BNP PARIBAS

Up to U.S.$35,000,000,000
BNP PARIBAS
(as Issuer)
3(a)(2), 144A and Reg. S Notes
3(a)(2) Notes Guaranteed by
BNP PARIBAS, NEW YORK BRANCH

The Notes (as defined below) are being offered from time to time under the U.S.$35,000,000,000 Medium-Term Note Program (the "Program" which previously provided for up to U.S.$30,000,000,000 and is currently being increased to U.S.$35,000,000,000) of Notes on a continuous basis in one or more series (each, a "Series") by BNP Paribas, a French incorporated company (*société anonyme*) (the "Bank" or "BNP Paribas" or the "Issuer" and, together with its consolidated subsidiaries, the "Group" or "BNP Paribas Group").

The 3(a)2 Notes (as defined below) will be entitled to the benefit of an unconditional senior preferred guarantee (the "Senior Preferred Guarantee"), senior non preferred guarantee (the "Senior Non Preferred Guarantee"), or subordinated guarantee (the "Subordinated Guarantee" and, together with the Senior Preferred Guarantee and Senior Non Preferred 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 5, 2017 (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 5.

The 3(a)(2) Notes and the Guarantees are not required to be, and have not been, registered under the Securities Act.

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

BNP Paribas Securities Corp. ("BNPP Securities"), the Lead Dealer for the Notes offered hereby and a wholly owned subsidiary of the Bank and an affiliate of the BNP Paribas, New York Branch (the "Branch") and the Issuer, is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Accordingly, any offering of the 3(a)(2) Notes by BNPP Securities will be conducted in accordance with the applicable provisions of Rule FINRA 5121 governing conflicts of interest. See "Plan of Distribution."

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

BNP PARIBAS

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

Prospectus Supplement dated May 16, 2018

(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 Issuer expects that the Dealers (as defined herein) for any offering will include one or more of its broker-dealer or other affiliates, including BNPP Securities. These broker-dealer or other affiliates also expect to offer and sell previously issued Notes as part of their business and may act as a principal or agent in such transactions, although a secondary market for the Notes cannot be assured. The Issuer or any of its 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 Issuer, 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 Issuer 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**"). The global securities may take the form of beneficial interests under one or more global notes or master notes, as described in the Fiscal and Paying Agency Agreement. 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 Issuer and the relevant Dealers in respect of each issue. The Issuer 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 Issuer.

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 (each, a "**Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that 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 Member State of Notes which are the subject of an offering contemplated in this prospectus supplement and the base prospectus as completed by the applicable supplement 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 Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by the applicable supplement which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.*

With respect to any offer of Notes made pursuant to sub-paragraph (ii) above, this prospectus supplement and the base prospectus are advertisements for the purposes of applicable measures implementing the Prospectus Directive. 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.

*For the purposes of this provision, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Member State.*

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FORWARD-LOOKING STATEMENTS

This prospectus supplement contains forward-looking statements. The Issuer, 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 Issuer's, 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 Issuer, the Guarantor and the Group undertake no obligation to update publicly any of them in light of new information or future events.

EXCHANGE RATE AND CURRENCY INFORMATION

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

The following table shows the period-end, average, high and low exchange rates based on the Noon Buying Rate in New York City for cable transfers in foreign currencies as certified by the Federal Reserve Bank of New York (the "**Noon Buying Rate**") for the euro, expressed in U.S. dollars per one euro, for the periods and dates indicated. On May 11, 2018, the Noon Buying Rate was U.S.$1.20 per one euro.

Month **U.S. dollar/Euro**	**Period End**	**Average Rate***	**High**	**Low**
May 2018 (through May 11, 2018)	1.20	1.19	1.20	1.19
April 2018	1.21	1.23	1.24	1.21
March 2018	1.23	1.23	1.24	1.22
February 2018	1.22	1.23	1.25	1.22
January 2018	1.24	1.22	1.25	1.19
December 2017	1.20	1.18	1.20	1.17
November 2017	1.19	1.17	1.19	1.16
October 2017	1.16	1.18	1.18	1.16
September 2017	1.18	1.19	1.20	1.17
August 2017	1.19	1.18	1.20	1.17
July 2017	1.18	1.15	1.18	1.13
June 2017	1.14	1.12	1.14	1.11
May 2017	1.12	1.10	1.12	1.09

Year **U.S. dollar/Euro**	**Period End**	**Average Rate***	**High**	**Low**
2018 (through May 11, 2018)	1.20	1.22	1.25	1.19
2017	1.20	1.13	1.20	1.04
2016	1.06	1.11	1.15	1.04
2015	1.09	1.11	1.20	1.05
2014	1.21	1.33	1.39	1.21
2013	1.38	1.33	1.38	1.28

* 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.

Source: Federal Reserve Bank of New York

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 Branch does not separately produce or file 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 of December 31, 2017, 2016 and 2015 and for the years ended December 31, 2017, 2016 and 2015. 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 of December 31, 2017, 2016 and 2015 and for the years ended December 31, 2017, 2016 and 2015 have been prepared in accordance with international financial reporting standards ("**IFRS**") as adopted by the European Union. The Group's fiscal year ends on December 31, and references in this prospectus supplement to any specific fiscal year are to the twelve-month period ended December 31 of such year.

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 Registration Document, 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.

RISKS RELATING TO THE BANK AND ITS OPERATIONS

Risks Related to the Macroeconomic and Market Environment

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

The Bank's businesses are highly sensitive to changes in financial markets and economic conditions globally and especially in Europe. In recent years, the Bank was, and may again in the future be, confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign debt and capital markets, the availability of credit or liquidity, regional or global recessions, sharp fluctuations in commodity prices, currency exchange rates or interest rates, volatility in prices of financial derivatives, inflation or deflation, counterparty restructurings or defaults, corporate or sovereign debt rating downgrades or adverse political and geopolitical events (such as natural disasters, pandemics, societal unrest, geopolitical tensions, acts of terrorism, cyber-attacks, military conflicts or threats thereof and related risks). Such disruptions, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Bank's financial condition, results of operations or cost of risk.

Economies in the Bank's principal markets and generally speaking globally experienced growth in 2017 and the cyclical recovery may continue in 2018. There are nonetheless downside risks arising from factors such as evolving monetary policies (and in particular the risk of sharper than expected tightening leading to financial turbulence), trends in inflation, geopolitical tensions, protectionist tendencies, and possible volatility in financial or commodity markets.

Moreover, a resurgence of sovereign debt tensions cannot be ruled out, particularly in a rising interest rate environment with increasing funding costs. In particular, European markets experienced significant disruptions at various points in recent years from this source, initially originating from concerns regarding the ability of certain countries or institutions in the euro zone to refinance their debt obligations. These disruptions have in certain periods caused tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union. The Bank holds and may in the future hold substantial portfolios of sovereign debt and has and may in the future have substantial amounts of loans outstanding to sovereign borrowers; a new sovereign debt crisis could cause it to incur impairment charges or losses on sales. The Bank also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to financial institutions with which it does business. More generally, the sovereign debt crisis had, and could again in the future have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and more generally on the environment in which the Bank operates.

If economic conditions generally or in Europe in particular (the latter due to any of the above generally applicable factors or to heightened risk of or even the occurrence of a sovereign default, the failure of a significant financial institution or the exit of a country or territory from the euro zone or the European Union) were to deteriorate, the

resulting market disruptions could have a significant adverse impact on the credit quality of the Bank's customers and financial institution counterparties, on market parameters such as interest rates, foreign exchange rates and stock market indices, and on the Bank's results of operations, liquidity, ability to raise financing on acceptable terms and financial condition.

The United Kingdom's referendum to leave the European Union may lead to significant uncertainty, volatility and disruption in European and broader financial and economic markets and hence may adversely affect the Bank's operating environment.

On June 23, 2016, the United Kingdom held a referendum in which a majority of its voters opted to leave the European Union ("**Brexit**") and on March 29, 2017, the government of the United Kingdom invoked Article 50 of the Treaty on European Union (the "**Lisbon Treaty**") relating to withdrawal. Pursuant to Article 50, the Lisbon Treaty and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the relevant state notifies the European Council of its intention to withdraw, although this period may be extended in certain circumstances. Negotiations between the United Kingdom and the European Union to determine their relationship going forward, including regarding trade, financial and legal arrangements, are ongoing. The nature, timing and economic and political effects of Brexit remain highly uncertain and will depend upon the results of future negotiations between the United Kingdom and the European Union, and hence may adversely affect the Bank's operating environment and therefore its results and financial condition.

Due to the geographic scope of its activities, the Bank may be vulnerable to country or regional-specific political, macroeconomic and financial environments or circumstances.

The Bank is exposed to country risk, meaning the risk that economic, financial, political or social conditions of a foreign country, especially a country in which it operates, will affect its financial interests. The Bank monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. Moreover, factors specific to a particular country or region in which the Bank operates could create difficult operating conditions, leading to operating losses or asset impairments.

The Bank's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.

The financial crisis, the euro zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks in recent years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the Bank, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank (the "**ECB**") at times increased substantially. If such adverse credit market conditions were to reappear in the event of prolonged stagnation of growth, deflation, resurgence of the financial crisis, the sovereign debt crisis or new forms of financial crises, factors relating to the financial industry in general or to the Bank in particular, the effect on the liquidity of the European financial sector in general and the Bank in particular could be materially adverse and have a negative impact on the Bank's results of operations and financial condition.

Downgrades in the credit ratings of France or of the Bank may increase the Bank's borrowing cost.

The Bank's cost of obtaining long-term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase the Bank's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of creditworthiness of the Bank.

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

The amount of net interest income earned by the Bank during any given period significantly affects its overall revenues and profitability for that period. Interest rates are affected by many factors beyond the Bank's control, such as the level of inflation and the monetary policies of states, and government decisions relating to regulated savings rates.

Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in the Bank's net interest income from its lending activities. In addition, maturity mismatches and interest rates rises relating to the Bank's short-term financing may adversely affect the Bank's profitability.

The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks.

Since the 2008-2009 financial crisis, global markets have been characterized by an extended period of low interest rates. During such periods, interest rate spreads tend to tighten, and the Bank may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. In addition, the Bank has been facing an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted in a decrease in the average interest rate of the Bank's portfolio of loans thereby causing a decline in the Bank's net interest income from its lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the Bank from its funding activities. Additionally, the prolonged period of low interest rates may have contributed to, and may continue to contribute to, excessive risk-taking by financial market participants such as lengthening maturities of financings and assets held, more lenient lending standards and increased leveraged lending. Certain of the market participants that may have taken or may take additional or excessive risk are of systemic importance, and any unwinding of their positions during periods of market turbulence or stress (and hence reduced liquidity) could have a destabilizing effect on markets and could lead the Bank to record operating losses or asset impairments.

The end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. In this respect, the U.S. Federal Reserve has been tightening its monetary policy since 2015 and the ECB has announced that it will significantly reduce asset purchases between January and September 2018, and reductions could continue thereafter. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. Moreover, it may cause additional financial strain on sovereigns with particularly high debt to GDP ratios, such as countries on the periphery of the Eurozone as well as in Africa, with attendant increased asset quality concerns for their lenders. The Bank's underwriting activity could also be affected particularly in relation to non-investment grade lending. On the borrowing side, should the Bank's hedging strategies prove ineffective or provide only a partial hedge, the Bank could incur losses due to higher refinancing costs. More generally, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

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

The Bank's ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. The Bank has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment banks, mutual and alternative investment funds, and other institutional clients with which it regularly

executes transactions. The Bank may also be exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g., unregulated funds, trading venues or crowdfunding platforms). The Bank is exposed to credit and counterparty risk in the event of default or financial distress of the Bank's counterparties or clients. This risk could be exacerbated if the collateral held by the Bank cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Bank or in case of a failure of a significant financial market participant such as a central counterparty. It is worth noting in this respect that regulatory changes requiring mandatory clearing of standardized over-the-counter (OTC) derivatives through central counterparties have resulted in an increase of the exposure of financial market participants to such central counterparties.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the Bank, announced losses or exposure to losses in substantial amounts. The Bank remains the subject of various claims in connection with the Madoff matter; see Note 7.b "Contingent liabilities: legal proceedings and arbitration" to the Bank's consolidated financial statements for the year ended December 31, 2017 appearing in Chapter 4 of the 2017 Registration Document, incorporated by reference herein.

There can be no assurance that any losses resulting from the risks summarized above will not materially and adversely affect the Bank's results of operations.

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

The Bank maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by extreme volatility in these markets, i.e., the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Moreover, volatility trends that prove substantially different from the Bank's expectations may lead to losses relating to a broad range of other products that the Bank uses, including swaps, forward and future contracts, options and structured products.

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

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

Financial and economic conditions affect the number and size of transactions for which the Bank provides securities underwriting, financial advisory and other investment banking services. The Bank's revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can thus be significantly affected by economic or financial changes that are unfavorable to its Investment Banking business and clients. In addition, because the fees that the Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Bank receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by the Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Bank receives from its asset management business. The Bank experienced some or all of these effects during the sharp market downturns of recent years and could experience them again in future market downturns, which may occur periodically and unexpectedly.

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

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

Regulatory Risks

Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Bank and the financial and economic environment in which it operates.

Laws and regulations have been enacted in the past few years or could be adopted, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the new measures has changed substantially the environment in which the Bank and other financial institutions operate. The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements (particularly for large global banking groups such as the Bank), taxes on financial transactions, restrictions and increased taxes on employee compensation over specified levels, restrictions on certain types of activities considered as speculative undertaken by commercial banks that will be prohibited or need to be ring-fenced in subsidiaries (particularly proprietary trading), restrictions or prohibitions on certain types of financial products or activities, enhanced recovery and resolution regimes, changes to risk-weighting methodologies and the methods of using internal models that could lead to increased capital requirements, increased internal control and reporting requirements with respect to certain activities, more stringent governance and conduct of business rules, more extensive market abuse regulations, measures to improve the transparency and efficiency of financial markets and in particular to regulate high frequency trading, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives), enhanced privacy and cybersecurity requirements and the creation of new and strengthened supervisory bodies. Most of these measures have been adopted and are already applicable to the Bank; the principal such measures are summarized below. Other similar or new measures may be proposed and adopted.

French and European Laws and regulations

In 2013 and 2014, France made significant changes to its legal and regulatory framework applicable to banking institutions. The French banking law of July 26, 2013 on the separation and regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) and the related implementing decrees and orders specified the required separation between financing operations activities and so-called "speculative" operations that have been, since July 1, 2015, conducted by ring-fenced subsidiaries subject to specific capital and liquidity requirements on a stand-alone basis. This banking law also introduced a mechanism for preventing and resolving banking crises, which is supervised by the French banking regulator ("*Autorité de Contrôle Prudentiel et de Résolution*", the "**ACPR**") with expanded powers. In the event of a failure, the law provides for mechanisms such as the power to require banks to adopt structural changes, issue new securities, cancel outstanding equity or subordinated debt securities and convert subordinated debt into equity, and to require the intervention of the French Deposit Guarantee and Resolution Fund ("*Fonds de Garantie des Dépôts et de Résolution*"). The Ordinance of February 20, 2014 provided in particular for the strengthening of the governance rules within banking institutions, a reinforced and harmonized at the EU level sanctions regime, an extended scope of prudential surveillance with in particular additional prudential requirements, a harmonization of the rules relating to the approval of credit institutions within the European Union, and an update of the rules relating to the consolidated surveillance and the exchange of information.

At the European level, many of the provisions of the EU Directive and Regulation on prudential requirements (the "**CRD IV**" and the "**CRR**") dated June 26, 2013, implementing the Basel III capital requirements, took effect as of January 1, 2014 and many delegated and implementing acts provided for in the Directive and Regulation CRD IV and the CRR were adopted in 2014. The prudential ratio requirements and the designation of the Bank as a systemically important financial institution increased the Bank's prudential requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. In addition, the Financial Stability Board published on November 9, 2015 the final principles and term sheet regarding total loss absorbing capacity ("**TLAC**", and such term sheet, the "**FSB TLAC Term Sheet**"), which will require "**Global Systemically Important Banks**" or "**G-SIBs**" (including the Bank), in addition to the Basel III capital requirements, to maintain a significant amount of liabilities and instruments readily available for bail-in in order to enable authorities to implement an orderly resolution that minimises impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss. Given the timing and manner of their adoption, the full impact of TLAC requirements on the Bank cannot be accurately predicted and could cause its financing costs to increase.

Regarding the European "Banking Union", the European Union adopted, in October 2013, a single supervisory mechanism (the "**Single Supervisory Mechanism**") under the supervision of the ECB; as a consequence, since November 2014, the Bank, along with all institutions qualified as important in the euro zone, are now under the direct supervision of the ECB, with respect to prudential regulation matters entrusted to the ECB by Council Regulation dated October 15, 2013. Within the Single Supervisory Mechanism, the ECB is, in particular, tasked with carrying out an annual supervisory review and evaluation process (SREP), stress tests and specific reviews (such as the targeted review of internal models), in connection with which it has powers to require banks to hold capital in excess of minimum capital requirements, and more generally to impose additional liquidity requirements or other supervisory measures. Such measures could have an adverse impact on the Bank's results of operations and financial condition.

In addition to the Single Supervisory Mechanism, the EU Bank Recovery and Resolution Directive of May 15, 2014 ("**BRRD**"), implemented in France by the Ordinance of August 20, 2015, strengthens the tools to prevent and resolve banking crises, in particular in order to ensure that any losses are borne in priority by banks' creditors and shareholders and to minimize taxpayers' exposure to losses and provides for the implementation of resolution funds at the national levels.

Under the BRRD and the Ordinance of August 20, 2015, the ACPR or the single resolution board (the "**Single Resolution Board**"), which was established by Regulation of the European Parliament and of the Council of July 15, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism (the "**Single Resolution Mechanism**") and a single resolution fund (the "**Single Resolution Fund**"), may commence resolution proceedings in respect of a banking institution, such as the Bank, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalize or restore the viability of the institution.

Resolution powers are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as tier 1 and tier 2 (such as the Subordinated Notes), then by the holders of senior non preferred debt (such as the Senior Non Preferred Notes) and finally by the holders of senior preferred debt (such as the Senior Preferred Notes), all in accordance with the order of their claims in normal insolvency proceedings.

Resolution authorities have broad powers to implement resolution measures with respect to institutions and groups subject to resolution proceedings, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a special manager (*administrateur spécial*).

Certain powers, including the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of additional capital

instruments qualifying as tier 1 and tier 2 (such as the Subordinated Notes), can also be exercised as a precautionary measure, outside of resolution proceedings and/or pursuant to the European Commission's State Aid framework if the institution requires exceptional public financial support.

The implementation of these tools and powers may result in significant structural changes to the relevant financial institutions and their groups (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write-down, modification or variation of claims of shareholders and creditors. Such powers may also result, after any transfer of all or part of the Bank's business or separation of any of its assets, in the holders of securities such as the Notes (even in the absence of any such write-down or conversion) being left as the creditors of the Bank whose remaining business or assets are insufficient to support the claims of all or any of the creditors of the Bank (including the holders of Notes).

Pursuant to the Single Resolution Mechanism, on December 19, 2014, the Council adopted the proposal for a Council implementing act to calculate the contributions of banks to the Single Resolution Fund, which replaces national resolution funds as from January 1, 2016 and provides for annual contributions to the Single Resolution Fund to be made by banks calculated on the basis of their liabilities, excluding own funds and covered deposits and adjusted for risks. Moreover, the European Commission Regulation dated October 21, 2014, adopted pursuant to the BRRD provides for an obligation for banks to have adequate financial resources to ensure the effective application of the resolution tools and powers by the relevant resolution authority. In this context, the resolution authorities, such as the ACPR or the Single Resolution Board, determined the annual contributions that must be paid to resolution financing arrangements by each banking institution in proportion to its risk profile. As a consequence, contributions to the Single Resolution Fund and to resolution financing arrangements are significant for the Bank and hence weigh on its results of operations.

Moreover, the Directive of April 16, 2014 on deposit guarantee schemes, transposed into French law by the Ordinance of August 20, 2015, created national deposit guarantee schemes. Other proposals for legislative and regulatory reforms could also have an impact if they were enacted into law. Thus, a draft European Parliament Regulation dated November 24, 2015 completed such Directive of April 16, 2014 through a step plan to create a European deposit insurance scheme that will progressively cover all or part of participating national deposit guarantee schemes.

On November 23, 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including CRD IV and the CRR, BRRD and the Single Resolution Mechanism, the purpose of which is *inter alia* to reflect more accurately long-term funding risk and excessive leverage, increase the loss-absorption capacity of globally significant institutions, improve the treatment of market risks by increasing the risk sensitivity of the existing rules and increase convergence within the European Union in the area of insolvency law and restructuring proceedings, particularly through the introduction of a moratorium tool. Until recently, several modified legislative proposals have been made and it is possible that further modifications will be made before final adoption. On November 8, 2017, the ECB published two opinions on these proposals. These proposals remain subject to amendments by the Parliament and the Council and are scheduled to be adopted in 2019. It is not yet possible to assess whether these proposals will be adopted in full or what their impact will be.

In December 2017, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (the "**GHOS**"), endorsed the outstanding Basel III post-crisis regulatory reforms. The reforms endorsed by the GHOS include a revised standardized approach for credit risk, revisions to the internal ratings-based approach for credit risk, revisions to the credit valuation adjustment (CVA) framework, a revised standardized approach for operational risk, revisions to the measurement of the leverage ratio and a leverage ratio buffer for G-SIBs (including the Bank), which will take the form of a Tier 1 capital buffer set at 50% of a G-SIB's risk-weighted capital buffer; and an aggregate output floor, which will ensure that banks' risk-weighted assets ("**RWAs**") generated by internal models are no lower than 72.5% of RWAs as calculated by the Basel III framework's standardized approaches. These new rules are expected to come into effect in 2022 and the output floor is expected to be implemented gradually beginning in January 2022 and reaching its final level in 2027. This proposal will be subject to consultation and impact assessment before it is implemented into EU law.

