



**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.

*(continued on next page)*

---

Investing in the Notes involves certain risks. See “Risk Factors” beginning on page 3.

---

**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”).**

**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 Capital  
Goldman, Sachs & Co.

BofA Merrill Lynch  
J.P. Morgan

Citi  
Morgan Stanley

*(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 BNP Paribas Securities Corp. (“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 (2003/71/EC) (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. 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 home 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.***

TABLE OF CONTENTS

	<b><u>Page</u></b>
Forward-Looking Statements .....	1
Exchange Rate and Currency Information.....	1
Presentation of Financial Information .....	2
Risk Factors .....	3
Selected Financial Data .....	9
Capitalization of the Group .....	13
The LLC .....	17
The Bank and the Group.....	17
The Branch .....	17
Supervision and Regulation of the Branch and the Bank in the United States .....	18
Terms and Conditions of the Notes .....	22
Taxation.....	47
Plan of Distribution (Conflicts of Interest) .....	61
Documents Deemed to Be Incorporated by Reference .....	65
Available Information.....	65

## 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. On May 27, 2011, the exchange rate as published by Bloomberg at approximately 12:30 p.m. (New York time) was U.S.\$1.43 per one euro.

The following table shows the period-end, average, high and low Noon Buying Rates (each, the "Noon Buying Rate") for the euro, expressed in U.S. dollars per one euro, for the periods and dates indicated.

<b><u>Month</u></b> U.S. dollar/Euro	<b><u>Period</u></b> <b><u>End</u></b>	<b><u>Average</u></b> <b><u>Rate*</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>
May 2011 (through May 27, 2011)	1.43	1.43	1.49	1.40
April 2011	1.48	1.45	1.48	1.42
March 2011	1.41	1.40	1.42	1.38
February 2011	1.38	1.37	1.38	1.35
January 2011	1.37	1.34	1.37	1.29
December 2010	1.33	1.32	1.34	1.31
November 2010	1.30	1.37	1.42	1.30
October 2010	1.39	1.39	1.41	1.37
<b><u>Year</u></b> U.S. dollar/Euro				
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
2007	1.47	1.38	1.49	1.29
2006	1.32	1.26	1.33	1.19

\* 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.

## 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, 2010 and 2009 and for the years ended December 31, 2010, 2009 and 2008. 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, 2010 and 2009 and for the years ended December 31, 2010, 2009 and 2008 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 risk factors included in the Information Statement, dated as of June 7, 2011 (or any subsequent Information Statement), which is 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.

### **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 by the assigning rating agency.

*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.

#### **Subordinated Notes Will Not Be Issued until Uncertainty as to Their Qualification as Tier 2 Capital Instruments under the Basel III Reforms Is Resolved**

On December 17, 2009, the Basel Committee proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled “Strengthening the resilience of the banking sector.” On December 16, 2010 and on January 13, 2011, the Basel Committee issued its final guidance on Basel III. The Basel III reforms require “Tier 1” and “Tier 2” capital instruments to be more loss-absorbing. The European Commission intends to adopt in the near future a capital adequacy requirements text (CRD IV) amending Directives no. 2006/48/EC of June 14, 2006 and no. 2006/49/EC of June 14, 2006 (together, CRD I) and Directive no. 2009/111/EC of September 16, 2009 (CRD II), which is expected to transpose the Basel III reforms and will be applicable from January 1, 2013. The requirements will be subject to a series of transitional arrangements and will be phased in over a period of time.

The Bank will not issue any Subordinated Notes under this prospectus supplement the proceeds of which are intended to qualify as “Tier 2” capital until the Bank is comfortable that the provisions of the Subordinated Notes as currently drafted in this prospectus supplement would be in compliance with such implementing

regulations (including any national transposition, if applicable, or whichever regulation the *Autorité de Contrôle Prudentiel* deems necessary to include).

### **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."

### **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.

## SELECTED FINANCIAL DATA

The following tables present selected financial data concerning the Group as of December 31, 2010, 2009, 2008, 2007 and 2006 and for the years ended December 31, 2010, 2009, 2008, 2007 and 2006.

The selected financial data for the Group as of December 31, 2010, 2009 and 2008 and for the years ended December 31, 2010, 2009 and 2008 have been derived from, and should be read in conjunction with, the audited consolidated financial statements of the Group as of December 31, 2010 and for the year ended December 31, 2010 and as of December 31, 2009 and for the year ended December 31, 2009, including comparative columns for the year ended December 31, 2008, incorporated by reference herein.

The audited consolidated financial statements of the Group as of and for the years ended December 31, 2010, 2009 and 2008 have been prepared in accordance with IFRS as adopted by the European Union.

