with retroactive effect, or different interpretations. Investors should consult their own tax advisors in determining the tax consequences to them of purchasing, holding and disposing of Notes, including the application to their particular situation of the French tax considerations discussed below.

Payments on the Notes issued by the Bank

The Savings Directive was implemented into French law under Article 242 ter of the French General Tax Code, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Notes issued by the Bank as from March 1, 2010

Pursuant to Article 125 A III of the French General Tax Code, payments of interest and other revenues made on Notes issued by the Bank are not subject to withholding tax unless such payments are made outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French General Tax Code (a “Non-Cooperative State”), in which case a 75% withholding tax is applicable subject to exceptions, certain of which being set forth below, and to more favorable provisions of any applicable double tax treaty. The 75% withholding tax is applicable irrespective of the tax residence of the Noteholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, according to Article 238 A of the French General Tax Code, interest and other revenues will not be deductible from the Bank’s taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest or other revenues may be recharacterized as constructive dividends pursuant to Articles 109 et seq. of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis 2 of the same Code, at a rate of 30% or 75%, subject to more favorable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French General Tax Code, the non-deductibility of the interest and other revenues nor the withholding tax set out under Article 119 bis 2 that may be levied as a result of such non-deductibility, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, will apply in respect of a particular issue of Notes provided that the Bank can prove that the main purpose and effect of such issue of Notes is not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "Exception").

In addition, under French tax administrative guidelines (BOI-INT-DG-20-50-20140211 n°550 and n°990) dated February 11, 2014, an issue of Notes benefits from the Exception without the Bank having to provide any evidence supporting the main purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L. 411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositaries or operators are not located in a Non-Cooperative State.

As a result, payments of interest or other revenues made by the Bank with respect to Notes cleared through a clearing system such as DTC, Euroclear Bank S.A. / N.V. and/or Clearstream Banking will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code

Interest and other revenues on Notes issued by the Bank not cleared through a clearing system such as DTC, Euroclear Bank S.A. / N.V. and/or Clearstream Banking may be subject to withholding tax when paid outside France to a Non-Cooperative State, as described hereinabove. Such Notes will provide that no additional amounts will be payable in respect of any such withholding.

Notes issued on or after March 1, 2010 which are consolidated (assimilables for the purpose of French law) with Notes issued before March 1, 2010

Payments of interest and other revenues with respect to Notes issued by the Bank on or after March 1, 2010 which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued by the Bank before March 1, 2010 that were issued (or deemed issued) outside France as provided under Article 131 quater of the French General Tax Code, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

In addition, interest and other revenues paid by the Bank on Notes issued on or after March 1, 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued by the Bank before March 1, 2010 will not be subject to the withholding tax set out in Article 119 bis 2 of the French General Tax Code solely on account of their being paid on a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Taxation on sale, disposal or redemption of Notes

Non-French resident holders of Notes who do not hold the Notes in connection with a business or profession conducted in France generally will not be subject to any French income tax or capital gains tax on the sale, disposal or redemption of Notes. Transfers of Notes made outside France will not be subject to any stamp duty or other transfer taxes imposed in France.

ERISA MATTERS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain restrictions on employee benefit plans ("ERISA Plans") that are subject to Title I of ERISA and on persons who are fiduciaries with respect to these ERISA Plans. In accordance with ERISA's general fiduciary requirements, a fiduciary with respect to an ERISA Plan who is considering the purchase ofthe Notes on behalfofthe ERISA Plan should determine whether the purchase is permitted under the governing ERISA Plan documents and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Other provisions of ERISA and section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but to which section 4975 of the Code applies, such as individual retirement accounts ("IRAs") (together with any entities whose underlying assets include the assets of any such plans and with ERISA Plans, "Plans")) and persons who have certain specified relationships to the Plan ("parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of section 4975 of the Code). A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. A fiduciary of a Plan (including the owner of an IRA) that engages in a prohibited transaction may also be subject to penalties and liabilities under ERISA and/or the Code. Thus, a Plan fiduciary considering the purchase of the Notes should consider whether such a purchase might constitute or result in a prohibited transaction under ERISA or section 4975 of the Code.