Finally, new regulations designed to enhance the transparency and soundness of financial markets, such as the so-called "EMIR" Regulation of July 4, 2012 on OTC derivatives, central counterparties and trade repositories and the

measures adopted or to be adopted thereunder (including in relation to the Commission delegated Regulation of October 4, 2016 that specifies how margin should be calculated and exchanged in respect of non-cleared OTC derivative contracts), Regulation of November 25, 2015 on transparency of securities financing transactions and Directive and Regulation of May 15, 2014 on markets in financial instruments (MiFID 2) may be a source of additional uncertainty and compliance risk and, more generally, the costs incurred due to the implementation of such regulations may have a negative impact on the profitability of certain activities currently conducted by the Bank and weigh on the Bank's results of operations and financial condition.

In May and June 2017, the Commission published two proposed regulations amending EMIR. Among the proposed changes, the EU authorities' power to supervise third country central counterparties would be strengthened and, when a third country central counterparty poses significant risks to the financial stability of the Member States, EU authorities could request that such central counterparty be established and authorized in the EU (so-called "location policy"). While the full implications of such location policy, particularly in the context of Brexit, remain uncertain, it could, if implemented, entail operational risks and increased costs and therefore weigh on the Bank's results of operations and financial condition.

U.S. Laws and Regulations

Bank regulation in the United States has been substantially changed and expanded in the wake of the financial crisis, including as follows. A final rule issued by the Board of Governors of the U.S. Federal Reserve System (the "**Federal Reserve Board**") imposing enhanced prudential standards on the U.S. operations of large foreign banks required the Bank to designate or create an intermediate holding company ("**IHC**") for its U.S. subsidiaries by July 1, 2016. The Bank's IHC, BNP Paribas USA, Inc., must comply with risk-based and leverage capital requirements, liquidity requirements, long-term debt requirements, supervisory stress testing and capital planning requirements as well as other prudential requirements on a consolidated basis at the IHC level. On April 10, 2018, the Federal Reserve Board issued a proposal that would, among other things, replace an IHC's current fixed capital conservation buffer with an institution-specific risk-based "stress capital buffer" ("**SCB**") and introduce a new stress Tier 1 leverage buffer requirement ("**SLB**"). Under the proposal, the SCB and SLB would be recalibrated annually based on the IHC's projected losses under the severely adverse stress scenario in the Federal Reserve Board's supervisory stress tests. The proposal could increase capital requirements and associated compliance burden for IHCs. In addition, on March 4, 2016, the Federal Reserve Board re-proposed single counterparty credit limits that would apply to both the U.S. IHCs and the combined U.S. operations (including U.S. branch operations) of systemically important foreign banking organizations (such as the Bank). Under proposals that remain under consideration, the IHC and the combined U.S. operations of the Bank may become subject to limits on credit exposures to any single counterparty, and the combined U.S. operations of the Bank may also become subject to an early remediation regime which could be triggered by risk-based capital, leverage, stress tests, liquidity, risk management and market indicators. The Federal Reserve Board has also indicated that it is considering future rulemakings that could apply the U.S. rules implementing the Basel III liquidity coverage ratio and net stable funding ratio to the combined U.S. operations (including U.S. branch operations) of certain large foreign banking organizations. The scope and timing for the implementation of these liquidity requirements as well as additional expected changes to the capital and stress testing requirements and their impact on the Bank is difficult to predict at this point. On December 15, 2016, the Federal Reserve Board issued final rules that implement in the United States the Financial Stability Board's standards for a TLAC framework (the "**U.S. TLAC rules**"). The final rules require, among other things, the Bank's U.S. IHC to maintain minimum levels of TLAC, consisting of the IHC's Tier 1 capital plus a minimum amount of long-term debt satisfying certain eligibility criteria, and a related TLAC buffer. The Bank will be subject to these requirements commencing January 1, 2019. The Bank's U.S. IHC will be required to issue this long-term debt internally to the Bank or any foreign affiliate that is wholly owned, directly or indirectly, by the Bank, for so long as the Bank's U.S. IHC is considered a "non-resolution covered IHC" under the U.S. TLAC rules, meaning the Bank is subject to a single-point-of-entry resolution strategy that does not involve the U.S. IHC entering to resolution or similar proceedings in the United States. The rules also impose limitations on the types and amount of other financial transactions that the Bank's U.S. IHC may engage in. On September 23, 2016, the Federal Reserve Board proposed additional prudential requirements with respect to the physical commodity activities of financial holding companies ("**FHCs**") (such as the Bank), including significantly elevated capital requirements for physical commodity activities (and for investments in merchant banking companies that engage in physical commodity activities) that, according to the Federal Reserve Board, have the potential to expose an FHC to environmental liability. Finally, the "Volcker Rule", adopted by the U.S. regulatory authorities in December 2013, places certain

restrictions on the ability of U.S. and non-U.S. banking entities, including the Bank and its affiliates, to engage in proprietary trading and to sponsor or invest in private equity and hedge funds. The Bank was generally required to come into compliance with the Volcker Rule by July 2015, although the Federal Reserve Board extended the conformance deadline for pre-2014 "legacy" investments in and relationships with private equity funds and hedge funds until July 21, 2017. In June 2017, the Federal Reserve Board granted the Bank an extended transition period to conform investments in certain illiquid funds under the Volcker Rule for an additional five years (i.e., until July 21, 2022). The Volcker Rule's implementing regulations are highly complex and may be subject to further regulatory amendments, interpretation and guidance, and its full impact will not be known with certainty for some time. U.S. regulators have also adopted or proposed new rules regulating OTC derivatives activities under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). In late 2015, the Federal Reserve Board and other U.S. banking regulators finalized margin requirements applicable to uncleared swaps and security-based swaps entered into by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants that are regulated by one of the U.S. banking regulators, including the Bank. These margin requirements, which began to come into effect in phases beginning in September 2016, require the Bank to post and collect additional, high-quality collateral for certain transactions, increasing the costs of uncleared swaps and security-based swaps offered by the Bank to its customers who are "U.S. persons" as defined under the rules which apply globally. The U.S. Commodity Futures Trading Commission also finalized rules in 2016 that will require additional interest rate swaps to be cleared, which are expected to come into effect in phases based on the implementation of parallel clearing requirements in non-U.S. jurisdictions and in any event by October 2018, and has also proposed rules that would apply position limits to certain physical commodity swaps. The U.S. Securities and Exchange Commission also finalized rules in 2015 and 2016 regarding the registration of security-based swap dealers and major security-based swap participants, business conduct and trade acknowledgment and verification requirements for such entities, and obligations relating to transparency and mandatory reporting of security-based swap transactions. Further rules and regulations are expected in 2018 and 2019 to complete this regulatory framework. The scope and timing for the implementation of these requirements, and therefore their impact on the Bank's swap business, is difficult to predict at this stage.

In sum, extensive legislative and regulatory reform in respect of financial institutions has been enacted in recent years and some remains in progress. In addition, following the 2016 U.S. presidential election, there is uncertainty surrounding the regulatory agenda of the administration which includes proposals to repeal or significantly reduce a number of elements of the Dodd-Frank Act. It is impossible to accurately predict which additional measures will be adopted or to determine the exact content of such measures and, given the complexity and uncertainty of a number of these measures, their ultimate impact on the Bank. The overall effect of these measures, whether already adopted or in the process of being adopted, has been and may further be to restrict the Bank's ability to allocate and apply capital and funding resources, limit its ability to diversify risk, reduce the availability of certain funding and liquidity resources, increase its funding costs, increase the cost for or reduce the demand for the products and services it offers, result in the obligation to carry out internal reorganizations, structural changes or divestitures, affect its ability to conduct (or impose limitations on) certain types of business as currently conducted, limit its ability to attract and retain talent, and, more generally, affect its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations.

The Bank is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.

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

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the Group operates;
- changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks;
- changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations;
- changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds;
- changes in the regulation of market infrastructures, such as trading venues, central counterparties, central

securities depositories, and payment and settlement systems;

- changes in the regulation of payment services, crowdfunding and fintech;
- changes in the regulation of data privacy and cybersecurity;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls, risk management and compliance; and
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the Bank and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect the Bank's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

The Bank may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.

The Bank is exposed to regulatory compliance risk, i.e. the failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to the Bank's reputation and private rights of action (including class actions introduced into French law in 2014), non-compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licenses. This risk is further exacerbated by continuously increasing regulatory scrutiny of financial institutions as well as substantial increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, the Bank faces significant legal risk in its business, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further.

In this respect, on June 30, 2014 the Bank entered into a series of agreements with, and was the subject of several orders issued by, U.S. federal and New York state government agencies and regulatory authorities including the U.S. Department of Justice, the New York County District Attorney's Office, the U.S. Attorney's Office for the Southern District of New York, the Board of Governors of the Federal Reserve System, the Office of Foreign Assets Control of the U.S. Department of the Treasury and the New York State Department of Financial Services, in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions. The fines and penalties imposed on the Bank as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to U.S.$8.97 billion (€6.6 billion), guilty pleas by BNP Paribas S.A., the parent company of the BNP Paribas group, to charges of having violated U.S. federal criminal law (conspiracy to violate the Trading with the Enemy Act and the International Emergency Economic Powers Act) and New York State criminal law (conspiracy and falsifying business records), and the suspension of the New York branch of BNP Paribas for (a) a one-year period (2015) of USD direct clearing focused mainly on the Oil & Gas Energy and Commodity Finance business line in certain locations and (b) a two-year period of U.S. dollar clearing as a correspondent bank for unaffiliated third party banks in New York and London. Following this settlement, the Bank remains subject to increased scrutiny by regulatory authorities (including via the presence within the Bank of an independent consultant) who are monitoring its compliance with a remediation plan agreed with them.

The Bank is currently involved in various litigations and investigations as summarized in Note 7.b "Contingent liabilities: legal proceedings and arbitration" to its consolidated financial statements for the year ended December 31, 2017, appearing in Chapter 4 of the 2017 Registration Document as updated by section 3.2 "Contingent liabilities: legal proceedings and arbitration" of the First Update to the 2017 Registration Document, each incorporated by reference herein. It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on the Bank's operating results for any particular period.

Risks Related to the Bank, its Strategy, Management and Operations

Risks related to the implementation of the Bank's strategic plans and commitment to environmental responsibility.

The Bank has announced a strategic plan for the 2017-2020 period presented on February 7, 2017. This plan contemplates a number of initiatives, including the implementation of new customer pathways, the digital transformation of the Bank, continuing to improve operating efficiency and various business development initiatives.

The plan includes a number of financial targets and objectives relating to net banking income, operating costs, net income, capital adequacy ratios and return on equity, among other things. These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions.

The Bank's actual results could vary significantly from these targets and objectives for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section.

Additionally, as part of the Bank's commitment to environmental responsibility within its CSR policy, it has announced a number of initiatives to support the energy transition towards a low-carbon economy, including a reduction in financing for energies with the most negative environmental impact. These measures (and any future ones along similar lines) may in certain cases adversely affect the Bank's results in the relevant sectors.

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

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

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

Intense competition by banking and non-banking operators could adversely affect the Bank's revenues and profitability.

Competition is intense in all of the Bank's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms. In particular, competitors subject to less extensive regulatory requirements or to less strict capital requirements (*e.g.*, debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (*e.g.*, internet and mobile operators, digital platforms, fintechs), could be more competitive. If the Bank is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Bank

and its competitors. It is also possible that the presence in the global marketplace of State-owned financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, or the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions, could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Bank.

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

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

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

The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

The Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Bank's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that the Bank may have failed to identify or anticipate. The Bank's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behavior, valuations, assumptions or estimates. Some of the Bank's qualitative tools and metrics for managing risk are based on its use of observed historical market behavior. The Bank applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the Bank uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g., if the Bank does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit the Bank's ability to manage its risks. The Bank's losses could therefore be significantly greater than the historical measures indicate. In addition, the Bank's quantified modelling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

The Bank's hedging strategies may not prevent losses.

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

Adjustments to the carrying value of the Bank's securities and derivatives portfolios and the Bank's own debt could have an impact on its net income and shareholders' equity.

The carrying value of the Bank's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of its assets or its debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect its consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, its capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

The expected changes in accounting principles relating to financial instruments may have an impact on the Bank's balance sheet, income statement and regulatory capital ratios and result in additional costs.

In July 2014, the International Accounting Standards Board published International Financial Reporting Standard 9 ("**IFRS 9**") "Financial Instruments" adopted by the European Union, which replaced IAS 39 as from January 1, 2018. The standard amends and complements the rules on the classification and measurement of financial instruments and will lead the Bank to record certain reclassifications in substantial amounts on its balance sheet. The new standard includes an impairment model based on expected credit losses (ECL), while the IAS 39 model was based on provisions for incurred losses, and new rules on general hedge accounting. The new approach based on ECL will result in substantial additional impairment charges for the Bank and could add volatility to its regulatory capital ratios, and the costs incurred by the Bank relating to the implementation of such norms may have a negative impact on its results of operations; see note 1 to the Bank's consolidated financial statements for the year ended December 31, 2017 appearing in Chapter 4 of the 2017 Registration Document, incorporated by reference herein, for a detailed discussion of the transition to IFRS 9.

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

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

An interruption in or a breach of the Bank's information systems may result in material losses of client or customer information, damage to the Bank's reputation and lead to financial losses.

As with most other banks, the Bank relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing and blockchain technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Bank's customer relationship management, general ledger, deposit, servicing and/or loan organization systems. The Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorized access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognized until launched against a target, the Bank and its third-party service providers may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in the Bank's information systems or those of its providers and any subsequent disclosure

of confidential information related to any client, counterpart or employee of the Bank (or any other person) or any intrusion or attack against the Bank's communication system could cause significant losses and have an adverse effect on the Bank's reputation, financial condition and results of operations.

Unforeseen external events may disrupt the Bank's operations and cause substantial losses and additional costs.

Unforeseen events such as an adverse change in the political, military or diplomatic environments, political and social unrest, severe natural disasters or climate change-related events, a pandemic, terrorist attacks, military conflicts, cyber-attacks or other states of emergency could affect the demand for the products and services offered by the Bank, or lead to an abrupt interruption of the Bank's operations, in France or abroad, and could cause substantial losses that may not necessarily be covered by an insurance policy. Such losses can relate to property, financial assets, trading positions, personal data and key employees. Such unforeseen events could also lead to temporary or longer-term business interruption, additional costs (such as relocation of employees affected) and increase the Bank's costs (particularly insurance premiums).

RISKS RELATED TO THE NOTES

General Risks relating to the Notes

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

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the base prospectus, this prospectus supplement or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

- understand thoroughly the Terms and Conditions of the Notes and be familiar with the behavior of financial markets and of any financial variable which might have an impact on the return on the Notes; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

The 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 Issuer's control that may affect their market value. The Issuer believes that the market value of your Notes will be affected by the volatility of any Underlying Asset, the level, value or price of any 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 Issuer expects 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 Issuer expects 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 any 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 any Underlying Assets or their components increases or decreases, the market value of the Notes may be adversely affected.

Interest rates. The Issuer expects 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 any Underlying Asset, which would affect the market value of the Notes.

Supply and demand for the Notes. The Issuer expects 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 Issuer's 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 Issuer may adversely affect the market value of the Notes.

Our credit ratings, financial condition and results of operations. Actual or anticipated changes in the Issuer's and the Guarantor's current credit ratings, as well as the Issuer's 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 Issuer's and the Guarantor's ability to pay their obligations under the Notes (such as the current level, value or price of any Underlying Asset), an improvement in the Issuer's credit rating, 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 Issuer's 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 any Underlying Asset. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time.

Time remaining to maturity. A "time premium" results from expectations concerning the level, value or price of any 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 any Underlying Asset, economic, financial, regulatory, geographic, judicial, political and other developments that affect the level, value or price of any 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 Issuer's obligations under the Notes. These costs may include the Issuer's or the Issuer's affiliates' expected cost of providing that hedge and the profit the Issuer expects 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.

Impact of Certain Built In Costs on Secondary Market Values.

The original issue price of the Notes may include an agent's commission and costs relating to hedging activities conducted by the Issuer, BNPP Securities, a Dealer or one or more of their affiliates. As such, the price, if any, at which you can sell the Notes in secondary market transactions will likely be lower than the original issue price, since the original issue price included, and secondary market prices are likely to exclude, the agent's commission that was accounted for with respect to the initial purchase of the Notes, as well as the cost of hedging activities conducted by the Issuer or one or more of its affiliates. Such hedging activities entail risks and may be influenced by market forces beyond the control of the Issuer or its affiliates and may result in hedging costs that are more or less than initially projected.

The Issuer may choose to redeem the Notes when prevailing interest rates are relatively low.

If the Notes will be redeemable at the Issuer's option and bear interest, the Issuer may choose to redeem the Notes from time to time, especially when prevailing interest rates are lower than the interest rate of the Notes. If prevailing rates are lower at the time of redemption, holders would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes being redeemed. The Issuer's redemption right also may adversely impact any holder's ability to sell its Notes as the optional redemption date or period approaches.

The Issuer is not required to redeem the Notes in the case of a Gross-up Event.

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

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 Issuer 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 Issuer anticipates that the Issuer's 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 trading market for debt securities, including the Notes, may be volatile and may be adversely impacted by many events.

The market for debt securities issued by banks, including the Notes, is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other Western and other industrialized countries. There can be no assurance that events in France, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

Potential Conflicts.

The Issuer, BNPP Securities and their respective affiliates play a variety of roles in connection with the issuance of the Notes, including acting as Calculation Agent and possibly as Reference Rate Determination Agent or Mid-Swap Rate Determination Agent (if appointed) and hedging their obligations under the Notes. In performing these duties, the economic interests of the Calculation Agent and other affiliates of the Issuer, or BNPP Securities, the Reference Rate Determination Agent or Mid-Swap Rate Determination Agent, respectively, are potentially adverse to your interests as an investor in the Notes.

Holdings of the Notes by affiliates of the Issuer, BNPP Securities or the Dealers and future sales may affect the price of the Notes.

Certain affiliates of the Issuer, BNPP Securities or the Dealers, may purchase some of the Notes for investment. Circumstances may occur in which the interests of the Issuer, BNPP Securities or another Dealer or one or more of their respective affiliates may be in conflict with your interests. In addition, if a substantial portion of the Notes held by affiliates of the Issuer, BNPP Securities or a Dealer were to be offered for sale in the secondary market, if any, following such an offering, the market price of the Notes may fall. The negative effect of such sales on the prices of the notes could be more pronounced if secondary trading in the notes is limited or illiquid.

The Notes and the Guarantees are not registered securities.

The Notes and the Guarantees are not registered under the Securities Act or under any state securities laws. The 3(a)(2) Notes are being offered pursuant to the registration exemption contained in Section 3(a)(2) of the Securities Act. The 144A Notes are being offered in reliance on the exemption from registration provided by Rule 144A. In addition, Regulation S Notes may be offered outside the United States to non-U.S. persons pursuant to Regulation S. Neither the SEC nor any state securities commission or regulatory authority has recommended or approved the Notes or the Guarantees, nor has any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of this prospectus supplement, the base prospectus or any applicable supplement.

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.

The Notes are not insured against loss by any third parties.

The Notes will be solely our obligations, and other than the Guarantor, no other entity will have any obligation, contingent or otherwise, to make any payments in respect of the Notes.

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

The Notes will be unsecured obligations of the Issuer. Each issue of 3(a)(2) Notes will be guaranteed by the Guarantor pursuant to the Guarantee. The obligations under the Guarantee will be unsecured and senior preferred obligations of the Guarantor, in the case of the Senior Preferred Guarantee, unsecured and senior non preferred obligations of the Guarantor, in the case of the Senior Non Preferred Guarantee, and unsecured and subordinated obligations of the Guarantor, in the case of the Subordinated Guarantee, as described in Condition 17 (*Guarantees*). If the Issuer defaults on the Notes or if it becomes subject to events of bankruptcy, liquidation or reorganization, assets over which the Issuer have granted security interests will be used to satisfy the obligations under the secured debt before the Issuer can make payment on such Notes. As a result, there may only be limited assets available to make payments on such Notes in the event of an acceleration of such Notes.

The terms of the Notes contain very limited covenants and no negative pledge, and the Issuer is not prohibited from incurring additional debt.

The Issuer is generally permitted to sell or otherwise dispose of any or substantially all of its assets to another corporation or other entity under the terms of the Notes. If the Issuer decides to dispose of a large amount of its assets, investors in the Notes will not be entitled to declare an acceleration of the maturity of the Notes, and those assets will no longer be available to support the Notes.

There is no negative pledge in respect of the Notes and the Terms and Conditions of the Notes place no restrictions on the incurrence by the Issuer of additional obligations that rank *pari passu* with, or senior to, the Notes. In addition, the Issuer may pledge assets to secure other notes or debt instruments without granting an equivalent pledge or security interest and status to the Notes.

Finally, the Notes do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries or affiliates to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries or affiliates to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer's ability to service its debt obligations, including the Notes.

The terms of the Notes include a waiver of any set-off rights.

Unless otherwise specified in the applicable supplement, by subscribing or acquiring Notes, each Noteholder shall be deemed to have irrevocably waived any actual and potential right of or claim to deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note at any time (for the avoidance of doubt, both before and during any winding-up, liquidation or administration of the Issuer) to the fullest extent permitted by applicable law.

Investors are subject to the Issuer's and Guarantor's respective credit risks; their credit ratings and credit spreads may adversely affect the market value of the Notes.