**BNP Paribas Group**
**Year ended December 31,  
(in millions of euros)**

<b>Income Statement (EU-IFRS)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Net interest income .....	24,060	21,021	13,498	9,708	9,124
Net commission income .....	8,486	7,467	5,859	6,322	6,104
Net gain on financial instruments at fair value through profit or loss.....	5,109	6,085	2,693	7,843	7,573
Net gain on available-for-sale financial assets .....	452	436	464	2,507	1,367
Net income from other activities.....	5,773	5,182	4,862	4,657	3,775
<b>Revenues .....</b>	<b>43,880</b>	<b>40,191</b>	<b>27,376</b>	<b>31,037</b>	<b>27,943</b>
Operating expense and depreciation .....	(26,517)	(23,340)	(18,400)	(18,764)	(17,065)
<b>Gross operating income .....</b>	<b>17,363</b>	<b>16,851</b>	<b>8,976</b>	<b>12,273</b>	<b>10,878</b>
Cost of risk .....	(4,802)	(8,369)	(5,752)	(1,725)	(783)
<b>Operating income .....</b>	<b>12,561</b>	<b>8,482</b>	<b>3,224</b>	<b>10,548</b>	<b>10,095</b>
Share of earnings of associates .....	268	178	217	358	293
Net gain on non-current assets .....	269	87	481	153	195
Change in value of goodwill .....	(78)	253	2	(1)	(13)
Income taxes .....	(3,856)	(2,526)	(472)	(2,747)	(2,762)
Minority interests .....	1,321	642	431	(489)	(500)
<b>Net income attributable to equity holders.....</b>	<b>7,843</b>	<b>5,832</b>	<b>3,021</b>	<b>7,822</b>	<b>7,308</b>

<b>BNP Paribas Group Balance Sheet (EU-IFRS)</b>	<b>At December 31, 2010</b>	<b>At December 31, 2009</b>	<b>At December 31, 2008</b>	<b>At December 31, 2007</b>	<b>At December 31, 2006</b>
	(in millions of euros)				
<i>Assets</i>					
Cash and amounts due from central banks and post office banks	33,568	56,076	39,219	18,542	9,642
Financial assets at fair value through profit or loss.....	832,945	828,784	1,192,271	931,706	744,858
Derivatives used for hedging purposes .....	5,440	4,952	4,555	2,154	2,803
Available-for-sale financial assets .....	219,958	221,425	130,725	112,594	96,739
Loans and receivables due from credit institutions.....	62,718	88,920	69,153	71,116	75,170
Loans and receivables due from customers .....	684,686	678,766	494,401	445,103	393,133
Remeasurement adjustment on interest-rate risk hedged portfolios .....	2,317	2,407	2,541	(264)	(295)
Held-to-maturity financial assets .....	13,773	14,023	14,076	14,808	15,149
Current and deferred tax assets .....	11,557	12,117	6,055	2,965	3,443
Accrued income and other assets .....	83,124	103,361	82,457	60,608	66,915
Policyholders' surplus reserve	-	-	531	-	-
Investments in associates .....	4,798	4,761	2,643	3,333	2,772
Investment property .....	12,327	11,872	9,920	6,693	5,813
Property, plant and equipment .....	17,125	17,056	14,807	13,165	12,470
Intangible assets.....	2,498	2,199	1,810	1,687	1,569
Goodwill .....	11,324	10,979	10,918	10,244	10,162
<b>Total Assets.....</b>	<b>1,998,158</b>	<b>2,057,698</b>	<b>2,075,551</b>	<b>1,694,454</b>	<b>1,440,343</b>
<i>Liabilities and Shareholders' Equity</i>					
Due to central banks and post office banks.....	2,123	5,510	1,047	1,724	939
Financial liabilities at fair value through profit or loss .....	725,105	709,337	1,054,802	796,125	653,328
Derivatives used for hedging purposes .....	8,480	8,108	6,172	1,261	1,335
Due to credit institutions .....	167,985	220,696	186,187	170,182	143,650
Due to customers .....	580,913	604,903	413,955	346,704	298,652
Debt securities .....	208,669	211,029	157,508	141,056	121,559
Remeasurement adjustment on interest-rate risk hedged portfolios .....	301	356	282	20	367
Current and deferred tax liabilities .....	3,745	4,762	3,971	2,475	2,306
Accrued expenses and other liabilities.....	65,229	72,425	83,434	58,815	53,661
Technical reserves of insurance companies .....	114,918	101,555	86,514	93,320	87,044
Provisions for contingencies and charges .....	10,311	10,464	4,388	4,738	4,718
Subordinated debt .....	24,750	28,209	18,323	18,641	17,960
Minority interests in consolidated subsidiaries .....	10,997	10,843	5,740	5,594	5,312
Shareholders' equity (group share) .....	74,632	69,501	53,228	53,799	49,512
<b>Total Liabilities and Shareholders' Equity .....</b>	<b>1,998,158</b>	<b>2,057,698</b>	<b>2,075,551</b>	<b>1,694,454</b>	<b>1,440,343</b>

**BNP Paribas Group Capital Ratios  
(EU-IFRS)**

**At December 31,**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Total ratio.....	14.5%	14.2%	11.1%	10.2%
Tier 1 ratio.....	11.4%	10.1%	7.8%	7.1%
Risk-weighted assets (in billions of euros).....	601	621	535	533





## CAPITALIZATION OF THE GROUP

Except as set forth in this section, there has been no material change in the capitalization of the Group since March 31, 2011.