Each of the Issuers, directly or through its affiliates, may be considered a "party in interest" or a "disqualified person" with respect to many Plans. The purchase of the Notes by a Plan with respect to which an Issuer is a party in interest or a disqualified person may constitute or result in a prohibited transaction under ERISA or section 4975 of the Code, unless the Notes are acquired pursuant to and in accordance with an applicable exemption. Certain administrative class exemptions may be available such as Prohibited Transaction Class Exemption ("PTCE") 84-14 (an exemption for certain transactions determined by an independent qualified professional asset manager), PTCE 91-38 (an exemption for certain transactions involving bank collective investment funds), PTCE 90-1 (an exemption for certain transactions involving insurance company pooled separate accounts), PTCE 95-60 (an exemption for certain transactions involving insurance company general accounts) or PTCE 96-23 (an exemption for certain transactions determined by an in-house asset manager). In addition, the statutory exemption under section 408(b)(17) of ERISA and section 4975(d)(20) of the Code may be available, provided (i) none of the Issuers or Dealers or affiliates or employees thereof is a Plan fiduciary that has or exercises any discretionary authority or control with respect to the Plan's assets used to purchase the Notes or renders investment advice with respect to those assets and (ii) the Plan is paying no more than adequate consideration for the Notes. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes. Any Plan fiduciary (including the owner of an IRA) considering the purchase of the Notes should consider carefully the possibility of prohibited transactions and the availability of exemptions. Governmental, church and non-U.S. plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of section 4975 of the Code, may nevertheless be subject to local, state, federal or non-U.S. laws that are substantially similar to the foregoing provisions of ERISA and the Code. ANY EMPLOYEE BENEFIT PLAN OR OTHER RETIREMENT ACCOUNT, INCLUDING ANY SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, PROPOSING TO ACQUIRE ANY NOTES SHOULD CONSULT WITH ITS COUNSEL.

By its purchase of any offered Note, the purchaser or transferee thereof (and the person, if any, directing the acquisition of the offered Note by the purchaser or transferee) will be deemed to represent, on each day from the date on which the purchaser or transferee acquires the offered Note through and including the date on which the purchaser or transferee disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not a Plan, an entity whose underlying assets include the assets of any Plan, or a governmental, church or non-U.S. plan which is subject to any non-U.S., federal, state or local law that is substantially similar to the provisions of section 406 of ERISA or section 4975 of the Code or (b) the purchase, holding and disposition of such offered Note will not result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or in the case of a governmental, church or non-U.S. plan, any substantially similar non-U.S., federal, state or local law) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied.

The above discussion may be modified or supplemented with respect to a particular offering of Notes, including the addition of further ERISA restrictions on purchase and transfer. In addition, if so specified in the applicable supplement, the purchaser or transferee of a Note may be required to deliver to the relevant Issuer and the relevant Agents a letter, in the form available from such Issuer and Agents, containing certain representations, including those contained in the preceding paragraph. Please consult the applicable supplement for such additional information.

PLAN OF DISTRIBUTION

The Notes are being offered from time to time by the Issuers through BNPP Securities or one or more affiliates thereof (the "Lead Dealer"), Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, (each, a "Dealer" and, collectively with the Lead Dealer and any other dealers for the Notes appointed by the Issuers from time to time, the "Dealers"). The Notes may also be sold to each Dealer at a discount, as principal, for resale to investors or other purchasers at varying prices related to prevailing market prices at the time of resale, to be determined by such Dealer or, if so agreed, at a fixed offering price. Each Issuer will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part. Each Dealer will have the right, in its discretion reasonably exercised, to reject any proposed purchase of Notes through it in whole or in part. The Issuers have reserved the right to sell Notes through one or more other dealers in addition to the Dealers and directly to investors on its own behalf in those jurisdictions where it is authorized to do so. No commission will be payable by the Issuers to any of the Dealers on account of sales of Notes made through such other dealers or directly by such Issuer.

In addition, the Dealers may offer the Notes they have purchased as principal to other dealers. The Dealers may sell Notes to any dealer at a discount and, unless otherwise specified in the applicable supplement, such discount allowed to any dealer will not be in excess of the discount to be received by such Dealer from the relevant Issuer. Unless otherwise indicated in the applicable supplement, any Note sold to a Dealer as principal will be purchased by such Dealer at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to any agency sale of a Note of identical maturity, and may be resold by the Dealer to investors and other purchasers as described above. After the initial offering of Notes to be resold to investors and other purchasers, the offering price (in the case of Notes to be resold at a fixed offering price), the concession and discount may be changed.

Pursuant to Rule 15c6-1 under the Exchange Act, trades of securities in the secondary market generally are required to settle in three business days, which we refer to as T+3. The parties to a trade, however, may agree that delivery of the relevant Series of Notes against payment may be made on a date that is later than T+3. In such case, by virtue of the fact that the initial delivery of the Notes will not be made on a T+3 basis, investors who wish to trade the Notes before a final settlement will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. The particular settlement terms of any Series of Notes will be specified in the applicable supplement.

In connection with an offering of Notes purchased by one or more Dealers as principal on a fixed offering price basis, certain persons participating in the offering (including such Dealers) may engage in stabilizing and syndicate covering transactions. If required under applicable law, such transactions will be conducted in accordance with Rule 104 under the Exchange Act. Rule 104 permits stabilizing bids to purchase the underlying security so long as bids do not exceed a specified maximum. Syndicate covering transactions involve purchases of Notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing and syndicate covering transactions may cause the price of the Notes to be higher than they would otherwise be in the absence of such transactions. These transactions, if commenced, may be discontinued at any time.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

The Dealers also may impose a penalty bid. This occurs when a particular Dealer repays to another participating Dealer or Dealers a portion of the discount received by it because a Dealer or that Dealer's affiliates have repurchased Notes sold by or for the account of such Dealer in stabilizing or short covering transactions.