Investors are dependent on the ability of the Issuer, or if applicable, the Guarantor, to pay all amounts due on the Notes on interest payment dates and at maturity, and, therefore, investors are subject to the credit risk of the Issuer, or if applicable, Guarantor, and to changes in the market's view of the Issuer's and Guarantor's creditworthiness. Any decline in their respective credit ratings or increase in credit spreads charged by the market for taking such credit risk is likely to adversely affect the value of the Notes.

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

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

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 Issuer's Notes. The Issuer urges 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."

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

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common financial transaction tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain,

France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, impose a tax at generally not less than 0.1%, generally determined by reference to the amount of consideration paid, on certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, secondary market transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States (in addition to Estonia which already withdrew) may decide to withdraw. Prospective holders of Notes are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

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

The Foreign Account Tax Compliance Act ("**FATCA**") generally provides that withholding on certain "passthru payments" (a term not yet defined) made on Notes may also apply beginning in 2019. With respect to Notes that are treated as "obligations" for purposes of FATCA, any such withholding would apply to payments on Notes, and would apply only to passthru payments on Notes issued six months or more after Treasury regulations defining the term "passthru payments" are published. In addition, France has entered into an intergovernmental agreement with the United States, which could result in the imposition of additional withholding and reporting requirements under French law.

In addition, a 30% withholding tax will be imposed on "dividend equivalent" payments on certain equity-linked instruments ("**specified ELIs**") that make payments that are contingent upon or determined by reference to the payment of a dividend from sources within the United States. If a Note were a specified ELI, a non-United States holder generally would be subject to withholding on certain payments on such a Note, which may include coupon payments, payments of principal at final maturity or proceeds from the sale or disposition of the Note, regardless of whether the payment is by its terms determined by reference to a U.S. source dividend. A non-United States holder would not be entitled to additional amounts with respect to amounts so withheld. See "*Taxation—United States Federal Income Taxation—Non-United States Holders*" for a more detailed discussion of these rules.

Noteholders may be bound by the actions of other Noteholders.

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

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

Application of French insolvency law could affect the Issuer's ability to make payments on the Notes and French insolvency laws may not be as favorable to you as the insolvency laws of the United States and other countries. Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard procedure (*procédure de*

sauvegarde), accelerated safeguard procedure (*procédure de sauvegarde accélérée*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is commenced in France with respect to the Issuer.

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

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

- partially or totally reschedule payments which are due and/or write-off debts and/or convert debts into equity (including with respect to amounts owed under the Notes); and/or

- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the amount of debt securities held by the holders attending such Assembly or represented thereat who have cast a vote at such Assembly). No quorum is required to hold the Assembly.

The receiver (*administrateur judiciaire*) is allowed to take into account the existence of voting or subordination agreements entered into by a holder of notes, or the existence or an arrangement providing that a third party will pay the holder's claims, in full or in part, in order to reduce such holder's voting rights within the Assembly. The receiver must disclose the method to compute such voting rights and the interested holder may dispute such computation before the president of the competent commercial court. These provisions could apply to a Holder who has entered into a hedging arrangement in relation to the Notes.

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

Specific provisions related to insolvency proceedings for credit institutions are described in the section entitled "Governmental Supervision and Regulation of BNP Paribas in France." In particular, the ACPR must approve in advance the opening of any safeguard, judicial reorganization or liquidation procedure.

Please refer to the risk factor "—The Notes and the Guarantees may be subject to write-down, variation, suspension or conversion to equity either in the context of, or outside of, a resolution procedure applicable to the Bank" and the section entitled "Governmental Supervision and Regulation of BNP Paribas in France" for a description of resolution measures including, critically, the bail-in, which can be implemented under the French banking reform and the BRRD.

The Notes and the Guarantees may be subject to write-down, variation, suspension or conversion to equity either in the context of, or outside of, a resolution procedure applicable to the Bank.

Pursuant to the EU Bank Recovery and Resolution Directive (the "**BRRD**"), as transposed into French law by a decree-law dated August 20, 2015, resolution authorities have the power to place the institution in resolution at the point at which the resolution authority determines that (i) the institution individually, or the group to which it belongs, is failing or likely to fail, (ii) there is no reasonable prospect that private action would prevent the failure and (iii) a resolution action is necessary in the public interest. If the institution is placed in resolution, resolution authorities have the power *inter alia* to ensure that capital instruments, such as Subordinated Notes, and non-excluded liabilities, including senior debt instruments, such as Senior Preferred Notes and Senior Non Preferred Notes, absorb losses of the issuing institution, through the write-down or conversion to equity of such instruments (the "**Bail-In Tool**"). The Bail-In Tool might also apply to a guarantee obligation such as the Guarantees.

In addition, the BRRD provides that the resolution authorities must exercise the write-down of capital instruments or the conversion into common equity tier 1 instruments of additional tier 1 instruments and tier 2 instruments (such as the Subordinated Notes) if the institution has not yet been placed in resolution but any of the following conditions are met: (i) where the determination has been made that conditions for resolution have been met, before any resolution action is taken, (ii) the appropriate authority determines that unless that power is exercised in relation to the relevant capital instruments, the institution or the group will no longer be viable or (iii) extraordinary public financial support is required by the institution. The terms and conditions of the Notes contain provisions giving effect to the Bail-In Tool and (in the case of Subordinated Notes only) the write-down or conversion of capital instruments outside the placement in resolution. See "Terms and Conditions of the Notes— Statutory Write-Down or Conversion" in this prospectus supplement.

The use of (i) the Bail-In Tool and/or (ii) the write-down or conversion of capital instruments outside a placement in resolution (in the case of Subordinated Notes only) could result in the full or partial write-down or conversion to equity of the Notes and, potentially, the Guarantees, or in a variation of the terms of the Notes or the Guarantees which may result in Noteholders losing some or all of their investment. The exercise of any power under the BRRD as applied to the Issuer or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. In addition, if the Issuer's financial condition deteriorates, the existence of (i) the Bail-In Tool and/or (ii) the write-down or conversion of capital instruments outside the placement in resolution (in the case of Subordinated Notes only) could cause the market value of the Notes to decline more rapidly than would be the case in the absence of such tools.

On November 23, 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including CRD IV, CRR, BRRD and the Single Resolution Mechanism. If adopted, these legislative proposals would, among other things, give effect to the FSB TLAC Term Sheet and modify the requirements applicable to the "minimum requirement for own funds and eligible liabilities" ("**MREL**"). They would also introduce a moratorium tool, i.e. the power to temporarily suspend payments or the entry into or performance of obligations, outside of insolvency or resolution proceedings. The implementation of the current texts and the new proposals, and their application to the Issuer or the taking of any action thereunder is currently uncertain and could materially affect the activity and financial condition of the Issuer and the value of the Notes. It is not yet possible to assess the full impact of the BRRD (and the French law provisions implementing the BRRD) as well as of the new proposals on the Issuer and there can be no assurance that their implementation or the taking of any actions currently contemplated in it will not adversely affect the rights of the Holders, the price or value of their investment in the Notes and/or the ability of the Issuer to fully and timely satisfy its obligations under the Notes.

Finally, Noteholders may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant resolution authority to exercise its resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

For further information about the BRRD and related matters, see "Governmental Supervision and Regulation of BNP Paribas in France" in this prospectus supplement.

Additional Risks relating to Fixed-Rate Notes

Certain Notes are subject to a fixed interest rate which will limit your return.

Fixed-Rate Notes will pay only interest and return of the principal amount at maturity and may not compensate you for the effects of inflation and other factors relating to the value of money over time. The effective yield to maturity of the Fixed Rate Notes may be less than that which would be payable on other types of investments.

Additional Risks relating to Floating-Rate Notes and Resettable Notes

Changes in the method by which LIBOR, EURIBOR or other benchmarks are determined, or the discontinuation of any benchmark, may adversely affect the rate of interest on or value of Floating-Rate Notes and Resettable Notes.

The rate of interest on the Notes may be calculated on the basis of the London inter-bank offered rate ("**LIBOR**"), the Euro zone inter-bank offered rate ("**EURIBOR**") or any other reference rate specified in the applicable supplement (any such reference rate, a "**Benchmark**"), or by reference to a swap rate that is itself based on a Benchmark. Such Notes include the Floating-Rate Notes and the Resettable Notes (collectively, the "**Benchmark Notes**"). Accordingly, changes in the method by which any Benchmark is calculated or the discontinuation of any Benchmark may impact the rate of interest applicable to Benchmark Notes bearing interest on the basis of such Benchmark, and thus their value.

LIBOR, EURIBOR and other Benchmarks are subject to ongoing national and international regulatory reforms. Some of these reforms are already effective while others are still to be implemented. Following the implementation of any such reforms, the manner of the administration or determination of such Benchmarks may change with the result that they may perform differently than in the past, or their calculation method may be revised, or they could be eliminated entirely.

In June 2016, the European Union adopted a Regulation (the "**Benchmark Regulation**") on indices (such as LIBOR) used in the European Union as benchmarks in financial contracts. The Benchmark Regulation entered into force on June 20, 2016 with the majority of its provisions applying from January 1, 2018. It provides that administrators of benchmarks in the European Union (such as ICE Benchmark Administration Limited and the European Money Market Institute, which currently administer LIBOR and EURIBOR, respectively) generally must be authorized by or registered with regulators no later than January 1, 2020, and that they must comply with a code of conduct designed primarily to ensure reliability of input data, governing issues such as conflicts of interest, internal controls and benchmark methodologies. The Benchmark Regulation could have a material impact on Benchmark Notes, in particular, if the terms of any applicable Benchmark are changed in order to comply with the requirements of the Benchmark Regulation.

Benchmark administrators in the United Kingdom will be required to comply with the Benchmark Regulation so long as the United Kingdom remains part of the European Union (and possibly thereafter, depending on the terms of withdrawal), and will also be required to comply with U.K. national requirements. U.K. national requirements may have a particularly significant impact on the calculation of LIBOR (or whether LIBOR continues to exist as a Benchmark). On July 27, 2017, the Financial Conduct Authority (the "**FCA**") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. The FCA announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

It is not possible to predict the effect of any reforms to LIBOR, EURIBOR or any other Benchmark. Changes in the methods pursuant to which LIBOR, EURIBOR or any other applicable Benchmark is determined, or the announcement that a Benchmark will be replaced with a successor or alternative rate, could result in a sudden or prolonged increase or decrease in the reported values of such Benchmark, increased volatility or other effects. If this were to occur, the rate of interest on and the trading value of the Benchmark Notes could be adversely affected.

If LIBOR, EURIBOR or any other Benchmark is discontinued, the rate of interest on the affected Benchmark Notes will be changed in ways that may be adverse to holders of such Notes, without any requirement that the consent of such holders be obtained.

Pursuant to the terms and conditions of any Benchmark Notes, if the Issuer or the Calculation Agent determines at any time that the relevant Benchmark that constitutes the reference rate for such Notes has been discontinued, the Calculation Agent will use, as a substitute for the relevant Benchmark, the alternative Benchmark selected by the central bank, reserve bank, monetary authority or any similar institution in the jurisdiction of the Specified Currency that is consisted with industry accepted standards. If the Calculation Agent notifies the Issuer that it is unable to determine such an alternative, the Issuer will appoint a Reference Rate Determination Agent or Mid-Swap Rate Determination Agent, as applicable (which may be the Issuer, an affiliate of the Issuer, the Calculation Agent or one of the Dealers) who will determine a replacement rate, as well as any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the replacement rate, including any adjustment factor needed to make such replacement rate comparable to the relevant reference rate. Such replacement rate will (in the absence of manifest

error) be final and binding, and will apply to the relevant Benchmark Notes without any requirement that the Issuer obtain consent of any Noteholders.

The replacement rate may perform differently from the discontinued Benchmark. For example, there are currently proposals to replace LIBOR (which generally has a term of one, three or six months) with an overnight rate. Similarly, proposals have been made to use a rate on highly rated government obligations to replace LIBOR, which is currently based on interbank lending rates and carries an implicit element of credit risk of the banking sector. These and other changes could significantly affect the performance of an alternative rate compared to the historical and expected performance of LIBOR. There can be no assurance that any adjustment factor applied to any Series of Notes will adequately compensate for this impact. This could in turn impact the rate of interest on and trading value of the affected Benchmark Notes.

If the Calculation Agent, the Reference Rate Determination Agent or Mid-Swap Rate Determination Agent is unable to determine an appropriate replacement rate for any Benchmark, then the rate of interest on the affected Benchmark Notes will not be changed. The Terms and Conditions of the Benchmark Notes provide that, if it is not possible to determine a value for a given Benchmark, the relevant interest rate on such Benchmark Notes will be the last available setting of such Benchmark plus or minus, as indicated in the applicable supplement, the margin, if any, effectively converting such Benchmark Notes into fixed rate obligations. They may also provide for other fallbacks, such as consulting reference banks for rate quotations, which may prove to be unworkable if the reference banks decline to provide such quotations for a sustained period of time (or at all).

Even if the Calculation Agent, the Reference Rate Determination Agent or Mid-Swap Rate Determination Agent is able to determine an appropriate replacement rate for any Benchmark, if the replacement of the Benchmark with the replacement rate would result in all or part of the aggregate outstanding nominal amount of such Series of Notes to be excluded from the eligible liabilities available to meet the MREL/TLAC Requirements (however called or defined by then applicable regulations) and/or, in the case of Subordinated Notes, all or part of the aggregate outstanding nominal amount of Notes to be excluded from the own funds of the Group or reclassified as a lower quality form of own funds of the Group, the Issuer may decide not to change the rate of interest but instead to fix such rate of interest on the basis of the last available quotation of the Benchmark. This could occur if, for example, the switch to the replacement rate would create an incentive to redeem the relevant Notes that would be inconsistent with the relevant requirements necessary to maintain the regulatory status of the Notes. This mechanism will result in the Notes being effectively converted to fixed rate instruments. Investors holding such Notes might incur costs from unwinding hedges. Moreover, in a rising interest rate environment, holders of such Notes will not benefit from any increase in rates. The trading value of the Notes could as a consequence be adversely affected.

It is possible that, if a Benchmark is discontinued, it will take some time before a clear successor rate is established in the market. Accordingly, the Terms and Conditions of the Benchmark Notes provide as an ultimate fallback that, following the designation of a replacement rate, if the Calculation Agent, the Reference Rate Determination Agent or Mid-Swap Rate Determination Agent appointed by the Issuer considers that such replacement rate is no longer substantially comparable to the Benchmark or does not constitute an industry accepted successor rate, the Issuer will appoint or re-appoint a rate determination agent (which may or may not be the same entity as the original Reference Rate Determination Agent or Mid-Swap Rate Determination Agent) for the purposes of confirming the replacement rate or determining a substitute replacement rate (despite the continued existence of the initial replacement rate). Any such substitute replacement rate, once designated pursuant to the Terms and Conditions, will apply to the affected Benchmark Notes without the consent of their holders. This could impact the rate of interest on and trading value of the affected Benchmark Notes. In addition, any holders of such Benchmark Notes that enter into hedging instruments based on the original replacement rate may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the new replacement rate.

Resettable Notes are subject to movements in market interest rates.

A holder of securities with a fixed interest rate that will be periodically reset during the term of the relevant securities, such as Fixed Rate Notes which are specified in the applicable supplement as Resettable Notes, is exposed to the risk of fluctuating interest rate levels and uncertain interest income.

The Issuer, BNPP Securities, the Dealers and their respective Affiliates may have economic interests adverse to those of the holders of Floating-Rate Notes and Resettable Notes.

The Issuer, BNPP Securities, the Dealers and their respective affiliates trade financial instruments related to the 3-month USD LIBOR Rate and/or other similar rates or indices on a regular basis, for their accounts and for other accounts under their management. The Issuer, BNPP Securities, the Dealers and their respective affiliates may also issue or underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments with returns linked to the 3-month USD LIBOR Rate and/or other similar rates or indices. To the extent that the Issuer, BNPP Securities, the Dealers and their respective affiliates serves as issuer, agent or underwriter for such securities or financial instruments, the interests of Issuer, BNPP Securities, the Dealers and their respective affiliates with respect to such products may be adverse to those of the holders of the Floating-Rate Notes and Resettable Notes.

Any of these trading activities could potentially affect the 3-month USD LIBOR Rate and, accordingly, could affect the value of the Floating Rate Notes and Resettable Notes and the amount of interest, if any, payable to you during the term of the Floating-Rate Notes and Resettable Notes.

In addition, the Issuer, BNPP Securities, the Dealers or their respective affiliates may produce and/or publish research reports, or otherwise express views, with respect to such investments or regarding expected rate movements. The Issuer, BNPP Securities, the Dealers and their respective affiliates do not make any representation or warranty to any purchaser of a Floating Rate Note with respect to any matters whatsoever relating to such activities or future rate movements.

The Issuer, BNPP Securities, the Dealers and their respective affiliates expect to engage in hedging and trading activities related to the 3-month USD LIBOR Rate. The Issuer may have hedged its obligations under the Floating Rate Notes and Resettable Notes directly or through certain affiliates, and the Issuer or its affiliates would expect to make a profit on any such hedge. Because hedging the Issuer’s obligations entails risk and may be influenced by market forces beyond the control of the Issuer or its affiliates, such hedging may result in a profit that is more or less than expected, or it may result in a loss. Although they are not expected to, these hedging activities may affect the level of the 3-month USD LIBOR Rate, and may therefore affect the market value of the Floating Rate Notes and Resettable Notes. It is possible that the Issuer or its affiliates could receive substantial returns from these hedging activities while the market value of the Floating Rate Note and Resettable Notes declines.

The Issuer, BNPP Securities, the Dealers and their respective affiliates play a variety of roles in connection with the issuance of the Floating Rate Notes and Resettable Notes, including acting as Calculation Agent and possibly as Reference Rate Determination Agent or Mid-Swap Rate Determination Agent and hedging their obligations under the Floating Rate Notes. In performing these duties, the economic interests of the Calculation Agent and other affiliates of the Issuer or Lead Manager, the Reference Rate Determination Agent or the Mid-Swap Rate Determination Agent, respectively, are potentially adverse to your interests as an investor in the Floating Rate Notes and Resettable Notes. The Calculation Agent will determine, among other things, the reference rate (and possibly an alternative to such reference rate in case the relevant benchmark is discontinued) on any interest determination date and rate of interest for each interest calculation period payable in respect of your Floating Rate Notes on each interest payment date, as such terms are described or defined in the applicable supplement. Further, the Issuer may also appoint a Reference Rate Determination Agent or Mid-Swap Rate Determination Agent (which may be the Issuer, an affiliate of the Issuer, the Calculation Agent or one of the Dealers) to determine a replacement benchmark, as well as any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the replacement rate, including any adjustment factor needed to make such replacement rate comparable to the relevant reference rate if a relevant reference rate is discontinued. In performing these duties, the Calculation Agent, Reference Rate Determination Agent or Mid-Swap Rate Determination Agent may have interests adverse to the interests of the holders of the Floating Rate Notes and Resettable Notes, which may affect your return on the Floating Rate Notes and Resettable Notes, particularly where BNP Paribas Securities, as the Calculation Agent and possibly Reference Rate Determination Agent or Mid-Swap Rate Determination Agent, is entitled to exercise discretion.

Additional Risks relating to foreign currency Notes

Changes in exchange rates and exchange controls could result in a substantial loss to you.

An investment in foreign currency Notes, which are Notes denominated in a Specified Currency other than U.S. dollars, entails significant risks that are not associated with a similar investment in a security denominated in U.S. dollars. These risks include, but are not limited to:

- the possibility of significant market changes in rates of exchange between U.S. dollars and the Specified Currency;
- the possibility of significant changes in rates of exchange between U.S. dollars and the Specified Currency resulting from the official redenomination or revaluation of the Specified Currency; and
- the possibility of the imposition or modification of foreign exchange controls by either the United States or foreign governments.

Exchange rates are the result of the supply of, and the demand for, the relevant currencies. Changes in exchange rates result over time, and may vary considerably during the life of an investment denominated in or otherwise relating to a foreign currency, from the interaction of many factors directly or indirectly affecting economic and political conditions in the country or area of the applicable currency, including economic and political developments in other countries.

Of particular importance to potential currency exchange risk are:

- existing and expected rates of inflation;
- existing and expected interest rate levels;
- the balance of payments;
- the extent of governmental surpluses or deficits in the relevant countries; and
- other financial, economic, military and political factors.

All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the government of the applicable country and other countries important to international trade and finance.

In recent years, rates of exchange between U.S. dollars and some foreign currencies in which the Notes may be denominated, and between these foreign currencies and other foreign currencies, have been volatile. This volatility may be expected in the future. Fluctuations that have occurred in any particular exchange rate in the past are not necessarily indicative, however, of fluctuations that may occur in the rate during the term of any foreign currency note. Fluctuations in currency exchange rates could adversely affect notes denominated in, or whose value is otherwise linked to, a specified currency other than U.S. dollars.

Depreciation of the Specified Currency of a foreign currency Note against U.S. dollars would result in a decrease in the effective yield of such foreign currency Note below its coupon rate, which in turn could cause the market value of the Notes to fall, and could result in a substantial loss to the investor on a U.S. dollar basis.

Governments have imposed from time to time, and may in the future impose, exchange controls that could affect exchange rates as well as the availability of a Specified Currency other than U.S. dollars at the time of payment of principal, any premium or interest on a foreign currency note. There can be no assurance that exchange controls will not restrict or prohibit payments of principal, any premium or interest denominated in any such Specified Currency.

Even if there are no actual exchange controls, it is possible that a Specified Currency would not be available to the Issuer when payments on a foreign currency Note are due because of circumstances beyond the control of the Issuer. In this event, the Issuer will make required payments in U.S. dollars on the basis described in this prospectus supplement, or as otherwise provided in any accompying supplement. You should consult your own financial and legal advisors as to the risks of an investment in Notes denominated in a currency other than U.S. dollars. See "—The Unavailability of Currencies Could Result in a Substantial Loss to You."