The following table sets forth the consolidated capitalization of the Group as of March 31, 2011 and December 31, 2010.

<i>(in millions of euros)</i>	<u>As of March 31, 2011</u>	<u>As of December 31, 2010</u>
<b>Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)<sup>(1)</sup></b>		
Debt securities at fair value through profit or loss	33,419	37,878
Other debt securities	62,425	64,265
Subordinated debt	18,995	20,922
<b>Total Medium- and Long-Term Debt</b>	<b>114,839</b>	<b>123,065</b>
Shareholders' Equity		
Issued capital <sup>(2)</sup>	2,400	2,397
Additional paid-in capital	23,566	23,314
Preferred shares and equivalent instruments <sup>(3)</sup>	8,041	8,029
Retained earnings <sup>(4)</sup>	39,961	38,213
Unrealized or deferred gains and losses attributable to Shareholders	(555)	169
Undated participating subordinated notes <sup>(5)</sup>	227	227
Undated subordinated FRNs <sup>(6)</sup>	4,930	4,592
<b>Total Shareholders' Equity</b>	<b>78,570</b>	<b>76,941</b>
Minority interests <sup>(7)</sup>	10,340	10,390
<b>Total Capitalization</b>	<b>203,749</b>	<b>210,396</b>

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 BNP Paribas ranks equally with deposits. The subordinated debt of BNP Paribas 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, 2010, CAD = 1.3316, GBP = 0.8576, CHF = 1.2486, HKD = 10.3946, JPY = 108.5926, USD = 1.3371.

Euro against foreign currency as 31 March 31, 2011, CAD = 1.3754, GBP = 0.8838, CHF = 1.3011, HKD = 11.0536, JPY = 117.9724, USD = 1.4199.

- 2) At December 31, 2010, the Bank's share capital stood at €2,396,307,068 divided into 1,198,153,534 shares with a par value of €2 each. Since the end of 2010, at January 17, 2011, 506,622 shares have been created following the exercise of options. As a result, at June 7, 2011, the Bank's share capital stood at €2,397,320,312 divided

into 1,198,660,156 shares with a par value of € each.

- 3) In June 2005, BNP Paribas 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 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 October 2005, BNP Paribas 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 may redeem the notes at par on each interest payment date.

In October 2005, BNP Paribas 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 may redeem the notes at par on each interest payment date.

In April 2006, BNP Paribas 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 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 April 2006, BNP Paribas 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 may redeem the notes at par on each interest payment date.

In July 2006, BNP Paribas 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 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 April 2007, BNP Paribas 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 June 2007, BNP Paribas issued \$600 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 6.500% per annum for a period of five years. As from June 2012, BNP Paribas may redeem the notes at par on each interest payment date.

In June 2007, BNP Paribas issued \$1,100 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.195% per annum for a period of thirty years. Thereafter, BNP Paribas 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 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 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 December 2007, Fortis Banque France (merged into the Bank as of May 12, 2010) issued €60 million of undated deeply subordinated non-cumulative notes. They bear interest at a floating rate equal to three-month EURIBOR plus a margin of 2.880% per annum payable quarterly in arrears for a period of ten years. Thereafter, BNP Paribas 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 3.88% per annum.

In June 2008, BNP Paribas 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 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 issued €50 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 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 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 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 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 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 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 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 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 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 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 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) After estimated distribution and deduction at cost of 3,998,016 BNP Paribas shares held by BNP Paribas as at December 31, 2008 and 2,345,072 BNP Paribas shares held by BNP Paribas as at March 31, 2009.
- 5) 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 law of January 3, 1983. Under this option, 434,267 of the 2,212,761 notes initially issued were redeemed between 2004 and 2007 and subsequently cancelled. 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 states that there is no income available for distribution.
- 6) Subordinated debt mainly comprises an issue of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) made by Fortis Banque (now BNP Paribas Fortis) in December 2007, for a nominal amount of €3 billion and a market value of €1,500 million at December 31, 2010. 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 Fortis SA/NV shares at the holder's sole discretion at a price of €23.94. However, as of December 19, 2014, the CASHES will be automatically exchanged into Fortis SA/NV shares if the price is equal to €35.91 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the 125,313,283 Fortis SA/NV shares that Fortis Banque acquired on the date of issuance of the CASHES and pledged to them: they are recognized as financial assets and measured at fair value through profit or loss, which amounted to €214 million at December 31, 2010. Fortis SA/NV and Fortis Banque have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on Fortis Banque of the relative difference between changes in the value of the CASHES and changes in the value of the Fortis SA/NV shares. At December 31, 2010, the value of the RPN was €635 million recognized on the balance sheet under "Derivative instruments held for trading" (Financial assets at fair value through profit or loss). On the basis of this RPN value, the debtor pays the creditor interest at three-month Euribor plus 20 basis points, for which BNP Paribas has a guarantee from the Belgian government.