These activities by the Dealers, as well as other purchases by Dealers for their own accounts, may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Dealers at any time. These transactions may be effected in the over-the-counter market or otherwise.

The Issuers have been advised by the Lead Dealer that it may make a market in the Notes; however, the Lead Dealer is not obligated to do so and the Issuers cannot provide any assurance that a secondary market for the Notes will develop, or, if one develops, that it will be maintained. After a distribution of a Series of Notes is completed, because of certain regulatory restrictions arising from its affiliation with the Issuers, BNPP Securities may not be able to make a market in such Series of Notes or, except on a limited, unsolicited basis, effect any transactions for the account of any customer in such Series of Notes. Other broker-dealers unaffiliated with the Issuers will not be subject to such prohibitions.

The base prospectus, this prospectus supplement and any applicable supplement hereto may be used by affiliates of the Issuers in connection with offers and sales related to secondary market transactions in the Notes. Such affiliates may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing prices at the time of a sale.

Each Dealer may be deemed to be an “underwriter” within the meaning of the Securities Act, and any discounts and commissions received by it and any profit realized by it on resale of the Notes may be deemed to be underwriting discounts and commissions.

Each Dealer will offer or sell the 144A Notes only within the United States to persons it reasonably believes to be “qualified institutional buyers” (within the meaning of Rule 144A) in reliance on Rule 144A.

Each Dealer has agreed that, except as permitted by the Distribution Agreement and set forth under “Notice to Investors” in the base prospectus, it will not offer or sell Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, and it will have sent to each dealer to which it sells such Regulation S Notes during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of an offering of Regulation S Notes, an offer or sales of Regulation S Notes within the United States by a dealer that is not participating in such offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Each purchaser of 144A Notes and Regulation S Notes offered hereby in making its purchase will be deemed to have represented and agreed with the relevant Issuer of the Notes as set forth under “Notice to Investors” in the base prospectus.

Conflicts of Interest

BNPP Securities, the Lead Dealer for the Notes offered hereby, is a wholly owned subsidiary of the Bank and an affiliate of the Branch and the Issuers. As a result of this conflct of interest, any offering of the 3(a)(2) Notes will be conducted in accordance with the applicable provisions of FINRA Rule 5121, which imposes certain requirements when a member of FINRA, such as BNPP Securities, distributes an affiliated company’s securities. Client accounts over which BNPP Securities or any affiliate have investment discretion are not permitted to purchase the 3(a)(2) Notes, either directly or indirectly, without the specific written approval of the accountholder.

The Issuers have agreed to indemnify each Dealer against, or to make contributions relating to, certain civil liabilities, including liabilities under the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation

Date") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the base prospectus and this prospectus supplement as completed by the final terms in relation thereto to the public in that Relevant Member State (the "Securities") except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(1) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(2) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(3) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(4) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (2) to (4) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The EEA selling restriction is in addition to any other selling restrictions set out below.

Selling Restrictions in France

(1) Each of the Dealers and the Issuers has acknowledged that the Notes are being issued outside the French Republic and, accordingly, represents and agrees that:

  (i) no prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Notes that has been approved by the French *Autorité des marchés financiers* or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the French *Autorité des marchés financiers*;

  (ii) no Notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; the base prospectus, this prospectus supplement and any applicable supplement, or any other offering material, relating to the Notes have not been distributed or caused to be distributed, and will not be distributed or caused to be distributed, to the public in France;

(iii) such offers, sales and distributions of Notes have been and shall only be made in France to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in and in accordance with Articles L. 411-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier* and other applicable regulations thereunder; and

(iv) the direct or indirect distribution to the public in France of any so acquired Notes may be made only as provided by Articles L. 411-1 to L. 411-4, L. 412-1 and L. 621-8 to L. 621-8¬3 of the French *Code monétaire et financier* and applicable regulations thereunder.

(2) If the Bank issues Notes that do not constitute "*obligations*" or "*titres de créances négociables*" under French law, or other debt securities considered by the French tax authorities as falling into similar categories, the above selling restrictions will be supplemented to the extent necessary in the relevant supplement.

Selling Restrictions in the United Kingdom

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any Notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Each Dealer has represented and agreed, and any other Dealer appointed under the Program will be required to respresent and agree, that:

(1) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer;

(2) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(3) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

INDEPENDENT STATUTORY AUDITORS

The Group's consolidated financial statements as of and for the years ended December 31, 2013, December 31, 2012 and December 31, 2011 incorporated by reference herein have been audited by Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars as joint independent statutory auditors (*Commissaires aux comptes*).

BNP PARIBAS