The information set forth in this prospectus supplement is directed to prospective purchasers of Notes who are United States residents, except where otherwise expressly noted. The Issuer and the Guarantor disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States regarding any matters that may affect the purchase or holding of, or receipt of payments of principal, premium or interest on, Notes. Such persons should consult their advisors with regard to these matters. One or more supplements relating to Notes having a Specified Currency other than U.S. dollars will contain a description of any material exchange controls affecting that currency and any other required information concerning the currency.

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 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 Issuer on the Note will be the amount of such redenominated currency that represents the amount of the 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 provided, however, that Condition 2(a) (*Status (Senior Notes)*) and Condition 2(b) (*Status (Subordinated Notes)*) will be governed by, and construed in accordance with, French law.

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.

Additional Risks relating to Physical Delivery Notes and Linked Notes

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.

Trading and other transactions by the Issuer or the Issuer's 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 Issuer's normal business practices or in connection with hedging the Issuer's obligations under the Notes, the Issuer and the Issuer's affiliates may from time to time buy or sell the Underlying Assets and their components, or similar instruments, or derivative instruments relating to any Underlying Assets or their components. These trading activities may present a conflict of interest between your interest in the Notes and the interests the Issuer and the Issuer's affiliates may have in the Issuer's proprietary accounts, in facilitating transactions, including block trades, for the Issuer's other customers and in accounts under the Issuer's 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 Issuer or any of the Issuer's affiliates have a hedge position in the Underlying Assets or its components, or in a derivative or synthetic instrument related to any Underlying Assets or its components, the Issuer or any of the Issuer's 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 Issuer or any of the Issuer's affiliates may purchase or otherwise acquire a long or short position in the Notes. The Issuer or any of the Issuer's affiliates may hold or resell any such position in the Notes.

No research recommendation on your Notes.

Although the Bank or one or more of the Issuer's 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 Issuer's affiliates publishes research on, or assigns a research recommendation to, your Notes.

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

The Issuer or one or more of the Issuer's affiliates may have published, and may in the future publish, research reports relating to any Underlying Asset 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 any 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 Issuer. In connection with your purchase of the Notes, you should investigate the Underlying Asset and not rely on the Issuer's views with respect to future movements in the Underlying Assets and their components.

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

The Issuer and the Issuer's 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 Issuer refer to as the "Sponsor" of the Underlying Asset. In addition, the Issuer or the Issuer's 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 Issuer may receive information pertinent to the Underlying Assets or their components that the Issuer will not divulge to you.

An investment in indexed Notes entails significant risks not associated with a similar investment in fixed or floating rate debt securities.

An investment in Notes that are indexed, as to principal, premium, if any, and/or interest, to one or more Underlying Assets or measures, including currencies or composite currencies, exchange rates, swap indices between currencies or composite currencies, commodities, commodity indices or baskets, securities or securities baskets or indices, interest rates or other indices or measures, either directly or inversely, entails significant risks that are not associated with investments in a conventional fixed rate or floating rate debt security.

These risks include the possibility that the value of the Underlying Asset, measure, index or indices may be subject to significant changes, that the resulting interest rate will be less than that payable on a conventional fixed or floating rate debt security issued by the Issuer at the same time, that the repayment of principal and/or premium, if any, can occur at times other than those expected by the investor, and that you, as the investor, could lose all or a substantial portion of principal and/or premium, if any, payable on the maturity date. These risks depend on a number of inter-related factors, including economic, financial and political events, over which the Issuer has no control.

Additionally, if the formula used to determine the amount of principal, premium, if any, and/or interest payable with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the applicable index or indices will be magnified. In recent years, values of many underlying measures and indices have been highly volatile, and such volatility may continue or intensify.

Any optional redemption feature of any Notes might affect their market value. Since the Issuer may be expected to redeem notes when prevailing interest rates are relatively low, an investor generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate that is as high as the then-current interest rate on the Notes.

The secondary market, if any, for indexed Notes will be affected by a number of factors independent of the Issuer's creditworthiness and the value of the applicable Underlying Asset, measure, index or indices, including the complexity and volatility thereof, the method of calculating the principal, premium, if any, and/or interest in respect of indexed Notes, the time remaining to the maturity of such Notes, the outstanding amount of such Notes, any redemption features of such Notes, the amount of other debt securities linked to such Underlying Asset, measure, index or indices and the level, direction and volatility of market interest rates generally. Such factors also will affect the market value of indexed Notes.

In addition, certain Notes may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Investors may not be able to sell such notes readily or at prices that will enable them to realize their anticipated yield. You should not purchase such Notes unless you understand and are able to bear the risks that such Notes may not be readily saleable, that the value of such Notes will fluctuate over time and that such fluctuations may be significant.

Finally, the Issuer's credit rating may not reflect the potential impact of the various risks that could affect the market value of the Notes. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks an investment in the Notes may entail and the suitability of the Notes in light of their particular circumstances.

The pricing supplement relating to any Note indexed to a currency, currencies, a commodity, a commodity index, a stock, a stock index or any similar such measure or index will contain information concerning the historical prices or values of such underlying measure or index.

Additional Risk Factors relating to Senior Preferred Notes

There are no events of default under the Senior Preferred Notes.

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

Additional Risk Factors relating to Senior Non Preferred Notes

The Senior Non Preferred Notes are complex instruments that may not be suitable for certain investors.

The Senior Non Preferred Notes are novel and complex financial instruments and may not be a suitable investment for certain investors. Each potential investor in the Senior Non Preferred Notes should determine the suitability of such investment in light of its own circumstances and have sufficient financial resources and liquidity to bear the risks of an investment in the Senior Non Preferred Notes, including the possibility that the entire principal amount of the Senior Non Preferred Notes could be lost. A potential investor should not invest in the Senior Non Preferred Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Senior Non Preferred Notes will perform under changing conditions, the resulting effects on the market value of the Senior Non Preferred Notes, and the impact of this investment on the potential investor's overall investment portfolio.

The Senior Non Preferred Notes are senior non preferred obligations and are junior to certain obligations.

The Issuer's obligations under the Senior Non Preferred Notes constitute senior non preferred obligations within the meaning of the draft law *relatif à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*, adopted by the French parliament on November 9, 2016 (the "**Senior Non Preferred Law**"). While the Senior Non Preferred Notes by their terms are expressed to be direct, unconditional, unsecured and senior

(*chirographaires*) obligations of the Issuer, they nonetheless rank junior in priority of payment to senior obligations (including Senior Preferred Obligations) of the Issuer in case of judicial liquidation. The Issuer's senior obligations include all of its deposit obligations, its obligations in respect of derivatives and other financial contracts, its senior debt securities outstanding as of the date of entry into force of the Senior Non Preferred Law and all senior debt securities issued thereafter that are not expressed to be senior non preferred obligations within the meaning of article L.613-30-3-I-4° of the French Monetary and Financial Code (including Senior Preferred Notes of the Issuer). In this respect, see "*—The terms of the Notes contain very limited covenants and no negative pledge, and the Issuer is not prohibited from incurring additional debt*".

In addition, if the Issuer enters into resolution, its eligible liabilities (including the Senior Non Preferred Notes) will be subject to bail-in, meaning potential write-down or conversion into equity securities or other instruments, in the order of priority that would apply in judicial liquidation proceedings. Because senior non preferred obligations such as the Senior Non Preferred Notes rank junior to senior preferred obligations, the Senior Non Preferred Notes would be written down or converted in full before any of the Issuer's senior preferred obligations (including any Senior Preferred Notes and any senior notes issued prior to the date of entry into force of the Senior Non Preferred Law) are written down or converted. See "*—The Notes and the Guarantees may be subject to write-down, variation, suspension or conversion to equity either in the context of, or outside of, a resolution procedure applicable to the Bank*" above.

As a consequence, holders of the Senior Non Preferred Notes bear significantly more risk than holders of senior preferred obligations (such as the Senior Preferred Notes), and could lose all or a significant part of their investments if the Issuer were to enter into resolution or judicial liquidation proceedings.

The qualification of the Senior Non Preferred Notes as MREL and TLAC is subject to uncertainty.

The Senior Non Preferred Notes are intended to qualify as MREL/TLAC-eligible instruments under the applicable MREL and TLAC regulations. However, there is uncertainty regarding the final substance of the applicable MREL/TLAC regulations, and the Issuer cannot provide any assurance that the Senior Non Preferred Notes will be or remain MREL/TLAC-eligible instruments.

"**MREL**" refers to the "minimum requirement for own funds and eligible liabilities" for banking institutions under the BRRD, set in accordance with Article 45 of the BRRD (as transposed in Article L.613-44 of the French Monetary and Financial Code) and Commission Delegated Regulation (EU) 2016/1450 of May 23, 2016, or any successor requirement.

"**TLAC**" refers to "total loss-absorbing capacity," a concept under which global systemically important banks ("**G-SIBs**"), such as the BNP Paribas Group, are expected to be required to maintain a minimum amount of TLAC-eligible instruments that rank junior to certain priority liabilities (including deposits and derivatives). The TLAC concept is set forth in a term sheet published by the Financial Stability Board on November 9, 2015 (the "**FSB TLAC Term Sheet**").

On November 23, 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including CRD IV, CRR, BRRD and the Single Resolution Mechanism. If adopted, these legislative proposals would, among other things, give effect to the FSB TLAC Term sheet and modify the requirements applicable to MREL. The European and French laws and regulations that will implement TLAC may turn out to be more restrictive than the provisions set forth in the FSB TLAC Term Sheet.

In addition, the requirements for an instrument to be TLAC-eligible and MREL-eligible may not ultimately converge or be consistent under the final European laws and regulations.

Because of the uncertainty surrounding the substance of the final European and French laws and regulations implementing the TLAC requirements and any potential changes to the regulations giving effect to MREL, the Issuer cannot provide any assurance that the Senior Non Preferred Notes will ultimately qualify as MREL/TLAC-eligible instruments pursuant to applicable MREL/TLAC regulations. If they do not qualify as MREL/TLAC-eligible instruments (or if they initially qualify and subsequently become ineligible due to a change in applicable MREL/TLAC regulations), then a MREL/TLAC Disqualification Event will occur, as a result of which

the terms of the Senior Non Preferred Notes may be varied or the Senior Non Preferred Notes may be substituted (see "*—The Senior Non Preferred Notes may be subject to substitution and alignment without Noteholder consent*").

The Senior Non Preferred Notes may be subject to substitution and variation without Noteholder consent.

Subject as provided herein, in particular to the provisions of Condition 5(n) (*Substitution and Variation of Senior Non Preferred Notes*) if a MREL/TLAC Disqualification Event has occurred and is continuing, the Issuer may, at its option, substitute all (but not some only) of the relevant Series of Senior Non Preferred Notes or vary the terms of all (but not some only) of the relevant Series of Senior Non Preferred Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Notes. While Qualifying Notes generally must contain terms that are at least as favorable to Noteholders as the original terms of the Senior Non Preferred Notes, there can be no assurance that the terms of any Qualifying Notes will be viewed by the market as equally favorable, or that the Qualifying Notes will trade at prices that are equal to the prices at which the Senior Non Preferred Notes would have traded on the basis of their original terms.

The ranking of Senior Non Preferred Notes may change to Senior Preferred Notes without consent from Noteholders.

In accordance with the Terms and Conditions of the Notes, if specified as applicable in the applicable supplement and a MREL/TLAC Criteria Event (as defined in Condition 5(o) (*Variation of ranking following a MREL/TLAC Criteria Event*) has occurred and is continuing in respect of a Series of Senior Non Preferred Notes, the Fiscal and Paying Agent and the Issuer may agree, subject to the prior approval of the Relevant Regulator (to the extent required), without the consent of the Noteholders to (i) vary the ranking of such Series of Senior Non Preferred Notes to Senior Preferred Notes or (ii) substitute all (but not some only) of such Series of Senior Non Preferred Notes for Senior Preferred Notes on substantially similar terms to those of the relevant Series of Senior Non Preferred Notes (and not otherwise materially less favourable to the Noteholders), except for the ranking of such Series of Senior Non Preferred Notes. Noteholders should also be aware that, the Issuer may, at its option, early redeem all (but not some only) of the relevant Series of Senior Non Preferred Notes subject to the prior approval of the Relevant Regulator (to the extent required) (see "*—The Senior Non Preferred Notes may be redeemed at the option of the Issuer upon the occurrence of a MREL/TLAC Disqualification Event or a MREL/TLAC Criteria Event*" below).

Noteholders should carefully consider the possibility that the ranking of Senior Non Preferred Notes may be changed without their consent before investing in Senior Non Preferred Notes.

The Senior Non Preferred Notes may be redeemed at the option of the Issuer upon the occurrence of a MREL/TLAC Disqualification Event or a MREL/TLAC Criteria Event.

The Issuer may, subject to the prior approval of the Relevant Regulator (to the extent required), redeem a Series of Senior Non Preferred Notes in whole, but not in part, at the applicable Early Redemption Amount, together with interest accrued to the date fixed for redemption upon the occurrence of a MREL/TLAC Disqualification Event or (if specified as applicable in the applicable supplement) a MREL/TLAC Criteria Event.

The early redemption feature upon the occurrence of a MREL/TLAC Disqualification Event or (if specified as applicable in the applicable supplement) a MREL/TLAC Criteria Event may limit the market value of the Senior Non Preferred Notes. During any period when the Issuer may elect to redeem the Senior Non Preferred Notes, the market value of the Senior Non Preferred Notes generally will not rise substantially above the price at which they can be redeemed.

In addition, holders will not receive a make-whole amount or any other compensation in the case of an early redemption of Senior Non Preferred Notes. If the Issuer redeems the Senior Non Preferred Notes in any of the circumstances mentioned above, there is a risk that the Senior Non Preferred Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Senior Non Preferred Notes or when prevailing interest rates may be relatively low, in which latter case holders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

There are no events of default under the Senior Non Preferred Notes.

The terms and conditions of the Senior Non Preferred Notes, do not provide (starting from the Optional Conversion Date or the Automatic Conversion Date, as the case may be, in the case of Senior Preferred to Senior Non Preferred Notes) for events of default allowing for the acceleration of the Senior Non Preferred Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Senior Non Preferred Notes, including the payment of any interest, Holders will not be able to accelerate the payment of principal. Upon a payment default, the sole remedy available to holders of the Senior Non Preferred Notes for recovery of amounts owing in respect of any payment of principal or interest on such Senior Non Preferred Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been Senior Non Preferred, payable by it.

The risks associated with Senior Preferred to Senior Non Preferred Notes will increase after the Optional Conversion Date or the Automatic Conversion Date, as the case may be.

If the Notes are Senior Preferred to Senior Non Preferred Notes (optional conversion) or Senior Preferred to Senior Non Preferred Notes (automatic conversion), the Notes will upon issue be Senior Preferred Notes but will automatically be converted into Senior Non Preferred Notes on the date set out in the applicable supplement or the Issuer may elect to convert the Notes into Senior Non Preferred Notes. Notice will not be given to Noteholders on such automatic conversion date.

Potential investors should be aware that upon conversion these Notes will bear increased risks compared to Senior Preferred Notes, see "*—The Senior Non Preferred Notes are senior Non Preferred obligations and are junior to certain obligations*".

Additional Risks relating to Subordinated Notes

The Subordinated Notes are subordinated obligations and are junior to certain obligations.

The Issuer's obligations under the Subordinated Notes are unsecured and subordinated and will rank junior in priority of payment to unsubordinated creditors (including depositors) of the Issuer.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the payment obligations of the Issuer under the Subordinated Notes will be subordinated to the payment in full of the unsubordinated creditors of the Issuer and, as from the Existing Subordinated Notes Redemption Event, to the Eligible Creditors of the Issuer. In the event of incomplete payment of unsubordinated creditors on the liquidation of the Issuer, the obligations of the Issuer in connection with the Subordinated Notes will be terminated by operation of law. There is a substantial risk that investors in subordinated notes such as the Subordinated Notes will lose all or some of their investment should the Issuer become insolvent.

There are no events of default under the Subordinated Notes.

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

The Subordinated Notes are subject to early redemption upon the occurrence of certain events.

Subject as provided herein, in particular to the provisions of Condition 5(m) (*Conditions to Redemption of Subordinated Notes Prior to Maturity Date*) included in this prospectus supplement, the Issuer may, at its option

(subject to approval by the Relevant Regulator), redeem all, but not some only, of the Subordinated Notes at any time at their outstanding principal amount plus accrued and unpaid interest, upon the occurrence of a Capital Event, Withholding Tax Event, Gross-Up Event or Tax Deduction Event (each a "**Special Event**").

The early redemption feature upon the occurrence of a Special Event may limit the market value of the Subordinated Notes. During any period when the Issuer may elect to redeem the Subordinated Notes, the market value of the Subordinated Notes generally will not rise substantially above the price at which they can be redeemed.

In addition, holders will not receive a make-whole amount or any other compensation in the case of an early redemption of Subordinated Notes. If the Issuer redeems the Subordinated Notes in any of the circumstances mentioned above, there is a risk that the Subordinated Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Subordinated Notes or when prevailing interest rates may be relatively low, in which latter case holders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

SELECTED FINANCIAL DATA

The following tables present selected financial data concerning the Group as of and for the years ended December 31, 2017, 2016, 2015, 2014 and 2013. The financial data presented below has been derived from, and should be read in conjunction with, the audited consolidated financial statements of the Group as of and for the years ended December 31, 2017, December 31, 2016, December 31, 2015 and December 31, 2014, including (in the last case) comparative columns for the year ended December 31, 2013. Such financial statements, which are either incorporated by reference to this prospectus supplement or available at www.invest.bnpparibas.com, were prepared in accordance with IFRS as adopted by the European Union. We draw your attention to the fact that selected financial data as of and for the years ended December 31, 2014 and 2013 have been restated (as specified in the footnotes to the tables below) due to changes in IFRS.

BNP Paribas Group

(in millions of euros, except share data)	Year ended December 31,				
Income Statement (EU-IFRS)	**2017**	**2016**	**2015**	**2014[1]**	**2013[2]**
Net interest income	21,774	22,376	22,553	20,319	19,451
Net commission income................................. .	7,454	7,202	7,615	7,388	6,845
Net gain on financial instruments at fair value through profit or loss...................................... .	5,733	6,189	6,054	4,631	4,602
Net gain on available-for-sale financial assets and other financial assets not measured at fair value	2,338	2,211	1,485	1,969	1,626
Net income from other activities....................	5,862	5,433	5,231	4,861	4,762
Revenues..	**43,161**	**43,411**	**42,938**	**39,168**	**37,286**
Operating expense and depreciation	(29,944)	(29,378)	(29,254)	(26,524)	(25,317)
Gross operating income................................	**13,217**	**14,033**	**13,684**	**12,644**	**11,969**
Cost of risk...	(2,907)	(3,262)	(3,797)	(3,705)	(3,643)
Costs related to the comprehensive settlement with U.S. authorities	-	–	(100)	(6,000)	(798)
Operating income..	**10,310**	**10,771**	**9,787**	**2,939**	**7,528**
Share of earnings of associates	713	633	589	407	537
Net gain on non-current assets........................	488	(12)	996	155	287
Change in value of goodwill...........................	(201)	(182)	(993)	(351)	(251)
Income taxes	(3,103)	(3,095)	(3,335)	(2,643)	(2,680)
Minority interests..	448	413	350	350	603
Net income attributable to equity holders...	**7,759**	**7,702**	**6,694**	**157**	**4,818**
Basic earnings per share	6.05	6.00	5.14	(0.07)	3.68
Diluted earnings per share	6.05	6.00	5.13	(0.07)	3.67

(1) Restated according to the IFRIC 21 interpretation. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in Chapter 4 of the Bank's 2015 Registration Document, incorporated by reference herein.

(2) Restated according to IFRS 10 and 11 and the amendment to IAS 32. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in Chapter 4 of the Bank's 2014 registration document (*Document de reference et rapport financier annuel*) published by the Bank on March 6, 2015 (the "**2014 Registration Document**") and accessible on its website (www.bnpparibas.com).

BNP Paribas Group Balance Sheet (EU-IFRS)	At December 31, 2017	At December 31, 2016	At December 31, 2015	At December 31, 2014[(1)]	At December 31, 2013[(2)]
(in millions of euros)					
Assets					
Cash and amounts due from central banks and post office banks	178,446	160,400	134,547	117,473	100,787
Financial assets at fair value through profit or loss..					
Trading securities............................	119,452	123,679	133,500	156,546	157,735
Loans and repurchase agreements......................................	143,558	152,242	131,783	165,776	152,036
Instruments designated at fair value through profit or loss.............	96,932	87,644	83,076	78,827	68,185
Derivative financial instruments	230,230	328,162	336,624	412,498	305,755
Derivatives used for hedging purposes ..	13,756	18,133	18,063	19,766	8,368
Available-for-sale financial assets ..	231,975	267,559	258,933	252,292	199,056
Loans and receivables due from credit institutions	45,670	47,411	43,427	43,348	57,545
Loans and receivables due from customers..	727,675	712,233	682,497	657,403	612,455
Remeasurement adjustment on interest-rate risk hedged portfolios	3,064	4,664	4,555	5,603	3,568
Held-to-maturity financial assets	4,792	6,100	7,757	8,965	9,881
Current and deferred tax assets.............	6,568	7,966	7,865	8,628	8,850
Accrued income and other assets....	107,211	115,967	108,018	110,088	88,656
Policyholders' surplus reserve					-
Equity-method investments	6,812	6,910	6,896	7,371	6,561
Investment property..............................	7,065	1,911	1,639	1,614	1,772
Property, plant and equipment	24,148	22,523	21,593	18,032	16,929
Intangible assets....................................	3,327	3,239	3,104	2,951	2,537
Goodwill...	9,571	10,216	10,316	10,577	9,846
Total Assets	**1,960,252**	**2,076,959**	**1,994,193**	**2,077,758**	**1,810,522**

(1) Restated according to the IFRIC 21 interpretation. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in Chapter 4 of the Bank's 2015 Registration Document, incorporated by reference herein.