The remaining subordinated debt includes €459 million of undated floating-rate subordinated notes (TSDIs), €1,813 million of other undated subordinated notes and €820 million of undated subordinated debt.

- 7) In October 2000, BNP Paribas Capital Preferred LLC, a wholly-owned subsidiary of BNP Paribas, issued \$500 million of noncumulative preferred securities, via BNP Paribas Capital Trust. They pay a contractual dividend of 9.003% for a period of ten years. Thereafter, the issuer may redeem the securities at par on each dividend payment date and until redeemed the securities will pay a dividend indexed to three-month LIBOR plus a margin equal to 3.26%.

In October 2001, BNP Paribas Capital Preferred III LLC, a wholly-owned subsidiary of BNP Paribas, issued €500 million of noncumulative preferred securities, via BNP Paribas Capital Trust III. They pay a contractual dividend of 6.625% for a period of ten years. Thereafter, the issuer may redeem the securities at par on each dividend payment date and until redeemed the securities will pay a dividend indexed to three-month EURIBOR plus a margin equal to 2.6%.

In January 2002, BNP Paribas Capital Preferred IV LLC, a wholly owned subsidiary of BNP Paribas, issued €660 million of noncumulative preferred securities, via BNP Paribas Capital Trust IV. They pay a contractual dividend of 6.342% for a period of ten years. Thereafter, the issuer may redeem the securities at par on each dividend payment date and until redeemed the securities will pay a dividend indexed to three-month EURIBOR plus a margin equal to 2.33%.

In January 2003, BNP Paribas Capital Preferred VI LLC, a wholly owned subsidiary of BNP Paribas, issued €700 million of noncumulative preferred securities, via BNP Paribas Capital Trust VI. They pay a contractual dividend of 5.868% for a period of 10 years. Thereafter, the issuer may redeem the securities at par on each dividend payment date and until redeemed the securities will pay a dividend indexed to three-month EURIBOR plus a margin equal to 2.48%.

In March 2003, the LaSer-Cofinoga sub-group, which is partially consolidated into the Group, issued €100 million (before application of the proportionate consolidation rate) of noncumulative preferred securities, via Cofinoga Funding Trust I. They pay a non-cumulative preferred dividend of 6.82% for a period of 10 years. Thereafter, the issuer may redeem the securities at par on each dividend payment date and until redeemed the securities will pay a dividend indexed to three-month EURIBOR plus a margin equal to 3.75%.

In January and May 2004, the LaSer-Cofinoga sub-group, which is partially consolidated into the Group, issued €80 million (before application of the proportionate consolidation rate) of noncumulative preferred securities, via Cofinoga Funding Trust II. They pay a non-cumulative preferred dividend of TEC 10<sup>1</sup> plus a margin equal to 1.35% for a period of 10 years. As from January and May 2014, respectively, the issuer may redeem the securities at par on each dividend payment date.

---

<sup>1</sup> TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.

## 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 over 80 countries and more than 200,000 employees, including over 160,000 in Europe. The Bank enjoys key positions in its three activities: Retail Banking, Investment Solutions and Corporate and Investment Banking. At December 31, 2010, the Group had consolidated assets of €1,998.2 billion and shareholders' equity (Group share including income for 2010) of €74.6 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 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.

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

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 Banks (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 examined by the New York State Banking Department and the Federal Reserve System 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 by the New York Banking Board, BNP Paribas must maintain 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 generally determined on the basis of a sliding scale (whereby the amount of assets required to be pledged as a percentage of the third-party liabilities of BNP Paribas decreases as such liabilities increase) in the case of foreign banking corporations that have been designated as “well-rated” by the Superintendent, as BNP Paribas is currently designated. 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. 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. Currently, 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 banking corporation in the State of New York and its New York branch under certain circumstances, generally involving 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 business and property in the State of New York, it succeeds to the branch's assets and the assets of the foreign bank located in New York State. 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). After such claims are paid out of the business and property of the foreign bank in New York, the Superintendent would turn over the remaining assets, if any, to the foreign bank or its duly appointed liquidator or receiver.

The Branch is generally subject under the NYBL to the same single borrower (or issuer) lending and investment limits applicable to a New York State-chartered bank, except that for the Branch such limits, which are expressed as a percentage of capital, are based on the worldwide capital of BNP Paribas.

The NYBL also requires foreign banking corporations to make written reports on an ongoing basis to the Superintendent showing the amount of their assets and liabilities and containing such other matters as the Superintendent prescribes.

### ***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.

### ***Regulatory Developments.***

In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) was signed into law. Although the Dodd-Frank Act calls for significant structural reforms and new substantive regulation across the financial industry, implementation will require further detailed rulemaking and interpretation over several years by different U.S. regulators, including the Department of the Treasury, the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”), the SEC, the FDIC, the Commodity Futures Trading

Commission (the “CFTC”) and the newly created Financial Stability Oversight Council (the “Council”). In imposing heightened capital, leverage, liquidity and other prudential standards on foreign banking organizations such as BNP Paribas, 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.

Among other things, the Dodd-Frank Act will limit the ability of banking entities to sponsor or invest in private equity or hedge funds or to engage in certain types of proprietary trading in the United States, requires that sizable financial holding companies, such as BNP Paribas, provide prior notice to the Federal Reserve Board of certain large acquisitions of non-bank companies, and provides U.S. regulators with tools to provide greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk. Increased capital requirements are also expected to apply to holding companies that BNP Paribas maintains over its U.S. Subsidiary Banks (as defined below). The Dodd-Frank Act establishes a new regime for the orderly liquidation of systemically significant financial companies and authorizes assessments on financial institutions with U.S.\$50 billion or more in consolidated assets to repay debts that may be owed to the U.S. Treasury Department in connection with a liquidation under the new insolvency regime.

In addition, the Dodd-Frank Act will create an extensive framework for the regulation of over-the-counter derivatives (which may require BNP Paribas to restructure the manner in which it conducts certain of these activities), requires broader regulation of hedge funds and private equity funds, as well as credit agencies, and imposes new requirements with respect to asset securitization activities. Under the Dodd-Frank Act, entities of BNP Paribas that are swap dealers, security-based swap dealers, major swap participants or major security-based swap participants will be required to register with the SEC or CFTC, or both, and will become subject to the requirements as to capital, margin, business conduct, recordkeeping and other requirements applicable to such entities. The details of these requirements will be established through numerous regulations to be issued by various U.S. regulatory authorities.

The Dodd-Frank Act also grants the SEC discretionary rule-making authority to impose a new fiduciary standard on brokers, dealers and investment advisers and expands the extraterritorial jurisdiction of U.S. courts over actions brought by the SEC or the United States with respect to violations of the antifraud provisions in the Securities Act, the Exchange Act and the Investment Advisers Act.

Other legislative proposals or future rulemaking, either under U.S. federal or New York State law, could also potentially have a material adverse effect on the business of BNP Paribas and the operations of the Branch. Implementation of the Dodd-Frank Act and related final regulations could result in additional costs or limit or restrict the way BNP Paribas conducts its business, although uncertainty remains about the details, impact and timing of these changes.

#### *U.S. Bank Regulatory Framework.*

The Branch is also subject to regulation 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, which acts as the U.S. “umbrella supervisor” of BNP Paribas. In addition, most U.S. branches and agencies of foreign banks, including the Branch, are subject to Federal Reserve Board requirements and limitations on the acceptance and maintenance of deposits and restrictions on the payment of interest on demand deposits (although the prohibition on the payment of interest on demand deposits will be removed under the Dodd-Frank Act). The Branch's deposits are not, and are not required or permitted to be, insured by the FDIC. In general, under the IBA, as amended by the FBSEA and implemented in applicable regulation, the Branch is not permitted to accept domestic retail deposits having a balance of less than U.S.\$250,000. In addition, U.S. branches of foreign banks, including the Branch, are also subject to reserve requirements on deposits pursuant to regulations of the Federal Reserve Board.

Among other things, the FBSEA provides that a state-licensed branch of a foreign bank (such as the Branch) may not engage as principal 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 and 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, lending limits will take into account credit exposure arising from derivative transactions, securities borrowing and lending transactions and repurchase and reverse repurchase agreements with counterparties. In addition, regulations that the Council, or the Consumer Financial Protection Bureau established under the Dodd-Frank Act, may adopt could affect the nature of the activities which BNP Paribas (including the Branch) may conduct, and may impose restrictions and limitations on the conduct of such activities.

The FBSEA authorizes the Federal Reserve Board to 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 one of its affiliates 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 U.S. federal banking laws. If the Federal Reserve Board were to use this authority to close the Branch, creditors of the Branch would have recourse against non-U.S. branches of 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 the U.S. non-banking operations of BNP Paribas and on its worldwide holdings of equity in companies operating in the United States. The Gramm-Leach-Bliley Act (the "GLBA") significantly modified these restrictions. Once the GLBA took effect in 2000, qualifying bank holding companies and foreign banks that became "financial holding companies" were permitted to engage through non-bank subsidiaries in a broad range of non-banking activities in the United States (subject to regulatory requirements and limitations), including insurance, securities, merchant banking and other financial activities, in many cases without prior notice to, or approval from the Federal Reserve Board or any other U.S. banking regulator. 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).