(2) Restated according to IFRS 10 and 11 and the amendment to IAS 32. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in Chapter 4 of the Bank's 2014 Registration Document.

BNP Paribas Group **Balance Sheet (EU-IFRS)**	**At December 31, 2017**	**At December 31, 2016**	**At December 31, 2015**	**At December 31, 2014[(1)]**	**At December 31, 2013[(2)]**
(in millions of euros)					
Liabilities and Shareholders' Equity					
Due to central banks and post office banks	1,471	233	2,385	1,680	662
Financial liabilities at fair value through profit or loss...					
Trading securities	69,313	70,326	82,544	78,912	69,792
Borrowings and repurchase agreements	172,147	183,206	156,771	196,733	202,662
Instruments designated at fair value through profit or loss	53,441	54,076	53,118	57,632	47,342
Derivative financial instruments........	228,019	318,740	325,828	410,250	301,439
Derivatives used for hedging purposes ...	15,682	19,626	21,068	22,993	12,139
Due to credit institutions........................	76,503	75,660	84,146	90,352	84,594
Due to customers	766,890	765,953	700,309	641,549	553,497
Debt securities	148,156	153,422	159,447	187,074	186,686
Remeasurement adjustment on interest-rate risk hedged portfolios	2,372	4,202	3,946	4,765	924
Current and deferred tax liabilities..........	2,466	3,087	2,993	2,920	2,477
Accrued expenses and other liabilities....	86,135	99,407	88,629	87,722	78,381
Technical reserves of insurance companies	203,436	193,626	185,043	175,214	155,226
Provisions for contingencies and charges	11,061	11,801	11,345	12,337	11,922
Subordinated debt	15,951	18,374	16,544	13,936	11,824
Minority interests in consolidated subsidiaries	5,226	4,555	3,808	4,231	3,522
Shareholders' equity (group share).........	101,983	100,665	96,269	89,458	87,433
Total Liabilities and Shareholders' Equity..	**1,960,252**	**2,076,959**	**1,994,193**	**2,077,758**	**1,810,522**

(1) Restated according to the IFRIC 21 interpretation. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in Chapter 4 of the Bank's 2015 Registration Document, incorporated by reference herein.

(2) Restated according to IFRS 10 and 11 and the amendment to IAS 32. For further information, see notes 1.a and 2 to the Bank's consolidated financial statements appearing in Chapter 4 of the Bank's 2014 Registration Document.

BNP Paribas Group Capital Ratios (EU-IFRS)	**At December 31,**				
	2017	**2016**	**2015**	**2014**	**2013**
Total ratio (phased-in)[1]	14.8%	14.5%	13.6%	12.6%	12.5%
Tier 1 ratio (phased-in)[1]	13.2%	12.9%	12.2%	11.5%	11.7%
Common Equity Tier 1 (CET1) Ratio (phased-in) [1]	11.9%	11.6%	11.0%	10.5%	10.5%
Common Equity Tier 1 (CET1) Ratio (fully-loaded)[2]	11.8%	11.5%	10.9%	10.3%	10.3%
Risk-weighted assets (in billions of euros)	641	638	630	614	622

(1) A phased-in ratio means a ratio that is determined on the basis of certain transitional rules that will apply over time.

(2) A "fully-loaded" ratio means a ratio that fully takes into account regulatory requirements that are to be phased-in during future periods, and that therefore are not currently applicable.

CAPITALIZATION AND MEDIUM-TO-LONG TERM INDEBTEDNESS OF THE GROUP

The following table sets forth the consolidated capitalization and medium to long term indebtedness (i.e., of which the unexpired term to maturity is more than one year) of the Group as of March 31, 2018 and December 31, 2017, using the Group's accounting method.

Except as set forth in this section, there has been no material change in the capitalization of the Group since March 31, 2018.

(*in millions of euros*)	As of March 31, 2018 (unaudited)	As of December 31, 2017 (audited)
Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)[1]		
Senior preferred debt at fair value through profit or loss	35,543	36,278
Senior preferred debt at amortized cost	49,710	52,154
Total Senior Preferred Debt	**85,253**	**88,432**
Senior non preferred debt at amortized cost	16,715	10,964
Total Senior Non Preferred Debt	**16,715**	**10,964**
Redeemable subordinated debt at amortized cost	14,242	13,357
Undated subordinated notes at amortized cost[2]	1,581	1,593
Undated participating subordinated notes at amortized cost[3]	222	222
Redeemable subordinated debt at fair value through profit or loss	120	122
Perpetual subordinated notes at fair value through profit or loss[4]	669	669
Preferred shares and equivalent instruments[5]	8,164	8,172
Total Subordinated Debt	**24,997**	**24,135**
Issued capital[6]	2,500	2,498
Additional paid-in capital	24,541	24,553
Retained earnings	59,400	59,861
Unrealized or deferred gains and losses attributable to Shareholders	992	3,130
Total Shareholders' Equity and Equivalents (net of proposed dividends)	**87,433**	**90,042**
Minority interests (net of proposed dividends)	5,092	5,127
Total Capitalization and Medium-to-Long Term Indebtedness	**219,490**	**218,700**

Notes:

1) Medium and long term debt (i.e., of which the unexpired term to maturity is more than one year) presented in the table above using the Group's accounting method does not include the following items: interbank items and customer term deposits. All medium and long term senior preferred debt of the Issuer ranks equally with deposits and senior to the new category of senior non preferred debt first issued by the Issuer in January 2017. The subordinated debt of the Issuer is subordinated to all of its senior debt (including both senior preferred and senior non preferred debt). The Issuer 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 at December 31, 2016, CAD = 1.415, GBP = 0.855, CHF = 1.072, HKD = 8.170, JPY = 122.984, USD = 1.053

Euro against foreign currency as at December 31, 2017, CAD =1.506, GBP = 0.889, CHF =1.171, HKD = 9.387, JPY = 135.303, USD =1.201.

Euro against foreign currency as at March 31, 2018, CAD =1.588, GBP = 0.878, CHF = 1.176, HKD =9.672, JPY = 130.917, USD =1.232.

2) As at March 31, 2018, the remaining subordinated debt included €476 million of undated floating-rate subordinated notes (TSDIs) and €1,111 million of other undated subordinated notes which include €1,000 million of undated subordinated notes issued by BNP Paribas Cardif in November 2014.

3) Undated participating subordinated notes issued by BNP SA in July 1984 for a total amount of €337 million are redeemable only in the event of the liquidation of the Issuer, but may be redeemed in accordance with the terms specified in the French law of January 3, 1983. The number of notes outstanding as at December 31, 2017 was 1,434,092 amounting to approximately €215 million. Payment of interest is obligatory, but the Board of Directors may postpone interest payments if the Ordinary General Meeting of shareholders held to approve the financial statements notes that there is no income available for distribution. Additionally, as at December 31, 2017, there were 28,698 undated participating subordinated notes issued by Fortis Banque France (amounting to approximately €4 million) and 6,773 undated participating subordinated notes issued by Banque de Bretagne (amounting to approximately €2 million) outstanding; both entities have since been merged into BNP Paribas.

4) Subordinated debt corresponds to an issue of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) made by Fortis Bank SA/NV (now acting in Belgium under the commercial name BNP Paribas Fortis) in December 2007, for an initial nominal amount of €3 billion, which has now been reduced to an outstanding nominal amount of €948 million corresponding to a market value of €669 million at December 31, 2017. 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 Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price per Ageas share of €239.40. However, as of 19 December 2014, the CASHES are subject to automatic exchange into Ageas shares if the price of Ageas shares is equal to or higher than €359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.

On May 7, 2015, BNP Paribas and Ageas reached an agreement which allows BNP Paribas to purchase outstanding CASHES subject to the condition that these are converted into Ageas shares, leading to a proportional settlement of the RPN. The agreement between Ageas and BNP Paribas expired on December 31, 2016 and has not been renewed.

On July 24, 2015, BNP Paribas obtained a prior agreement from the European Central Bank permitting it to purchase outstanding CASHES up to a nominal amount of €200 million. In 2016, BNP Paribas used such agreement to purchase €164 million outstanding CASHES, converted into Ageas shares.

On July 8, 2016, BNP Paribas obtained a new agreement from the European Central Bank which superseded the prior agreement permitting it to purchase outstanding CASHES up to a nominal amount of €200 million. BNP Paribas requested the cancellation of this agreement from the European Central Bank and the European Central Bank approved such cancellation in August 2017.

As at March 31, 2018, the subordinated liability is eligible to Tier 1 capital for €205 million (considering both the transitional period and the cancellation of the aforementioned agreement).

5) Consists of numerous issuances by BNP Paribas in various currencies (i) over the 2005-2009 period, of undated deeply subordinated non-cumulative notes and (ii) since 2015, of perpetual fixed rate resettable additional tier 1 notes. The details of the debt instruments recognized as capital, as well as their characteristics, as required by Implementing Regulation No. 1423/2013, are available in the BNP Paribas Debt section of the Issuer's investor relations website at www.invest.bnpparibas.com.

6) At December 31, 2017, the Issuer's share capital stood at €2,497,718,772 divided into 1,248,859,386 shares with a par value of €2 each.

THE BANK AND THE GROUP

The BNP Paribas Group (of which the Issuer is the parent company) is a European leading provider of banking and financial services. It has four domestic retail banking markets in Europe, namely France, Belgium, Italy and Luxembourg.

The Group operates in 73 countries and has more than 196,000 employees, including approximately 149,000 in Europe. It holds key positions in its two main businesses:

- Retail Banking and Services, which includes:
  - Domestic Markets, comprising:
    - French Retail Banking (FRB),
    - BNL banca commerciale (BNL bc), Italian retail banking,
    - Belgian Retail Banking (BRB),
    - Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);
  - International Financial Services, comprising:
    - Europe-Mediterranean,
    - BancWest,
    - Personal Finance,
    - Insurance,
    - Wealth and Asset Management;
- Corporate and Institutional Banking (CIB):
  - Corporate Banking,
  - Global Markets,
  - Securities Services.

At March 31, 2018, the Group had consolidated assets of €2,150.5 billion and shareholders' equity (Group share including income for the first three months of 2018) of €100.1 billion.

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

For detailed information about the Bank and the Group, see the 2017 Registration Document and the First Update to the 2017 Registration Document relating to the Bank and the Group, which were filed with the French *Autorité des marchés financiers* on March 6, 2018 and May 4, 2018 respectively, and which are incorporated by reference in this prospectus supplement. See "*Documents Deemed to be Incorporated by Reference*."

In addition, the following recent development is noted: on May 8, 2018, First Hawaiian, Inc ("FHI"), a subsidiary of BNP Paribas, announced the pricing of a new secondary offering of shares of its common stock comprising 15.3 million shares or 10.96% of FHI's common stock, to be sold by an affiliate of BNP Paribas representing an aggregate public offering price of approximately U.S.$422 million. In addition to the secondary offering, FHI purchased approximately 3 million of its own shares from the same affiliate of BNP Paribas for a total

amount of U.S.$81.8 million. Following these transactions, BNP Paribas will hold 49.9% of FHI's common stock (or 48.8% if the underwriters exercise the option to purchase additional shares in full). After the completion of the secondary offering, BNP Paribas will continute to fully consolidate FHI in its financial statements.

THE BRANCH

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

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

Banking Activities

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

New York State Law

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

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

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

The Branch is generally subject to 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 Bank's worldwide capital.

U.S. Federal Law

In addition to being subject to New York laws and regulations, the Branch is also subject to U.S. federal regulation primarily under the International Banking Act of 1978, as amended (the "**IBA**"), including the amendments to the IBA made pursuant to the Foreign Bank Supervision Enhancement Act of 1991 (the "**FBSEA**"). Under the IBA, as amended by the FBSEA, all U.S. branches of foreign banks, such as the Branch, are subject to

reporting and examination requirements of the Federal Reserve Board similar to those imposed on domestic banks that are owned or controlled by U.S. bank holding companies, and most U.S. branches and agencies of foreign banks, including the Branch, are subject to reserve requirements on deposits, although restrictions on the payment of interest on demand deposits were removed under the Dodd-Frank Act, effective July 2011. In addition, by reason of the conduct of banking activities in the United States (including through the Branch), BNP Paribas is also subject to reporting to, and supervision and examination by, the Federal Reserve Board in its capacity as the Bank's U.S. "umbrella supervisor."

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

Among other things, the IBA provides that a state-licensed branch of a foreign bank (such as the Branch) may not engage in any type of activity that is not permissible for a federally-licensed branch or agency of a foreign bank unless the Federal Reserve Board has determined that such activity is consistent with sound banking practice. A state-licensed branch must also comply with the same single borrower (or issuer) lending and investment limits applicable to national banks. These limits are based on the foreign bank's worldwide capital and, in the case of a foreign bank with multiple U.S. branches or agencies (such as BNP Paribas), the foreign bank must aggregate the business of all of its U.S. branches and agencies in determining compliance with these limits. Under the Dodd-Frank Act, the lending limits applicable to the Branch include credit exposures that arise from derivative transactions, repurchase (and reverse repurchase) agreements, and securities lending (and securities borrowing) transactions with a counterparty. The Dodd-Frank Act also includes "push-out" provisions that could necessitate a restructuring of how BNP Paribas conducts certain structured finance swaps that are not entered into for hedging or risk mitigation purposes through the Branch. BNP Paribas and other U.S. and non-U.S. banking organizations that did not submit a request for a transition period for conformance with the requirements for the "push-out" provisions were required to comply with those provisions by July 2013. The Branch is also subject to certain quantitative limits and qualitative restrictions on the extent to which it may lend to or engage in certain other transactions with affiliates engaged in certain securities, insurance and merchant banking activities in the United States. In general, these transactions must be on terms that would ordinarily be offered to unaffiliated entities, and are subject to volume limits; such transactions that involve extensions of credit must be secured by designated amounts of specified collateral.

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

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

Under the BHCA, BNP Paribas is required to obtain the prior approval of the Federal Reserve Board before acquiring, directly or indirectly, the ownership or control of more than 5% of any class of voting securities (or "control") of any U.S. bank, bank holding company or certain other types of U.S. depository institution or

depository institution holding company. Under federal banking law and regulations issued by the Federal Reserve Board, the Branch is also restricted from engaging in certain "tying" arrangements involving products and services.

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

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

Recent Financial Regulatory Reform

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

The Dodd-Frank Act provides regulators with tools to impose heightened capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk and bank holding companies with greater than U.S.$50 billion in assets. In February 2014, the Federal Reserve Board adopted regulations that impose enhanced prudential standards on the U.S. operations of certain large foreign banking organizations, such as BNP Paribas. In particular, under these regulations, the Branch and the combined U.S. operations of BNP Paribas are subject to liquidity requirements, risk management and governance requirements, and, in certain circumstances, asset maintenance requirements as well as other prudential requirements. In addition, in compliance with these regulations, the Branch's parent, BNP Paribas, was required to create or designate a separately capitalized top-tier U.S. intermediate holding company ("**IHC**") to hold most or all of its direct and indirect U.S. subsidiaries. The Bank's IHC, BNP Paribas USA, Inc., must comply with risk-based and leverage capital requirements (including many elements of the Basel III framework as implemented by U.S. federal banking regulators in July 2013), liquidity requirements, long-term debt requirements, supervisory stress testing and capital planning requirements as well as other enhanced prudential requirements on a consolidated basis. On April 10, 2018, the Federal Reserve Board issued a proposal that would, among other things, replace an IHC's

current fixed capital conservation buffer with an institution-specific risk-based "stress capital buffer" ("**SCB**") and introduce a new stress Tier 1 leverage buffer requirement ("**SLB**"). Under the proposal, the SCB and SLB would be recalibrated annually based on the IHC's projected losses under the severely adverse stress scenario in the Federal Reserve Board's supervisory stress tests. The proposal could increase capital requirements and associated compliance burden for IHCs.

In addition, on March 4, 2016, the Federal Reserve Board re-proposed single counterparty credit limits that would apply to both the U.S. IHCs and the combined U.S. operations (including U.S. branch operations) of systemically important foreign banking organizations (such as the Bank). Under proposals that remain under consideration, the IHC and the combined U.S. operations of the Bank may become subject to limits on credit exposures to any single counterparty, and the combined U.S. operations of the Bank may also become subject to an early remediation regime which could be triggered by risk-based capital, leverage, stress tests, liquidity, risk management and market indicators. The Federal Reserve Board has also indicated that it is considering future rulemakings that could apply the U.S. rules implementing the Basel III liquidity coverage ratio and net stable funding ratio to the combined U.S. operations (including U.S. branch operations) of certain large foreign banking organizations. The scope and timing for the implementation of these liquidity requirements as well as additional expected changes to the capital and stress testing requirements remains uncertain.

In addition to the increased capital, liquidity, and other enhanced prudential and structural requirements described above, large international banks, such as BNP Paribas (generally with regard to its U.S. operations), and certain insured depository institutions, such as Bank of the West, are required to file resolution plans identifying material subsidiaries and core business lines and describing what strategy would be followed to resolve the institution in the event of significant financial distress, including identifying how insured bank subsidiaries would be adequately protected from risk created by other affiliates. The failure to cure deficiencies in a resolution plan would enable the Federal Reserve Board and the FDIC, acting jointly, to impose more stringent capital, leverage or liquidity requirements, or restrictions on growth, activities or operations and, if such failure persists, require the divestiture of assets or operations.

In March 2015, the Federal Reserve Board and FDIC completed their reviews of the resolution plan submitted by BNP Paribas in 2014. The FDIC Board of Directors determined pursuant to section 165(d) of the Dodd-Frank Act that BNP Paribas' 2014 plan is not credible and does not facilitate an orderly resolution under the U.S. bankruptcy code. The Federal Reserve Board determined that BNP Paribas must take immediate action to improve its resolvability and reflect those improvements in its 2015 plan. Although the agencies noted some improvements from the original plan submitted in 2013, they jointly identified specific shortcomings with the 2014 resolution plan to be addressed in the 2015 submission. BNP Paribas submitted its updated resolution plan by the December 31, 2015 deadline and is awaiting the results of the Federal Reserve Board and the FDIC's review.

The Dodd-Frank Act also established a new U.S. regulatory regime for swaps and security-based swaps (generically referred to in this paragraph as "swaps"). Among other things, the Dodd-Frank Act provides the Commodity Futures Trading Commission (the "**CFTC**") and the SEC with jurisdiction and regulatory authority over swaps, requires the establishment of a comprehensive registration and regulatory framework applicable to swap dealers, such as BNP Paribas, and major swap participants, requires many types of swaps to be cleared and traded on an exchange or executed on swap execution facilities, requires swap market participants to report all swap transactions to swap data repositories and imposes capital, margin, business conduct, recordkeeping and other requirements on swap dealers and major swap participants. In late 2015, the Federal Reserve Board and other U.S. banking regulators finalized margin requirements applicable to uncleared swaps and security-based swaps entered into by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants that are regulated by one of the U.S. banking regulators, including the Bank. These margin requirements, which began to come into effect in phases beginning in September 2016, require the Bank to post and collect additional, high-quality collateral for certain transactions, increasing the costs of uncleared swaps and security-based swaps offered by the Bank to its customers who are "U.S. persons" as defined under the rules which apply globally. The CFTC also finalized rules in 2016 that will require additional interest rate swaps to be cleared, which are expected to come into effect in phases based on the implementation of parallel clearing requirements in non-U.S. jurisdictions and in any event by October 2018, and has also proposed rules that would apply position limits to certain physical commodity swaps. The U.S. Securities and Exchange Commission also finalized rules in 2015 and 2016 regarding the registration of security-based swap dealers and major security-based swap participants,

business conduct and trade acknowledgment and verification requirements for such entities, and obligations relating to transparency and mandatory reporting of security-based swap transactions. Further rules and regulations are expected in 2018 and 2019 to complete this regulatory framework. The scope and timing for the implementation of these requirements, and therefore their impact on the Bank's swap business, is difficult to predict at this stage. Although many swaps requirements are already in effect, the details of many of these requirements will be established through future rulemakings.

The Dodd-Frank Act also contains the so-called "Volcker Rule" limitations on proprietary trading and sponsorship of or investment in hedge funds or private equity funds, subject to certain exemptions. For non-U.S. banking entities, these exemptions include certain activity conducted outside the United States that meet specific criteria. Final regulations implementing the Volcker Rule were issued in December 2013. Financial institutions subject to the rule, such as BNP Paribas, were generally required to bring their activities and investments into compliance and implement a specific compliance program by July 2015. However, the Federal Reserve Board extended the Volcker Rule's general conformance period for investments in and relationships with covered funds and certain foreign funds that were in place on or prior to December 31, 2013 until July 21, 2017. In June 2017, the Federal Reserve Board granted the Bank an extended transition period to conform investments in certain illiquid funds under the Volcker Rule for an additional five years (i.e., until July 21, 2022). This extension of the conformance period did not apply to the Volcker Rule's prohibitions on proprietary trading or to any investments in and relationships with covered funds made or entered into after December 31, 2013. The Volcker Rule's implementing regulations are highly complex and may be subject to further regulatory amendments, interpretation and guidance, and its full impact will not be known with certainty for some time. Further implementation efforts may be necessary based on subsequent regulatory interpretations, guidelines, or examinations.