The GLBA did not affect certain provisions of the BHCA that govern the acquisition of U.S. banks. Accordingly, as was the case prior to the effectiveness of the GLBA, 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 U.S. federal banking law and regulations issued by the Federal Reserve Board, the Branch is also restricted in engaging in certain "tying" arrangements involving various products and services, and the Branch is required to comply with certain volume limits and collateral requirements applicable to certain extensions of credit to, or other covered transactions with, its U.S. affiliates engaged in certain securities, insurance or merchant banking activities.

Under the GLBA and related Federal Reserve Board regulations, BNP Paribas became a financial holding company effective April 2, 2001. To qualify as a financial holding company, BNP Paribas was required to certify and demonstrate that it was "well capitalized" and "well managed" at the time (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 the U.S. banking operations of BNP Paribas. 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.

#### *U.S. Anti-Money Laundering and Sanctions Regime.*

In recent years, a major focus of U.S. policy 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. 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 and otherwise to comply with U.S. economic sanctions. 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.

With regard to combating money laundering and terrorist financing, in 2001, the U.S. Congress enacted the USA PATRIOT Act, which imposed significant new record-keeping and customer identity requirements, expanded the government's powers to freeze or confiscate assets and increased the available penalties that may be assessed against financial institutions. The USA PATRIOT Act also required the U.S. Treasury Secretary to adopt regulations with respect to anti-money laundering and related compliance obligations on financial institutions. The U.S. Treasury Secretary delegated this authority to a bureau of the U.S. Treasury Department known as the Financial Crimes Enforcement Network ("FinCEN"). U.S. economic sanctions are enforced in part by the U.S. Office of Foreign Assets Control ("OFAC").

The anti-money laundering compliance requirements of the USA PATRIOT Act and other applicable legislation, as implemented by FinCEN and OFAC, include requirements, among others, to adopt and implement an anti-money laundering programme, report suspicious transactions, implement due diligence procedures for certain correspondent and private banking accounts and verify customers' identities.

BNP Paribas provides financial services throughout the world, which may from time to time include countries in which U.S. banks are prohibited from conducting business due to restrictions imposed by OFAC. BNP Paribas does not believe its business activities with counterparties in, or directly relating to, such countries are material to its business, and such activities represented a very small part of the total assets of BNP Paribas and total revenues as of, and for the year ended, December 31, 2010.

## 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*.

## **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, *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)*

(i) Dated Subordinated Notes

If the Notes are Dated Subordinated Notes, the Notes are direct, unconditional, unsecured and subordinated obligations of the relevant Issuer and rank *pari passu* among themselves and *pari passu* with all other present and future unsecured, unconditional and ordinary subordinated indebtedness of such Issuer and have a fixed maturity date. 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 Noteholders 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, but, subject to such payment in full, a holder of Dated 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 Undated Deeply Subordinated Notes (*titres subordonnés de dernier rang*) issued by the Bank.

As noted above, the Guarantor’s obligations under the Subordinated Guarantee of Dated 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 Dated 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 Dated 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.

(ii) Undated Subordinated Notes

If the Notes are Undated Subordinated Notes, the Notes are direct, unconditional, unsecured and subordinated obligations of the relevant Issuer and rank *pari passu* among themselves and will rank *pari passu* with all other present and future unsecured, unconditional and ordinary subordinated indebtedness of such Issuer and have no fixed maturity date. If the Notes are Undated Subordinated Notes, payment of interest may be deferred in accordance with the provisions of paragraph 3(g).

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 Noteholders to payment of principal and interest 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, but, subject to such payment in full, a holder of Undated 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 Undated Deeply Subordinated Notes (*titres subordonnés de dernier rang*) issued by the Bank.

As noted above, the Guarantor's obligations under the Subordinated Guarantee of Undated 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 Undated Subordinated Notes to payment of principal or interest in respect of the Undated 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 Undated Subordinated Notes will be paid principal and interest 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 proceeds of issues of Undated Subordinated Notes may be advanced by the LLC to the Bank's head office and/or used by the Bank for off-setting losses of the Bank and, thereafter, to allow the Bank to continue its activities in accordance with French banking regulations. The proceeds of such issues that are advanced to or received by the Bank will be classed amongst the funds of the Bank in accordance with Article 4(c) of *Règlement No. 90-02 of the Comité de la Réglementation Bancaire et Financière*. This provision does not in any way affect any French law applicable to accounting principles relating to allocation of losses nor the duties of the shareholders and does not in any way affect the rights of the Noteholders to receive payment of principal and interest under the Notes in accordance with these Terms and Conditions.