In July 2013, the Federal Reserve Board, the FDIC and the Office of the Comptroller of the Currency (the "**OCC**") released final capital rules that overhaul the existing U.S. bank regulatory capital rules and implement the Basel III framework and certain provisions of the Dodd-Frank Act. The final rules are largely consistent with the Basel III framework published by the Basel Committee on Banking Supervision ("**BCBS**"), although they diverge in several important respects due to requirements of the Dodd-Frank Act and do not address other, more recent aspects of the Basel III framework. On September 3, 2014, the Federal Reserve Board, the OCC and the FDIC issued a final rule to introduce the Basel III liquidity coverage ratio ("**LCR**") in the U.S., applicable to certain large U.S. banking organizations. The final U.S. LCR rule took full effect on January 1, 2017 and is generally consistent with the LCR published by BCBS in January 2013, but is stricter in certain respects. On June 1, 2016, the Federal Reserve Board, the OCC and the FDIC proposed rules implementing the second element of the Basel III liquidity framework, the net stable funding ratio ("**NSFR**"), which measures whether an institution maintains sufficiently stable amounts of long-term funding. In future separate rulemakings, the Federal Reserve Board may apply the U.S. LCR and NSFR requirements to the U.S. operations of certain large foreign banking organizations.

On December 15, 2016, the Federal Reserve Board issued final rules that implement in the United States the Financial Stability Board's standards for a TLAC framework. The final rules require, among other things, the Bank's U.S. IHC to maintain minimum levels of TLAC, consisting of the IHC's Tier 1 capital plus a minimum amount of long-term debt satisfying certain eligibility criteria, and a related TLAC buffer. The Bank will be subject to these requirements commencing January 1, 2019. The Bank's U.S. IHC will be required to issue this long-term debt internally to any foreign affiliate that is wholly-owned, directly or indirectly, by the Bank, for so long as the Bank maintains a single-point-of-entry resolution strategy. The rule also imposes limitations on the types of financial transactions in which the Bank's IHC may engage.

On March 22, 2013, the OCC, the Federal Reserve Board, and the FDIC jointly issued supervisory guidance on leveraged lending (the "**Guidance**"). The goals of the Guidance include helping financial institutions properly evaluate and monitor underwritten credit risks in leveraged loans, understand the effect of changes in borrowers' enterprise values on credit portfolio quality, assess the sensitivity of future credit losses to changes in enterprise values, and to strengthen their risk management frameworks so that leveraged lending activities do not heighten risk in the banking system or the broader financial system. The Guidance generally applies to all banking organizations supervised by the OCC, FDIC and Federal Reserve Board, including national and state-chartered banks, savings associations, bank holding companies, and the U.S. branches and agencies of foreign banks, including BNP Paribas. On November 7, 2014, the same agencies issued a frequently asked questions document regarding the applicability and implementation of the Guidance indicating that the standards for underwriting and

arranging loan transactions that can be classified as leveraged lending may receive increased scrutiny. This heightened standard of scrutiny could negatively impact BNP Paribas' ability to underwrite and originate leveraged lending transactions.

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

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

Anti-Money Laundering and Economic Sanctions

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

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

GOVERNMENTAL SUPERVISION AND REGULATION OF BNP PARIBAS IN FRANCE

The French Banking System

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

Regulatory and Supervisory Bodies

Banking Authorities

The French Monetary and Financial Code (*Code monétaire et financier*) as well as directly applicable EU regulations, together with guidelines issued by competent EU and French authorities, set forth the conditions under which credit institutions, including banks, may operate. The French Monetary and Financial Code vests related supervisory and regulatory powers in certain administrative authorities.

The *Autorité de contrôle prudentiel et de résolution* (the "**ACPR**") is the French authority responsible for the supervision of financial institutions and insurance firms and is also in charge of implementing measures for the prevention and resolution of banking crises and ensuring the protection of consumers and the stability of the financial system. The ACPR is chaired by the Governor of the *Banque de France*.

Since November 4, 2014, the European Central Bank (the "**ECB**") has assumed supervisory tasks and responsibilities within the framework of the single supervisory mechanism adopted by the European Union in 2013 (the "**Single Supervisory Mechanism**") with respect to credit institutions established in the Euro-zone or non-Euro-zone countries electing to participate in the Single Supervisory Mechanism.

Pursuant to the Single Supervisory Mechanism, the ECB has exclusive powers to adopt the following decisions with respect to credit institutions deemed "significant", such as BNP Paribas:

(a) to authorize credit institutions and to withdraw authorization of credit institutions;

(b) to assess notification of the acquisition and disposal of qualifying holdings, in other credit institutions, except in the case of a bank resolution;

(c) to ensure compliance with all prudential requirements laid down in general EU banking rules for credit institutions in the areas of own funds requirements, securitisation, large exposure limits, liquidity, leverage, reporting and public disclosure of information on those matters;

(d) to carry out supervisory reviews, including stress tests and their possible publication, and the basis of this supervisory review, to impose where necessary on credit institutions higher prudential requirements to protect financial stability under the conditions provided by EU law;

(e) to impose robust corporate governance practices (including the fit and proper requirements for the persons responsible for the management process, internal control mechanisms, remuneration policies and practices) and effective internal capital adequacy assessment processes; and

(f) to carry out supervisory tasks in relation to recovery plans, and early intervention where credit institutions or group does not meet or is likely to breach the applicable prudential requirements including structural changes required to prevent financial stress or failure but excluding however resolution measures.

With respect to institutions deemed "less significant", the ECB has exclusive powers to adopt decisions only with respect to (a) and (b) above.

In each case, national competent authorities (i.e., in France the ACPR), take part in the preparation and adoption of the ECB's decisions (each of the ACPR and the ECB is hereinafter referred to as a "**Banking Authority**").

Furthermore, the ACPR continues to exercise all of its powers that have not been expressly transferred to the ECB pursuant to the Single Supervisory Mechanism.

The ACPR may apply requirements for certain capital buffers to be held by credit institutions at the relevant level, in addition to own funds requirements (i.e., the capital conservation buffer and the capital buffer applicable to systemic financial institutions). In addition, the High Council for Financial Stability (*Haut Conseil de Stabilité Financière*, or the "**HCSF**") monitors the financial system as a whole, with a view to maintaining its stability and its capacity to make a sustainable contribution to economic growth. The HCSF defines macro-economic policy and is in particular responsible for setting requirements for credit institutions to comply with a countercyclical buffer and a systemic risk buffer. If deemed necessary, the ECB may, instead of the ACPR or the HCSF but in close cooperation with such authorities, require the application of higher buffer requirements.

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

Other French Banking Regulatory and Supervisory Bodies

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

The Consultative Committee on Financial Legislation and Regulations (*Comité consultatif de la législation et de la réglementation financières*) reviews, at the request of the French Minister of Economy, any draft bills or regulations, as well as any draft European regulations relating to the insurance, banking, electronic money, payment service and investment service industries other than those draft regulations issued by the AMF.

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

Supervisory framework

With respect to the banking sector, and for the purposes of carrying out the tasks conferred on it, the relevant Banking Authority makes individual decisions, grants banking and investment firm licenses, and grants specific exemptions as provided in applicable banking regulations. It supervises the enforcement of laws and regulations applicable to banks and other credit institutions, as well as investment firms, and monitors their financial standing.

Banks are required to submit periodic (either monthly or quarterly) accounting reports to the relevant Banking Authority concerning the principal areas of their activities. The main reports and information filed by institutions with the relevant Banking Authority include periodic regulatory reports, collectively referred to *as états périodiques réglementaires*. They include, among other things, the institutions' accounting and prudential (regulatory capital) filings, which are usually submitted on a quarterly basis, as well as internal audit reports filed once a year, all the documents examined by the institution's management in its twice-yearly review of the business and operations and the internal audit findings and the key information that relates to the credit institution's risk analysis and monitoring. The relevant Banking Authority may also request additional information that it deems necessary and may carry out on-site inspections (including with respect to a bank's foreign subsidiaries and branches, subject to international

cooperation agreements). These reports and controls allow close monitoring of the condition of each bank and also facilitate computation of the total deposits of all banks and their use.

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

Where regulations have been violated, the relevant Banking Authority may impose administrative sanctions, which may include warnings, fines, suspension or dismissal of managers and deregistration of the bank, resulting in its winding up. The relevant Banking Authority also has the power to appoint a temporary administrator to manage provisionally a bank that it deems to be mismanaged. Insolvency proceedings may be initiated against banks or other credit institutions, or investment firms only after prior approval of the relevant Banking Authority.

Main Banking Regulations

Capital, liquidity and leverage

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

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

French credit institutions are required to maintain minimum capital to cover their credit, market, counterparty and operational risks. Since January 1, 2015, pursuant to the CRR, credit institutions, such as BNP Paribas, are required to maintain a minimum total capital ratio of 8%, a minimum tier 1 capital ratio of 6% and a minimum common equity tier 1 ratio of 4.5%, each to be obtained by dividing the institution's relevant eligible regulatory capital by its risk-weighted assets. The Banking Authority may also require French credit institutions to maintain capital in excess of the requirements described above. In addition, they have to comply with certain common equity tier 1 buffer requirements, including a capital conservation buffer of 2.5% that is applicable to all institutions, a systemic institution buffer, as well as other common equity tier 1 buffers to cover countercyclical and systemic risks. These buffer requirements will be implemented progressively until 2019.

French credit institutions must satisfy, on a consolidated basis, certain restrictions relating to concentration of risks (*ratio de contrôle des grands risques*). The aggregate of a French credit institution's loans and a portion of certain

other exposure (*risques*) to a single customer (and related entities) may not exceed 25% of the credit institution's regulatory capital as defined by French capital ratio requirements. Individual exposures exceeding 10% (and in some cases 5%) of the credit institution's regulatory capital are subject to specific regulatory requirements. Under the European Commission's proposals (November 2016 and subsequently amended) to amend the CRD IV, the capital that can be taken into account to calculate the large exposures limit would be limited to Tier 1 capital and global systemically important banks' ("**G-SIBs**") exposures to other G-SIBs would be limited to 15% of the G-SIB's Tier 1 capital.

The CRR introduces liquidity requirements from 2015, after an initial observation period. Institutions will be required to hold liquid assets, the total value of which would cover the net liquidity outflows that might be experienced under gravely stressed conditions over a period of thirty (30) calendar days. This liquidity coverage ratio ("**LCR**") will be phased-in gradually, starting at 60% in 2015 and reaching 100% in 2018. Until the LCR is fully introduced, EU member states may maintain or introduce national liquidity requirements.

Under the CRR, following an initial observation period ended on December 31, 2017, each group is required to maintain a leverage ratio. The leverage ratio is defined as an institution's Tier 1 capital divided by its average total consolidated assets.

According to the European Commission's proposals (November 2016) to amend the CRR, a leverage ratio requirement of 3% of Tier 1 capital would be added to the own funds requirements in the article 92 of the CRR which institutions must meet in addition to their risk based requirements. Moreover, in accordance with the Basel III post-crisis regulatory reform endorsed by the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (the "**GHOS**"), revisions to the measurement of the leverage ratio and a leverage ratio buffer for G-SIBs (including the BNP Paribas Group) would take the form of a Tier 1 capital buffer set at 50% of a G-SIB's risk-weighted capital buffer. The reforms endorsed by the GHOS also include a revised standardized approach for credit risk, revisions to the internal ratings-based approach for credit risk, revisions to the credit valuation adjustment (CVA) framework, a revised standardized approach for operational risk; and an aggregate output floor, which will ensure that banks' risk-weighted assets (RWAs) generated by internal models are no lower than 72.5% of RWAs as calculated by the Basel III framework's standardized approaches. These new rules are expected to come into effect in 2022 and the output floor is expected to be implemented gradually beginning in January 2022 and reaching its final level in 2027. This proposal will be subject to consultation and impact assessment before it is implemented into EU law.

Investments and activities

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

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

Examination

In addition to the resolution powers set out below, the principal means used by the relevant Banking Authority to ensure compliance by large deposit banks with applicable regulations is the examination of the detailed periodic

(monthly or quarterly) financial statements, *états périodiques réglementaires* and other documents that these banks are required to submit to the relevant Banking Authority. In the event that any examination were to reveal a material adverse change in the financial condition of a bank, an inquiry would be made, which could be followed by an inspection. The relevant Banking Authority may also inspect banks (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements) on an unannounced basis.

Deposit Guarantee

All credit institutions operating in France are required by law to be a member of the French Deposit Guarantee and Resolution Fund (*Fonds de Garantie des Dépôts et de Résolution*), except branches of European Economic Area banks that are covered by their home country's guarantee system. Subject to certain exceptions, customers' deposits held with European establishments of French banks denominated in euro and currencies of the European Economic Area are covered up to an amount of €100,000, per customer and per credit institution, in both cases. The contribution of each credit institution is calculated on the basis of the aggregate deposits and of the risk exposure of such credit institution.

Additional Funding

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

Internal Control Procedures

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

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

Compensation Policy

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

Money Laundering

French credit institutions are required to report to a special government agency (TRACFIN) placed under the authority of the French Minister of the Economy all amounts registered in their accounts that they suspect come

from drug trafficking or organized crime, from unusual transactions in excess of certain amounts, as well as all amounts and transactions that they suspect to be the result of offence punishable by a minimum sentence of at least one-year imprisonment or that could participate in the financing of terrorism.

French credit institutions are also required to establish "know your customer" procedures allowing identification of the customer (as well as the beneficial owner) in any transaction and to have in place systems for assessing and managing money laundering and terrorism financing risks in accordance with the varying degree of risk attached to the relevant clients and transactions.

Disclosure

The CRR imposes disclosure obligations to credit institutions relating to risk management objectives and policies, governance arrangements, capital adequacy requirements, remuneration policies that have a material impact on the risk profile and leverage. In addition, the French Monetary and Financial Code imposes additional disclosure requirements to credit institutions, including disclosure relating to certain financial indicators, their activities in non-cooperative states or territories, and more generally, certain information on their overseas operations.

Resolution Framework

European Bank Resolution and Recovery Directive

On May 15, 2014, the European Parliament and the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms: Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**"). The stated aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. Since November 2014, the ECB is competent with respect to supervisory tasks relating to recovery plans and early intervention measures. As of January 1, 2016, the Single Resolution Board became competent with respect to the assessment of resolution plans and the adoption of resolution measures. The ACPR remains responsible for implementing the resolution plan according to the Single Resolution Board's instructions. The BRRD has been transposed in France by the Ordinance 2015-1024 of August 20, 2015 and implementing decrees. Further implementing measures of the BRRD are expected, including implementing regulations to be adopted by the Commission.

Exercise of resolution powers including bail-in of capital instruments and eligible liabilities

The resolution authorities have the power to decide the placement in resolution and the exercise of the resolution powers at the point at which they determine that:

(a) the institution individually, or the group to which it belongs, as applicable, is failing or likely to fail, which includes situations where:

(i) the institution infringes/will in the near future infringe the requirements for continuing authorization in a way that would justify withdrawal of such authorization including, but not limited to, because the institution has incurred/is likely to incur losses depleting all or a significant amount of its own funds;

(ii) the assets of the institution are/will be in a near future less than its liabilities;

(iii) the institution is/will be in a near future unable to pay its debts or other liabilities when they fall due; or

(iv) the institution requires extraordinary public financial support.

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

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

The powers provided to resolution authorities in the BRRD include write down/conversion powers to ensure that capital instruments, including additional tier 1 and tier 2 instruments (such as the Subordinated Notes), and eligible liabilities (including senior debt instruments, such as Senior Non Preferred Notes and Senior Preferred Notes) fully absorb losses in the situations described above (the "**Bail-In Tool**"). Accordingly, the BRRD contemplates that resolution authorities may require the write-down of such capital instruments and eligible liabilities in part or in full on a permanent basis, or convert them in part or in full into common equity tier 1 instruments.

The BRRD provides, *inter alia*, that resolution authorities shall exercise the write-down power in a way that results in (i) common equity tier 1 instruments being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments, including additional tier 1 and tier 2 instruments such as the Subordinated Notes, being written down or converted into common equity tier 1 instruments on a permanent basis and (iii) thereafter, eligible liabilities (including senior debt instruments, such as Senior Non Preferred Notes and Senior Preferred Notes) being written down or converted in accordance with a set order of priority. Following such a conversion, the resulting common equity tier 1 instruments may also be subject to the application of the Bail-In Tool.

In addition, the BRRD provides resolution authorities with broad powers to implement other resolution measures with respect to institutions that are placed in resolution or, under certain circumstances, their groups, which may include (without limitation) the sale of the institution's business, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

Write-down or conversion of capital instruments outside the placement in resolution

In addition, the resolution authorities must exercise the write-down of capital instruments, or the conversion into common equity tier 1 instruments of additional tier 1 and tier 2 instruments such as the Subordinated Notes if the institution has not yet been placed in resolution but any of the following conditions are met:

(a) where the determination has been made that conditions for resolution have been met, before any resolution action is taken;

(b) the appropriate authority determines that unless that power is exercised in relation to the relevant capital instruments, the institution or the group will no longer be viable; and

(c) extraordinary public financial support is required by the institution.

The Bail-In Tool became applicable as of January 1, 2016.

Single Resolution Mechanism

The Regulation (EU) No 806/2014 of the European Parliament and of the Council of July 15, 2014 (the "**Single Resolution Mechanism Regulation**") provides for the establishment of a single resolution board (the "**Single Resolution Board**") and a single resolution fund (the "**Single Resolution Fund**") funded through contributions made by the banking industry.

Single Resolution Board

The Single Resolution Board is in charge of resolution planning and preparation of resolution decisions in accordance with the BRRD with respect to banks and banking groups subject to the supervision of the ECB pursuant to the Single Supervisory Mechanism, including BNP Paribas. The Single Resolution Board became applicable as of January 1, 2016.

Single Resolution Fund

The purpose of the Single Resolution Fund is to ensure that funding is available while a bank is being restructured, although costs and other expenses incurred in a bank's resolution should be borne by the bank's shareholders and

creditors. It is not intended to be a bail-out fund. The Single Resolution Fund became applicable as of January 1, 2016 and it is intended that, by January 1, 2024, its available financial means will reach at least 1 % of the amount of covered deposits of all banks authorized in all of the participating Member States. It is owned and administered by the Single Resolution Board and financed by contributions of banks established in the Member States participating in the Single Supervisory Mechanism. Contributions are calculated at least annually by the Single Resolution Board after consultation with the ECB and national authorities, on the basis of the *pro rata* amount of the banks' total liabilities (excluding own funds) less covered deposits with respect to the aggregate amount of liabilities (excluding own funds) less covered deposits of all banks authorized in all of the participating Member States, subject to adjustments that are a function of risk factors. In the case of resolution of a bank that depletes the fund, extraordinary ex-post contributions may be called for.

MREL and TLAC

To ensure that the Bail-in Tool will be effective if it is ever needed, institutions are required to maintain a minimum level of own funds and eligible liabilities, calculated as a percentage of their own funds and total liabilities based on certain criteria including systemic importance. The percentage will be determined for each institution by the Relevant Resolution Authority (as defined in Condition 16 (*Statutory Write-down or Conversion*)). This minimum level is known as the "minimum requirement for own funds and eligible liabilities" or "**MREL**" and is to be set in accordance with Article 45 of the BRRD and Commission Delegated Regulation (EU) 2016/1450 of May 23, 2016 published on September 3, 2016. Relevant Resolution Authorities may determine an appropriate transitional period to reach the final MREL.

On November 9, 2015, the Financial Stability Board proposed that G-SIBs (including the BNP Paribas Group) maintain significant amounts of liabilities that are subordinated (by law, contract or structurally) to certain priority liabilities that are excluded from these so-called "**TLAC**" (or "total loss absorbing capacity") requirements, such as guaranteed or insured deposits and derivatives. The TLAC requirements are intended to ensure that losses are absorbed by shareholders and creditors, other than creditors in respect of priority liabilities, rather than being borne by government support systems. The TLAC requirement will impose a level of "Minimum TLAC" that will be determined individually for each G-SIB, and that will be at least equal to (i) 16% of risk-weighted assets beginning January 1, 2019, and 18% of risk-weighted assets beginning January 1, 2022, and (ii) 6% of the Basel III leverage ratio denominator beginning January 1, 2019, and 6.75% beginning January 1, 2022 (each of which could be extended by additional firm-specific requirements or buffer requirements). The TLAC requirements will, if adopted and implemented in France, apply in addition to capital requirements applicable to the BNP Paribas Group. Even though TLAC and MREL pursue the same regulatory objective, their respective requirements and criteria differ.

In addition, the French law known as the "loi Sapin" (*relatif à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique)*, that entered into force on December 11, 2016, has created a new ranking for "senior non preferred notes". Pursuant to this amendment, Article L.613-30-3 of the French Monetary and Financial Code provides that securities that are "non structured" debt securities (to be defined in a further decree), issued by any French credit institution as from the date of entry into force of the law with a minimum maturity of one year and whose terms and conditions provide that their ranking is as set forth in paragraph 4° of Article L.613-30-3, shall rank junior to any other non-subordinated liability (including Senior Preferred Obligations) but senior to any subordinated obligations (such as the Subordinated Notes) of such credit institution in a judicial liquidation proceeding.

New EU Banking Proposals

On November 23, 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including the CRD IV and the CRR, BRRD and the Single Resolution Mechanism, the purpose of which is inter alia to reflect more accurately long-term funding risk and excessive leverage, increase the loss-absorption capacity of globally significant institutions, improve the treatment of market risks by increasing the risk sensitivity of the existing rules and increase convergence within the European Union in the area of insolvency law and restructuring proceedings, particularly through the introduction of a moratorium tool. Until recently, several modified legislative proposals have been made and it is possible that further modifications will be made before final adoption. On November 8, 2017, the ECB published two opinions on these proposals. These proposals remain subject to amendments by the Parliament and the Council and are scheduled to be

adopted in 2019. It is not yet possible to assess whether these proposals will be adopted in full or what their impact will be.

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 following are the Terms and Conditions of the Notes that 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 Issuer 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 by BNP Paribas (the "**Issuer**") 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 5, 2017, and made among the Issuer, the Guarantor and The Bank of New York Mellon, as fiscal and paying agent (the "**Fiscal and Paying Agent**"). The Issuer 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 Condition 1 (*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. Certain 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 Issuer and the Fiscal and Paying Agent.

1. Form, Denomination, Title and Transfer

(a) *Form, Denomination and Title*

Unless otherwise specified in the applicable supplement, the Notes will be in book-entry form in the Specified Currency and Specified Denominations. Book-entry notes will trade only in book-entry form and will be issued in global form to DTC, as described in the Fiscal and Paying Agency Agreement. The Notes may take the form of beneficial interests under one or more global notes (the "**Global Notes**") or master notes (the "**Master Notes**") representing one or more Series, as described in the Fiscal and Paying Agency Agreement. The Notes will be a Senior Preferred Note, a Senior Non Preferred Note, a Senior Preferred to Senior Non Preferred Note (optional conversion), a Senior Preferred to Senior Non Preferred Note (automatic conversion) 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 Issuer and the relevant Agents may agree and as set out in the applicable supplement.

The Issuer has appointed the Fiscal and Paying Agent at its office specified below to act as registrar of the Notes. The Issuer 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 the Issuer on which shall be entered, among other things, the name and address of the holders of the registered Notes and particulars of all transfers of title to the Notes.

For so long as DTC or its nominee is the registered owner or holder of a Global Note or Master 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 or Master 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 or Master 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 or Master Notes

Transfers of beneficial interests in Global Notes or Master 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 or Master 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 or Master 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 Issuer 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 Condition 5 (*Redemption and Purchase*) below, the Issuer 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 Issuer 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 or Master 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 (Senior Notes)*

"**Senior Notes**" may be Senior Preferred Notes or Senior Non Preferred Notes, as specified in the applicable supplement.

(i) Status (Senior Preferred Notes)

If the Notes are "**Senior Preferred Notes**", the Notes will be Senior Preferred Obligations and are direct, unconditional, unsecured and senior obligations of the Issuer, and rank and will at all times rank:

a) senior to Senior Non Preferred Obligations;

b) *pari passu* among themselves and with other Senior Preferred Obligations; and

c) junior to present and future claims benefiting from other preferred exceptions.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Preferred Notes rank (a) junior to present and future claims benefiting from other preferred exceptions, and (b) senior to any Senior Non Preferred Obligations.

(ii) Status (Senior Non Preferred Notes)

If the Notes are "**Senior Non Preferred Notes**", the Notes will be Senior Non Preferred Obligations and are direct, unconditional, unsecured and senior (*chirographaires*) obligations of the Issuer, and rank and will at all times rank:

a) senior to Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations;

b) *pari passu* among themselves and with other Senior Non Preferred Obligations; and

c) junior to present and future claims benefiting from preferred exceptions including Senior Preferred Obligations.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Non Preferred Notes rank :

a) junior to Senior Preferred Obligations; and

b) senior to any Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations.

(iii) If the Notes are "**Senior Preferred to Senior Non Preferred Notes (optional conversion)**", the Notes will upon issue be Senior Preferred Notes but the Issuer may elect on giving not more than forty-five (45) nor less than fifteen (15) days' notice to the Noteholders (in accordance with Condition 12) (which notice shall be irrevocable and shall specify the date fixed for such conversion (the "**Optional Conversion Date**"), to convert the Notes into Senior Non Preferred Notes.

(iv) If the Notes are "**Senior Preferred to Senior Non Preferred Notes (automatic conversion)**", the Notes will upon issue be Senior Preferred Notes but the Notes will automatically be converted into Senior Non Preferred Notes on the date set out in the applicable supplement (the "**Automatic Conversion Date**").

"**Ordinarily Subordinated Obligations**" means any subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves, and are direct, unconditional, unsecured and subordinated obligations of the Issuer but in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*engagements dits "super subordonnés", i.e. engagements subordonnés de dernier rang*).

"**Senior Non Preferred Obligations**" means any senior (*chirographaires*) obligations of, or other instruments issued by, the Issuer, which fall or are expressed to fall within the category of obligations described in Article L.613-30-3–I-4°. of the French Monetary and Financial Code (including the Senior Non Preferred Notes).

"**Senior Preferred Obligations**" means any senior obligations of, or other instruments issued by, the Issuer, which fall or are expressed to fall within the category of obligations described in Article L.613-30-3–I-3°. of the French Monetary and Financial Code (including the Senior Preferred Notes).

For the avoidance of doubt, Unsubordinated Notes issued under the Program prior to the prospectus supplement dated December 9, 2016 constitute Senior Preferred Obligations.

(b) *Status (Subordinated Notes)*

Condition 2(b)(i) will apply in respect of the Subordinated Notes for so long as any Existing Subordinated Note is outstanding. Upon redemption or repurchase and cancellation of all of the Existing Subordinated Notes in whole (the "**Existing Subordinated Notes Redemption Event**"), Condition 2(b)(ii) will automatically replace and

supersede Condition 2(b)(i) in respect of all outstanding Subordinated Notes without the need for any action from the Issuer.

(i) Prior to the Existing Subordinated Notes Redemption Event.

If the Notes are "**Subordinated Notes**", the Notes will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of the Issuer.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights to payment of the holders of the Subordinated Notes will be subordinated to the full payment of the unsubordinated creditors (including depositors) of the Issuer but, subject to such payment in full, such holders of Subordinated Notes will be paid in priority to *prêts participatifs* granted to the Issuer *titres participatifs* issued by the Issuer and any Undated Deeply Subordinated Notes (as defined herein) (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*) issued by the Issuer. The Subordinated Notes of the Issuer are issued pursuant to the provisions of Article L.228-97 of the French Commerce Code.

(ii) As from the Existing Subordinated Notes Redemption Event.

If the Notes are "**Subordinated Notes**", the Notes will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and *pari passu* with:

a) any obligations or instruments of the Issuer which constitute Tier 2 Capital; and

b) any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights to payment of a holder of the Subordinated Notes will be (a) subordinated to the full payment of (i) the unsubordinated creditors of the Issuer and (ii) the Eligible Creditors of the Issuer; and (b) will be paid in priority to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*). The Subordinated Notes of the Issuer are issued pursuant to the provisions of Article L.228-97 of the French Commerce Code.

"**Eligible Creditors**" shall mean creditors holding subordinated claims that rank or are expressed to rank senior to the Subordinated Notes.

"**Existing Subordinated Notes**" shall mean the series listed below, provided that should any such series be amended in any way which would result in allowing the Issuer to issue Subordinated Notes ranking senior to such given series, then such series would be deemed to no longer constitute an Existing Subordinated Note.

ISIN Code:
XS0111271267
XS0123523440
XS0142073419
XS0152588298
XS0214573023
FR0000572646
XS1120649584
US05579T5G71
XS1046827405

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

(c) Waiver of set-off

No Noteholder may at any time exercise or claim any Waived Set-Off Rights (as defined below) against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort or any non-contractual obligations, in each case whether or not relating to such Note) and each such Noteholder shall be deemed to have waived all Waived Set-Off Rights (as defined below) to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

For the avoidance of doubt, nothing in this Condition 2(c) is intended to provide or shall be construed as acknowledging any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Noteholder but for this Condition 2(c).

For the purposes of this Condition 2(c), "**Waived Set-Off Rights**" means any and all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any such Note.

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.

If the Fixed-Rate Notes are specified in the applicable supplement as "**Resettable Notes**", the rate of interest will initially be a fixed rate and will then be resettable as provided below:

The rate of interest in respect of a Fixed Interest Period will be as follows:

(A) For each Fixed Interest Period falling in the period from (and including) the interest commencement date to (but excluding) the First Reset Date, the Initial Rate of Interest;

(B) for each Fixed Interest Period falling in the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the maturity date, the First Reset Rate of Interest; and

(C) for each Fixed Interest Period in any Subsequent Reset Period thereafter, the Subsequent Reset Rate of Interest in respect of the relevant Subsequent Reset Period.

(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 (ICMA)*" 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) "**First Margin**" means the percentage specified as such in the applicable supplement;

(5) **"First Reset Date**" means the date specified as such in the applicable supplement;

(6) **"First Reset Period"** means the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the maturity date;

(7) **"First Reset Rate of Interest"** means the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the Mid-Swap Rate for the First Reset Period and the First Margin;

(8) "**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;

(9) "**Initial Rate of Interest**" has the meaning specified as such in the applicable supplement;

(10) "**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable supplement) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

(11) "**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

(12) "**Mid-Swap Floating Leg Benchmark Rate**" means EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro or in the event that EURIBOR or LIBOR have been discontinued, such other successor benchmark rates as the financial industry shall have accepted as a successor or substitute rate for EURIBOR or LIBOR, as applicable;

(13) "**Mid-Swap Rate**" means, in relation to a Reset Period, either:

(a) (i) if Single Mid-Swap Rate is specified in the applicable supplement, the rate for swaps in the Specified Currency:

(x) with a term equal to such Reset Period; and

(y) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(ii) if Mean Mid-Swap Rate is specified in the applicable supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(x) with a term equal to such Reset Period; and

(y) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page, in either case, as at approximately the Relevant Time on the relevant Reset Determination Date, all as determined by the Calculation Agent (the "**Screen Page Mid-Swap Rate**").

(b) If on any Reset Determination Date, the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page as of the Relevant Time on the relevant Reset Determination Date, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Relevant Time on the Reset Determination Date in question.

If on any Reset Determination Date, at least three of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the Mid-Swap Rate for the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as the case may be, for the relevant Reset Period will be the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) all as determined by the Calculation Agent acting in good faith and in a commercial reasonable manner.

If on any Reset Determination Date only two relevant quotations are provided, the Mid-Swap Rate for the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as the case may be, for the relevant Reset Period will be the arithmetic mean (rounded as aforesaid) of the relevant quotations provided, all as determined by the Calculation Agent acting in good faith and in a commercial reasonable manner.

If on any Reset Determination Date, only one relevant quotation is provided, the Mid-Swap Rate for First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as the case may be, for the relevant Reset Period will be the relevant quotation provided, all as determined by the Calculation Agent acting in good faith and in a commercial reasonable manner.

If on any Reset Determination Date, none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided above, the Mid-Swap Rate for the

First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as the case may be, shall be (i) in the case of the First Reset Date, (x) if Initial Mid-Swap Rate Final Fallback is specified in the applicable supplement, the Mid-Swap Rate used for the Initial Rate of Interest, (y) if Reset Maturity Initial Mid-Swap Rate Final Fallback is specified in the applicable supplement, the Reset Period Maturity Initial Mid-Swap Rate as specified in the applicable supplement or (z) if Last Observable Mid-Swap Rate Final Fallback is specified in the applicable supplement, the last Screen Page Mid-Swap Rate available on the Relevant Screen Page and (ii) in the case of any Subsequent Reset Date, the Screen Page Mid-Swap Rate as at the last preceding Reset Date, except that if the Calculation Agent or the Issuer determines that the absence of quotations is due to the discontinuation of the Screen Page Mid-Swap Rate, then the Mid-Swap Rate will be determined in accordance with paragraph (c) below;

(c) Notwithstanding paragraph (b) above, if the Issuer or the Calculation Agent determines at any time prior to any Reset Determination Date, that the Screen Page Mid-Swap Rate has been discontinued, the Calculation Agent will use, as a substitute for the Screen Page Mid-Swap Rate, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the Specfied Currency that is consistent with industry accepted standards, provided that if the Calculation Agent notifies the Issuer that it is unable to determine such an alternative, the Issuer will as soon as reasonably practicable (and in any event before the business day prior to the applicable Reset Determination Date) appoint an agent (the "**Mid-Swap Rate Determination Agent**"), which will determine whether a substitute or successor rate for purposes of determining the Mid-Swap Rate on each Reset Determination Date falling on such date or thereafter that is substantially comparable to the Screen Page Mid-Swap Rate is available. If the Mid-Swap Rate Determination Agent determines that there is an industry accepted successor rate, the Mid-Swap Rate Determination Agent will notify the Issuer of such successor rate to be used by the Calculation Agent to determine the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as the case may be.

If the Mid-Swap Rate Determination Agent or the Calculation Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the "**Replacement Mid-Swap Rate**"), for the purposes of determining the Mid-Swap Rate on each Reset Determination Date falling on or after such determination, (i) the Mid-Swap Rate Determination Agent or the Calculation Agent, as applicable, will also determine changes (if any) to the business day convention, the definition of business day, the Reset Determination Date, the day count fraction, and any method for obtaining the Replacement Mid-Swap Rate, including any adjustment factor needed to make such Replacement Mid-Swap Rate comparable to the Screen Page Mid-Swap Rate, in each case acting in good faith and in a reasonable manner that is consistent with industry-accepted practices for such Replacement Mid-Swap Rates; (ii) references to the Mid-Swap Rate in these Terms and Conditions will be deemed to be references to the relevant Replacement Mid-Swap Rate, including any alternative method for determining such rate as described in (i) above; (iii) the Mid-Swap Rate Determination Agent or the Calculation Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and (iv) the Issuer will give a notice to the Noteholders, the Calculation Agent and the Fiscal and Paying Agent specifying the Replacement Mid-Swap Rate, as well as the details described in (i) above as soon as reasonably practicable but in any event no later than 5:00 p.m. (New York City time) on the business day prior to the applicable Reset Determination Date.

The determination of the Replacement Mid-Swap Rate and the other matters referred to above by the Mid-Swap Rate Determination Agent or the Calculation Agent will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent, the Fiscal and Paying Agent and the Noteholders, unless the Issuer, the Calculation Agent or the Mid-Swap Rate Determination Agent determines at a later date that the Replacement Mid-Swap Rate is no longer substantially comparable to the Mid-Swap Rate or does not constitute an industry

accepted successor rate, in which case the Issuer shall appoint or re-appoint a Mid-Swap Rate Determination Agent, as the case may be (which may or may not be the same entity as the original Mid-Swap Rate Determination Agent or the Calculation Agent) for the purpose of confirming the Mid-Swap Replacement Rate or determining a substitute Replacement Mid-Swap Rate in an identical manner as described in this paragraph (iii). If the Replacement Mid-Swap Rate Determination Agent or the Calculation Agent is unable to or otherwise does not determine a substitute Replacement Mid-Swap Rate, then the Replacement Mid-Swap Rate will remain unchanged.

For the avoidance of doubt, each Noteholder shall be deemed to have accepted the Replacement Mid-Swap Rate or such other changes pursuant to this paragraph (iii).

Notwithstanding any other provision of this paragraph (c) (x) if a Mid-Swap Rate Determination Agent is appointed by the Issuer and such agent determines that the Screen Page Mid-Swap Rate has been discontinued but for any reason a Replacement Mid-Swap Rate has not been determined, (y) if the Issuer determines that the replacement of the Mid-Swap Rate with the Replacement Mid-Swap Rate or any other amendment to the Terms and Conditions necessary to implement such replacement would result in all or part of the aggregate outstanding nominal amount of such Series of Notes to be excluded from the eligible liabilities available to meet the MREL/TLAC Requirements (however called or defined by then applicable regulations) and/or, in the case of Subordinated Notes, all or part of the aggregate outstanding nominal amount of Notes to be excluded from the own funds of the Group or reclassified as a lower quality form of own funds of the Group or (z) if the Issuer determines that the replacement of the Mid-Swap Rate with the Replacement Mid-Swap Rate or any other amendment to the Terms and Conditions necessary to implement such replacement would result in the Relevant Regulator treating the next Reset Date as the effective maturity of the Notes, rather than the relevant Maturity Date, the Issuer may decide that no Replacement Mid-Swap Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the Mid-Swap Rate for the relevant Reset Interest Period in such case will be (i) in the case of the First Reset Date, (x) if Initial Mid-Swap Rate Final Fallback is specified in the applicable supplement, the Mid-Swap Rate used for the Initial Rate of Interest, (y) if Reset Maturity Initial Mid-Swap Rate Final Fallback is specified in the applicable supplement, the Reset Period Maturity Initial Mid-Swap Rate as specified in the applicable supplement or (z) if Last Observable Mid-Swap Rate Final Fallback is specified in the applicable supplement, the last Screen Page Mid-Swap Rate available on the Relevant Screen Page and (ii) in the case of any Subsequent Reset Date, the Screen Page Mid-Swap Rate as at the last preceding Reset Date.

The Mid-Swap Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial center of the Specified Currency as appointed by the Issuer, (y) the Issuer or (z) an affiliate of the Issuer.

(14) "**Relevant Screen Page**" means the page on the source in each case specified in the applicable supplement or such successor page or source determined by the Calculation Agent;

(15) "**Relevant Time**" means the time specified as such in the applicable supplement;

(16) "**Reset Date**" means each of the First Reset Date, the Second Reset Date and any Subsequent Reset Date, as applicable;

(17) **"Reset Determination Date"** means, in respect of a Reset Period, the date specified as such in the applicable supplement;

(18) "**Reset Period**" means each of the First Reset Period or any Subsequent Reset Period, as applicable;

(19) "**Reset Period Maturity Initial Mid-Swap Rate**" has the meaning specified in the applicable supplement;

(20) “**Reference Banks**” means the principal office in the principal financial centre of the Specified Currency of five leading dealers in the swap, money, securities or other market that is most closely connected with the Mid-Swap Floating Leg Benchmark Rate;

(21) “**Second Reset Date**” means the date specified as such in the applicable supplement;

(22) “**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;

(23) “**Subsequent Margin**” means the percentage specified as such in the applicable supplement;

(24) “**Subsequent Reset Date**” means each date specified as such in the applicable supplement;

(25) “**Subsequent Reset Period**” means the period from (and including) the Second Reset Date to (but excluding) the next occurring Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next occurring Subsequent Reset Date;

(26) “**Subsequent Reset Rate of Interest**” means, in respect of any Subsequent Reset Period, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin.

(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."

(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," "FBF 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 Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as "Calculation Agent" as defined in this sub-paragraph (iii) for that swap transaction under the terms of an agreement incorporating the 2006 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 LIBOR or EURIBOR (or, in the event that EURIBOR or LIBOR have been discontinued, such other successor benchmark rate as the financial industry shall have accepted as a successor or substitute rate for EURIBOR or LIBOR for such currency, as applicable), 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" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

(iv) FBF Determination

Where so specified in the applicable supplement, interest will be payable on such dates, at such a rate (the "**FBF 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 Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to transactions on forward financial instruments (an "**FBF Agreement**"), as in effect on the date of issue of the Notes, published by the *Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the FBF Agreement) with the holder of the relevant Note under which:

(A) the Issuer was the floating amount payer;

(B) the Calculation Agent was the Agent (as defined in the FBF 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 FBF Agreement) determined by the Calculation Agent in accordance with the preceding sentence; and

(3) the Calculation 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

(A) 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:

(1) the offered quotation; or

(2) 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 the Relevant Time (the "**Screen Page Reference Rate**") 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 Calculation 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 Calculation Agent for the purpose of determining the arithmetic mean, rounded as provided above, of such offered quotations.

(B) If the Relevant Screen Page is not available or if sub-paragraph (A)(1) applies and no such offered quotation appears on the Relevant Screen Page, or if sub-paragraph (A)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Time, except as provided in paragraph (C) below, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, tha Rate of Interest for such Interest Period shall be the be the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest), plus or minus, as indicated in the applicable supplement, the margin, if any, as determined by the Calculation Agent.

If fewer than two Reference Banks are providing offered quotations, the interest rate shall be the arithmetic mean of the rates per annum (expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) as communicated to the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the relevant inter-bank markets), plus or minus, as indicated in the applicable supplement, the margin, if any, as determined by the Calculation Agent.

If fewer than two of the Reference Banks provide the Calculation Agent with such rates offered to them, the Rate of Interest shall be the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the relevant inter-bank market), plus or minus, as indicated in the applicable supplement, the margin, if any, as determined by the Calculation Agent.

If the interest rate cannot be determined in accordance with the foregoing provisions of this paragraph, the interest rate shall be equal to the last Reference Rate available on the Relevant Screen Page, plus or minus, as indicated in the applicable supplement, the margin, if any, as determined by the Calculation Agent, except that if the Issuer determines that the absence of quotation is due to the discontinuation of the Screen Page Reference Rate, then the Reference Rate will be determined in accordance with paragraph (C) below.

(C) Notwithstanding paragraph (B) above, if the Issuer determines at any time prior to any Interest Determination Date, that the Screen Page Reference Rate has been discontinued, the Calculation Agent will use, as a substitute for the Screen Page Referemce Rate, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the Specified Currency that is consistent with industry accepted standards, provided that if the Calculation Agent notifies the Issuer that it is unable to determine such an

alternative, the Issuer will as soon as reasonably practicable (and in any event before the business day prior to the applicable Interest Determination Date) appoint an agent (the **"Reference Rate Determination Agent**"), which will determine whether a substitute or successor rate for purposes of determining the Referece Rate on each Interest Determination Date falling on such date or thereafter that is substantially comparable to the Screen Page Reference Rate is available. If the Reference Rate Determination Agent determines that there is an industry accepted successor rate, the Reference Rate Determination Agent will notify the Issuer of such successor rate to be used by the Calculation Agent to determine the Rate of Interest.

If the Reference Rate Determination Agent or the Calculation Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the "**Replacement Reference Rate**"), for the purposes of determining the Reference Rate on each Interest Determination Date falling on or after such determination, (i) the Reference Rate Determination Agent or the Calculation Agent, as applicable, will also determine changes (if any) to the business day convention, the definition of business day, the Interest Determination Date, the day count fraction, and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the Screen Page Reference Rate, in each case acting in good faith and in a reasonable manner that is consistent with industry-accepted practices for such Replacement Reference Rates; (ii) references to the Reference Rate in these Terms and Conditions will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (i) above; (iii) the Reference Rate Determination Agent or the Calculation Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and (iv) the Issuer will give a notice to the Noteholders, the Calculation Agent and the Fiscal and Paying Agent specifying the Replacement Reference Rate, as well as the details described in (i) above as soon as reasonably practicable but in any event no later than 5:00 p.m. (New York City time) on the business day prior to the applicable Interest Determination Date.