In the event of the Bank incurring losses, the loss will be charged first against accumulated profits, then against reserves and capital, and finally, if needed, against the proceeds of issuances of Undated Subordinated Notes advanced to or received by the Bank and other undated subordinated debt of the Bank and unpaid interest thereon (including interest on the Undated Subordinated Notes) which include a clause providing for the absorption of losses, in order to allow the Bank to fulfill the regulatory requirements applicable to banks prevailing in France, including those relating to solvency ratios, and in order to allow the Bank to continue its activities.

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.

(g) *Deferral of Interest — Undated Subordinated Notes*

In the case of Undated Subordinated Notes, and when so specified in the applicable supplement, the Board of Directors of the Bank may decide, prior to the date for the payment of interest payable under any Undated Subordinated Notes, to suspend payment, or to issue to the LLC a notice (“Interest Deferral Notice”) instructing the LLC to suspend payment, of an amount equal to the interest accrued during any interest period on such Undated Subordinated Notes if, at the most recent annual general meeting of the shareholders of the Bank which preceded the corresponding date for the payment of interest, no dividend was declared, paid or set apart for payment on or with respect to any class of share capital of the Bank; provided that such Interest Deferral Notice is given to the LLC as soon as reasonably practicable following the making of such decision and in any event not later than seven days prior to any date for the payment of interest on the Undated Subordinated Notes. In such a case, any payment of interest on the Undated Subordinated Notes so suspended shall constitute “Arrearage Amounts” (which term shall include interest on such unpaid amount), the payment of which shall be deferred until the date for the payment of interest on the Undated Subordinated Notes immediately following the date upon which any dividend has been declared, paid or set apart for payment on or with respect to any class of share capital of the Bank at the most recent annual general meeting of the shareholders of the Bank. Arrearage Amounts shall bear interest at the same rate as the Notes to which they relate or as otherwise set forth in the applicable supplement. Arrearage Amounts may at the option of the Bank, which shall so instruct the LLC in writing, if the LLC is the Issuer, be paid in whole or in part at any time upon the expiry of not less than seven days notice to such effect given to the Noteholders in accordance with these Conditions, but all Arrearage Amounts shall (subject to applicable laws and regulations) become due in full on whichever is the earliest of (i) the date for the payment of interest on the Undated Subordinated Notes immediately following the date upon which a dividend is next declared paid or set apart as aforesaid, (ii) the date set for any redemption or purchase of the Undated Subordinated Notes pursuant to paragraphs 5(b) or (c) (in the case of redemption) or paragraph 5(f) (in the case of purchase), provided all the Notes are so purchased, or (iii) the commencement of “*liquidation judiciaire*” or “*liquidation amiable*” procedures against the Bank. If notice is given to the Noteholders of the relevant Issuer’s intention to pay the whole or part of Arrearage Amounts, the relevant Issuer shall be obliged (subject to applicable laws and regulations) to do so upon the expiry of such notice. Where Arrearage Amounts are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrearage Amounts accrued in respect of the earliest interest period on the Undated Subordinated Notes in respect of which Arrearage Amounts have accrued and have not been paid in full.

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 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 the prior approval of the *Secrétariat général de l'Autorité de Contrôle Prudentiel* in France, 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, then the relevant Issuer shall forthwith give notice of such fact to the principal Paying Agent and shall, subject in the case of Subordinated Notes, to the prior approval of the *Secrétariat général de l'Autorité de Contrôle Prudentiel* in France, 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 the prior approval of the *Secrétariat général de l'Autorité de Contrôle Prudentiel* in France, 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 depository 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) *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 the issue price, 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.

(f) *Purchases*

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, where (i) the aggregate nominal amount of Notes remaining outstanding after such purchase is less than 90% of the total nominal amount of such Notes originally issued, or (ii) in the case of an *Offre Publique d'Achat* ("Cash Take-over Bid") or an *Offre Publique d'Echange* ("Exchange Offer"), such purchase can only be made with the prior written consent of the *Secrétariat général de l'Autorité de Contrôle Prudentiel* in France.

(g) *Cancellation*

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

(h) *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.

(i) *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.

(j) *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.

**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 to an individual or to a residual entity within the meaning of the European Council Directive 2003/48/EC and is required to be made pursuant to such Directive or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 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; 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) 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.

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 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.

**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 subparagraph (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 applies for the appointment of a conciliator (*conciliateur*), enters into an amicable settlement (*accord amiable*) with its creditors or 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 l'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 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 *Secrétariat général de l'Autorité de Contrôle Prudentiel* in France.

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 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. **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 Payment 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.

## 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, 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.

**United States Internal Revenue Service (the “IRS”) Circular 230 Notice:** To ensure compliance with IRS Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Base Prospectus or any document referred to herein (including any product supplement, prospectus supplement or pricing supplement) is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

**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 Discount.* 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 Discount.* 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.

*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 consequences of Forward Contract Notes that provide for physical delivery of the Underlying will be discussed in the applicable prospectus supplement.

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.

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.

#### *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 have no immediate application to forward contracts in respect of the stock of most corporations (or indices on such stock). 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. 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.

On December 7, 2007, the IRS and U.S. Treasury Department issued a notice requesting public comments on a comprehensive set of tax policy issues raised by prepaid forward contracts, including several different approaches under which U.S. holders of prepaid forwards could be required to recognize ordinary income on a current basis, or could be treated as owning directly the assets subject to the prepaid forward. Although it is currently uncertain what future guidance will result from the notice, the notice leaves open the possibility that such guidance could have retroactive application. In addition, prospective investors are encouraged to consult their own tax advisors about the potential impact of several proposed legislative changes in the taxation of derivatives contracts, and the likelihood that any of the foregoing may take effect.

#### **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.

#### **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. 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.

In order to avoid adverse U.S. federal tax consequences, “foreign financial institutions” will be required, for years beginning after December 31, 2012, to collect information on certain financial accounts held by U.S. persons and submit such information to the IRS. It is likely that the Bank will qualify as a “foreign financial institution” under these rules. It is not yet clear what information the Issuers would be required to provide to the IRS with respect to holders of the Notes. By purchasing the Notes, United States holders agree to provide an IRS form W-9, and whatever other information may be necessary for us to comply with these reporting obligations.

A Paying Agent may be required pursuant to the U.S. Foreign Account Tax Compliance rules (“FATCA”) to withhold U.S. tax on a portion of payments made after December 31, 2012 on certain types of debt issued by the Issuers after March 18, 2012 to an investor who does not provide information sufficient for the Issuers to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the Issuers, or to an investor that is a non-U.S. financial institution that is not in compliance with FATCA, as well as

under certain other circumstances. The application of these rules to interest or other amounts (including gross proceeds) paid on or with respect to the Notes is not clear. 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 Issuers 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. Holders should consult their own tax advisors on how these rules may apply to payments they receive under the Notes.

## **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. 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*

The Amended Finance Act for 2009 (*loi de finances rectificative pour 2009*) has amended the withholding tax regime applicable to payments to holders in respect of Notes issued by the Bank.

Pursuant to the amended 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 50% 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 50% 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, as from the fiscal years starting on or after January 1, 2011, 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 25% or 50%, subject to more favorable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 50% 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 is 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 ruling (*rescrit*) 2010/11 (FP and FE) of the *Direction générale des finances publiques* dated February 22, 2010, 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 depository 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 depositories or operators provided that such depositories 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. In addition they will not be subject to the non-deductibility described above or to the withholding tax set out under Article 119 bis 2 of the French General Tax Code solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative or accrued or paid to persons established or domiciled in a Non-Cooperative State.

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 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.

## **European Directive on Taxation of Savings Income**

Under the European Council Directive 2003/48/EC on 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 for the benefit of, an individual resident or certain limited types of entities 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, Belgium and Austria) will apply a withholding system in relation to interest payments, unless during such period they elect otherwise (which is the case with respect to Belgium). 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.

Belgium has opted out of this transitional regime and has implemented the general exchange of information procedure under the Savings Directive with respect to interest payments made by a paying agent located in Belgium to an individual resident or certain limited types of entities established in another Member State as of January 1, 2010.

A number of non-EU countries and dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive.

On November 13, 2008 the European Commission published a detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on April 24, 2009. If any of these proposed changes are made in relation to the Savings Directive they may amend or broaden the scope of the requirements described above.



## 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. Incorporated, (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 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 conflict 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;

- (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 (b) to (e) 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) 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 and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in and in accordance with Articles L. 411-1, L. 411-2, D. 411-1 to D. 411-4, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier* and applicable regulations thereunder, except that such qualified investors shall not include individuals; 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, L. 411-2, 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 communication is only be 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”). The Notes are only 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.

- (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.

## 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 in this prospectus supplement the Information Statement relating to the Bank and the Group, dated as of June 7, 2011, and any subsequent Information Statements that become available. Such subsequent Information Statements will automatically update information in this prospectus supplement. The latest Information Statement, which includes detailed disclosure regarding the Bank's business, financial condition and results of operation, is available at the Bank's website at the following URL: <http://invest.bnpparibas.com/en/pid741/information-statement.html>. In relation to each issue of Notes, this prospectus supplement and the base prospectus shall be deemed to be supplemented by any applicable supplement as well as by any press releases issued by the Bank from the date hereof through the date of the applicable supplement.

Copies of the Information Statement 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 Report (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 Report 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.

## AVAILABLE INFORMATION

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.



**BNP PARIBAS**