The determination of the Replacement Reference Rate and the other matters referred to above by the Reference Rate Determination Agent or the Calculation Agent will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent, the Fiscal and Paying Agent and the Noteholders, unless the Issuer, the Calculation Agent or the Reference Rate Determination Agent determines at a later date that the Replacement Reference Rate is no longer substantially comparable to the Reference Rate or does not constitute an industry accepted successor rate, in which case the Issuer shall appoint or re-appoint a Reference Rate Determination Agent, as the case may be (which may or may not be the same entity as the original Reference Rate Determination Agent or the Calculation Agent) for the purpose of confirming the Reference Replacement Rate or determining a substitute Replacement Reference Rate in an identical manner as described in this paragraph (iii). If the Replacement Reference Rate Determination Agent or the Calculation Agent is unable to or otherwise does not determine a substitute Replacement Reference Rate, then the Replacement Reference Rate will remain unchanged.

For the avoidance of doubt, each Noteholder shall be deemed to have accepted the Replacement Reference Rate or such other changes pursuant to this paragraph (C).

Notwithstanding any other provision of this paragraph (C) (x) if a Reference Rate Determination Agent is appointed by the Issuer and such agent determines that the Screen Page Reference Rate has been discontinued but for any reason a Replacement Reference Rate has not been determined or (y) if the Issuer determines that the replacement of the Reference Rate with the Replacement Reference Rate or any other amendment to the Terms and Conditions necessary to implement such replacement would result in all or part of the aggregate outstanding nominal amount of such Series of Notes to be excluded from the eligible liabilities available to meet the MREL/TLAC Requirements (however called or defined by then applicable regulations) and/or, in the case of Subordinated Notes, all or part of the aggregate outstanding nominal amount of Notes to be excluded from the own funds of the Group or reclassified as a lower quality form of own funds of the Group, the Issuer may decide that no Replacement Reference Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the Reference Rate for the relevant Interest Period in such case will be equal to the last Screen Page Reference Rate available on the Relevant Screen Page as determined by the Calculation Agent.

The Reference Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial center of the Specified Currency as appointed by the Issuer, (y) the Issuer or (z) an affiliate of the Issuer.

In this paragraph 3(b):

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

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 New York City; and

ii. 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) with respect to any Floating-Rate Note for which LIBOR (or, in the event that LIBOR has been discontinued, such other successor benchmark rate as the financial industry shall have accepted as a successor or substitute rate for LIBOR) is an applicable base rate, a London Business Day, and (3) with respect to any Floating-Rate Note for which EURIBOR (or, in the event that EURIBOR has been discontinued, such other successor benchmark rate as the financial industry shall have accepted as a successor or substitute rate for EURIBOR) is an applicable base rate, a day, other than a Saturday or a Sunday, on which commercial banks are open for business in the city of Brussels.

(2) "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of five leading dealers in the swap, money, securities or other market most closely;

(3) "**Reference Rate**" means LIBOR, EURIBOR or such benchmark in respect of Floating-Rate Notes as specified in the applicable supplement (or, in the event that LIBOR or EURIBOR or such other rate specified in the applicable supplement has been discontinued, such other successor benchmark rate as the financial industry shall have accepted as a successor or substitute rate for LIBOR, EURIBOR or such other benchmark);

(4) "**Relevant Screen Page**" means the page on the source in each case specified in the applicable supplement or such successor page or source determined by the Calculation Agent; and

(5) **"Relevant Time"** means the time specified as such in the applicable supplement.

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

The Calculation 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 (such Minimum Interest Rate being zero or greater than zero), 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 does not specify a Minimum Interest Rate (or Minimum Interest Rate is specified as not applicable in the applicable supplement) for any Interest Period, the Minimum Interest Rate shall be deemed to be zero.

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) Calculation Agent; Notification of Rate of Interest and Interest Amount

Unless otherwise provided, the Calculation Agent as defined in the applicable supplement will make all calculations and determinations described in this paragraph 3. Upon notice from the Calculation Agent, 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 Issuer, and, for as long as the Notes are represented by a Global Note or Master Note, the Fiscal and Paying Agent shall notify DTC, Euroclear or Clearstream, Luxembourg, to the extent required by such relevant payment system and in accordance with "Notices," paragraph 12 below, as soon as practicable after determination and notice thereof from the Calculation Agent of the rate of interest, each Interest Amount and Interest Payment Date, 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," paragraph 12 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 Issuer, 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 any specified maturity date and is not paid when due, the amount due and repayable shall be the amount determined in accordance with "Redemption and Purchase—Early Redemption Amounts" below, as its Amortized Face Amount (as defined in paragraph 5(g)). 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," paragraph 12 below, or individually, of receipt of all sums due in respect thereof up to that date.

4. Payments

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

Payments shall be deposited with the Fiscal and Paying Agent no later than 10:00 a.m. (New York City time) on the second New York Business Day immediately preceding the date on which any payment is to be made, or, in the case of (x) Notes denominated in Yen, two (2) New York Business Days before such date, or (y) Notes for which the Paying Agent is specified as the Bank of New York Mellon, London Branch, one (1) London Business Day before such date to the account specified by the Fiscal and Paying Agent, whereafter the Fiscal and Paying Agent shall receive a payment confirmation from the paying bank of the Issuer.

(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, no later than 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 (in either case, 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, will be made 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) by wire where in global form, no later than 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 payment 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 delays by the relevant clearing system. 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.

Neither the Issuer, the Guarantor nor 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 Master 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 Issuer. 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 Issuer or any Noteholder, including, without limitation, unlawfulness, illegality, impossibility, force majeure, non-transferability or the like (each a "**Payment Disruption Event**"), the Issuer is 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 Issuer 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 Issuer 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 or Master Note will be made in the manner specified above and otherwise in the manner specified in the relevant Global Note or Master Note against presentation or surrender, as the case may be, of such Global Note or Master Note at the specified office of any Paying Agent. A record of each payment made on such Global Note or Master Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note or Master Note by the Paying Agent to which such Global Note or Master 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 registered holder of the relevant Global Note or Master Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note or Master Note, and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note or Master 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 the Issuer to the holder of the relevant Notes. No person other than the holder of the relevant Global Note or Master Note shall have any claim against the Issuer in respect of any payments due on that Global Note or Master 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, subject to "Prescription", paragraph 9 below:

(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 in "Agents," paragraph 14 below. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal and Paying Agent and to appoint additional or other Fiscal and Paying Agents or Paying Agents, including, in each case, the Guarantor or an affiliate of the Issuer, and/or to approve any change in the specified office of any Paying Agent, provided that there will at all times be a Fiscal and Paying Agent.

In addition, the Issuer shall immediately appoint a Paying Agent having a specified office in New York City in the circumstances described in the paragraph immediately 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," paragraph 12 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 Issuer 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 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 any other authority thereof or therein the Issuer or the Guarantor would be required to pay additional amounts in respect of the Notes or Guarantees, as provided in paragraph 6 (a "**Withholding Tax Event**"), then the Issuer 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, (x) in the case of Subordinated Notes, to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity Date*), (y) in the case of Senior Non Preferred Notes to subparagraph (q) (*Conditions to redemption prior to the Maturity Date or substitution and variation of Senior Non Preferred Notes*) or, (z) in the case of Senior Preferred Notes, if "*Prior approval of Relevant Regulator*" is specified in the applicable supplement, to subparagraph (r) (*Conditions to redemption prior to the Maturity Date of Senior Preferred Notes*) below, on giving not more than 45 nor less than 30 days notice to the Noteholders (in accordance with "Notices," paragraph 12 below) which notice shall be irrevocable, redeem all, but not less than all, of the Notes as to which the condition set forth above applies 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 the Issuer or the Guarantor, as the case may be, could make payment without withholding for such taxes.

(ii) If the Issuer or the Guarantor would, on the next due date for payment of any amount in respect of the Notes or Guarantees, be prevented by French law from making such payment notwithstanding the undertaking to pay additional amounts as provided in paragraph 6 (a "**Gross-up Event**"), then the Issuer upon prior notice of such fact to the Fiscal and Paying Agent may 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, (x) in the case of Subordinated Notes, to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity* Date), (y) in the case of Senior Non Preferred Notes, to subparagraph (q) (*Conditions to redemption prior to the Maturity Date or substitution and variation of Senior Non Preferred Notes*) or, (z) in the case of Senior Preferred Notes, if "*Prior approval of Relevant Regulator*" is specified in the applicable supplement, to subparagraph (r) (*Conditions to redemption prior to the Maturity Date of Senior Preferred Notes*) below, redeem all, but not less than all, of the Notes then outstanding as to which the condition set forth above of shall 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 "Notices," paragraph 12 below), 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 the 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 Issuer ("Issuer Call")*

If "*Issuer Call*" is specified in the applicable supplement, the Issuer may, subject (x) in the case of Subordinated Notes, to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity Date*), (y) in the case of Senior Non Preferred Notes, to subparagraph (q) (*Conditions to redemption prior to the Maturity Date or substitution and variation of Senior Non Preferred Notes*) or, (z) in the case of Senior Preferred Notes, if "*Prior approval of Relevant Regulator*" is specified in the applicable supplement, to subparagraph (r) (*Conditions to redemption prior to the Maturity Date of Senior Preferred Notes*) below, having given, unless otherwise specified in connection with a particular offering of Notes:

(i) not less than 5 nor more than 30 days notice to the Noteholders in accordance with "Notices," paragraph 12 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 (the "**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 or Master 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," paragraph 12 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 or Master Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note or Master 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 the Issuer to the Noteholders in accordance with "Notices," paragraph 12 below, at least 5 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 (5) years from the date of issue thereof, except as described in subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity Date*) below.

(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 "*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 Issuer in accordance with "Notices," paragraph 12 below, not less than 15 nor more than 30 days notice, the 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 Master Note or is in certificated form and held through DTC, Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of such Note the holder of the Note must, within the notice period, give notice to the Paying Agent of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg or any common depositary for them to the Paying Agent by electronic means, in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg from time to time and, if a Note is represented by a Global Note or Master Note, at the same time present or procure the presentation of the relevant Global Note or Master 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 Issuer to withdraw the notice given pursuant to this paragraph 5 and instead to declare such Note forthwith due and payable pursuant to Condition 8 (*Events of Default and Enforcement*).

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

Upon the occurrence of a Capital Event (as defined below), the Issuer may (at its option but subject to subparagraph (m) (*Conditions to redemption of Subordinated Notes prior to Maturity Date*) below) at any time subject to having given no less than thirty (30) nor more than forty five (45) calendar days' notice to the Noteholders in accordance with "Notices," paragraph 12 below (which notice shall be irrevocable), redeem the Subordinated Notes in whole, but not in part, at their Early Redemption Amount, together with all interest accrued to the date fixed for redemption.

"**Capital Event**" means the determination by the Issuer, that as a result of a change in the Relevant Rules becoming effective on or after the Issue Date of the relevant Series of Subordinated Notes, which change was not reasonably foreseeable by the Issuer as at the Issue Date of the relevant Series of Subordinated Notes, it is likely that all or part of the aggregate outstanding nominal amount of the Subordinated Notes will be excluded from the own funds of the Group or reclassified as a lower quality form of own funds of the Group.

"**CRD IV**" means the Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as published in the Official Journal of the European Union on June 27, 2013, as amended from time to time or such other directive as may come into effect in place thereof.

"**CRR**" means the Regulation (EU) No 2013/575 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms, as published in the Official Journal of the European Union on June 27, 2013, as amended from time to time or such other directive as may come into effect in place thereof.

"**CRD IV Implementing Measures**" means any regulatory capital rules implementing the CRD IV or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Relevant Regulator, which are applicable to the Issuer and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer.

"**CRD IV Rules**" means any or any combination of the CRD IV, the CRR and any CRD IV Implementing Measures.

"**Relevant Regulator**" means the European Central Bank and any successor or replacement thereto, or other authority (including, but not limited to any resolution authority) having primary responsibility for the prudential oversight and supervision of the Issuer or the application of the Relevant Rules to the Issuer and the Group.

"**Relevant Rules**" means at any time the laws, regulations, requirements, guidelines and policies of the Relevant Regulator relating to capital adequacy applicable to the Issuer from time to time including, for the avoidance of doubt, applicable rules contained in, or implementing the CRD IV Rules and/or the BRRD.

"**BRRD**" means the Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms as published in the Official Journal of the European Union on June 12, 2014 as amended from time to time or such other directive as may come in effect in place thereof.

"**Tier 2 Capital**" has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules.

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

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

(g) *Early Redemption Amounts*

For the purposes of Condition 5(b) (*Redemption for Taxation Reasons*), Condition 5(e) (*Optional Redemption of Subordinated Notes upon the occurrence of a Capital Event*), Condition 5(f) (*Optional Redemption of Subordinated Notes upon the occurrence of a Tax Deduction Event*), Condition 5(p) (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL/TLAC Disqualification Event or a MREL/TLAC Criteria Event*), Condition 8(a) (*Events of Default*) and Condition 8(b) (*Enforcement*) and any circumstances where the Notes are to be redeemed prior to the Maturity Date at their Early Redemption Amount (as defined below) (each an "**Early**

Redemption Event"), each Note will be redeemed at an amount (the"**Early Redemption Amount**") specified in the applicable supplement and 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) if "*Final Redemption Amount*" is specified in the applicable supplement, at the Final Redemption Amount thereof; or

(ii) if the "*Calculation Amount Percentage*" is specified in the applicable supplement at the Calculation Amount times the relevant percentage specified in the applicable supplement; or

(iii) if "*Market Value less Costs*" is specified in the applicable supplement, at the fair market value of such Note less associated costs; or

(iv) if "*Max of Calculation Amount Percentage and Market Value less Costs*" is specified in the applicable supplement, at the greater of the Calculation Amount times the relevant percentage specified in the applicable supplement and the fair market value of such Note less associated costs; or

(v) if "*Max of Amortized Amount and Market Value less Costs*" is specified in the applicable supplement, at the greater of (i) the fair market value of such Note less associated costs and (ii) the Amortized Face Amount (as defined below), in each case, multiplied by the Early Redemption Percentage specified in the applicable supplement; or

(vi) if Amortized Face Amount is specified in the applicable supplement at an amount (the "**Amortized Face Amount**") equal to the sum of: (x) the Reference Price specified in the applicable supplement and (y) 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 the Day Count Fraction, if applicable, specified in the applicable supplement;

Each of (i) to (vi) above, a "**Calculation Method**".

The applicable supplement may specify different Calculation Methods for different Early Redemption Events. Unless specified in the applicable supplement, the same Calculation Method shall apply in respect of all Early Redemption Event.

In addition, in the case of sub-paragraphs (ii) and (iv) above, the applicable supplement may specify different percentages for different periods during the life of the Notes, in which case the relevant periods will also be specified in the applicable supplement.

(h) *Purchases*

In the case of Senior Preferred Notes, the Issuer and its 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. If "*Prior approval of the Relevant Regulator*" is specified in the applicable supplement, any such purchase is subject to subparagraph (r) (*Conditions to redemption prior to the Maturity Date of Senior Preferred Notes*) below.

In the case of Senior Non Preferred Notes, the Issuer and its affiliates may, subject to subparagraph (q) (*Conditions to redemption prior to the Maturity Date or substitution and variation of Senior Non Preferred Notes*) below, at any time purchase Notes at any price in the open market or otherwise, in each case in accordance with applicable securities laws.

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

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

(i) *Cancellation*

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

(j) *Installments*

(i) 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.

(ii) If "Installment Adjustment" is specified in the applicable supplement and the Notes are redeemable in installments, each Note will be redeemed (i) in part by payment of the Installment Amount on the Installment Date (each as defined and specified in the applicable supplement) and (ii) with final redemption being made pursuant to Condition 5(a) (*Final Redemption*). The Installment Amount in respect of the Installment Date will be an amount calculated by the Calculation Agent equal to the product of the Calculation Amount immediately prior to the Installment Date and the Installment Percentage specified in the applicable supplement. Following the Installment Date, the Calculation Amount in respect of each Note shall be reduced by the Installment Amount and all calculations and determinations in respect of the Notes shall be made on the basis of the Calculation Amount as so reduced (or in the case of calculations and determinations made in respect of all of the Notes, the aggregate of the Calculation Amount as so reduced).

(iii) 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 or Master Note, the relevant Note and issue of a new Note in the nominal amount remaining outstanding, all as more fully described in "Payments" above.

(k) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraphs (b), (c) or (d) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (g)(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," paragraph 12 below.

(l) *Partly Paid Notes*

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

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

According to Articles 77 and 78 of the CRR, the Subordinated Notes may only be redeemed or purchased (as applicable) pursuant to paragraph (b)(1) (*Redemption for Taxation Reasons- Withholding Tax Event*), paragraph (b)(2) (*Redemption for Taxation Reasons- Gross-up Event*), paragraph (c) (*Redemption at the Option of the Issuer ("Issuer Call")*), paragraph (e) (*Optional Redemption of Subordinated Notes upon the occurrence of a Capital Event*), paragraph (f) (*Optional Redemption of Subordinated Notes upon the occurrence of a Tax Deduction Event*) or paragraph (h) (*Purchases*) (subject to the provisions set out in the second paragraph of the section relating to Subordinated Notes of paragraph (i) as the case may be), if the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable) and the following conditions are met:

(i) on or before such purchase or redemption of the Subordinated Notes, the Issuer replaces the Subordinated Notes with capital instruments of an equal or higher quality on terms that are sustainable for the Issuer's income capacity; or

(ii) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its Tier 1 Capital and Tier 2 Capital would, following such purchase or redemption, exceed the capital ratios required under the CRD IV by a margin that the Relevant Regulator may consider necessary on the basis set out in the CRD IV for it to determine the appropriate level of capital of an institution.

In the case of redemption of the Subordinated Notes before five years after the date of issuance of the relevant Series of Notes if:

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

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

(C) in the case of redemption due to the occurrence of a Withholding Tax Event, a Tax Deduction Event or a Gross-up Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Withholding Tax Event, Tax Deduction Event or Gross-up Event is material and was not reasonably foreseeable at the time of issuance of the relevant Series of Subordinated Notes, and the Issuer has delivered a certificate signed by one of its senior officers to the Fiscal and Paying Agent (and copies thereof will be available at the Fiscal and Paying Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Withholding Tax Event, Tax Deduction Event or Gross-up Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

"**Tier 1 Capital**" has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules.

(n) *Substitution and Variation of Senior Non Preferred Notes*

Subject to having given no less than thirty (30) nor more than sixty (60) calendar days' notice to the Fiscal and Paying Agent and the Noteholders (in accordance with Condition 12 (*Notices*)), if a MREL/TLAC Disqualification Event has occurred and is continuing, the Issuer may, at its option, substitute all (but not some only) of the relevant Series of Senior Non Preferred Notes or vary the terms of all (but not some only) of the relevant Series of Senior Non Preferred Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Notes. Alternatively, the Issuer may, at its option, redeem all (but not some only) of the relevant Series of Senior Non Preferred Notes in accordance with Condition 5(p) (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL/TLAC Disqualification Event or a MREL/TLAC Criteria event*) below.

Any such notice shall specify the details of such substitution or variation, as the case may be, including the date on which such substitution or variation, as the case may be, shall take effect and details of where the Noteholders can inspect or obtain copies of the new or amended terms and conditions of the Qualifying Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.

For the purpose of this Condition:

"**MREL/TLAC Disqualification Event**" means the determination by the Issuer, that as a result of a change in French and/or EU laws or regulations becoming effective on or after the Issue Date of a Series of Senior Non Preferred Notes, which change was not reasonably foreseeable by the Issuer as at the Issue Date of the Series, it is likely that all or part of the aggregate outstanding nominal amount of such Series of Notes will be excluded from the eligible liabilities available to meet the MREL/TLAC Requirements (however called or defined by then applicable regulations) if the Issuer is then subject to such requirements, provided that a MREL/TLAC Disqualification Event shall not occur where such Series of Notes is excluded on the basis (1) that the remaining maturity of such Notes is less than any period prescribed by any applicable eligibility criteria under the MREL/TLAC Requirements, or (2) of any applicable limits on the amount of eligible liabilities to meet the MREL/TLAC Requirements.

"**MREL/TLAC Requirements**" means the minimum requirement for own funds and eligible liabilities and/or total loss-absorbing capacity requirements applicable to the Issuer and/or the Group referred to in the BRRD, any other EU law or regulation and relevant implementing legislation and regulations in France.

"**Qualifying Notes**" means at any time, any securities issued or guaranteed by the Issuer that:

(i) contain terms which at such time result in such securities being eligible to count towards fulfillment of the MREL/TLAC Requirements of the Issuer and/or the Group to at least the same extent as the Senior Non Preferred Notes prior to the relevant MREL/TLAC Disqualification Event;

(ii) carry the same rate of interest from time to time applying to the relevant Series of Senior Non Preferred Notes prior to the relevant substitution or variation pursuant to this Condition 5(n) (*Substitution and Variation of Senior Non Preferred Notes*);

(iii) have the same currency of payment, maturity, denomination, original and aggregate outstanding principal amount as the relevant Series of Senior Non Preferred Notes prior to the relevant substitution or variation pursuant to this Condition 5(n) (*Substitution and Variation of Senior Non Preferred Notes*);

(iv) rank at least *pari passu* with the relevant Series of Senior Non Preferred Notes prior to the relevant substitution or variation pursuant to this Condition 5(n) (*Substitution and Variation of Senior Non Preferred Notes*);

(v) following the relevant substitution or variation pursuant to this Condition 5(n) (*Substitution and Variation of Senior Non Preferred Notes*), shall not be subject to a Withholding Tax Event or a Gross-Up Event;

(vi) have terms not otherwise materially less favourable to the Noteholders than the terms of the relevant Series of Senior Non Preferred Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered a certificate to that effect to the Fiscal and Paying Agent (and copies thereof will be available at the Fiscal and Paying Agent's specified office during its normal business hours) not less than five (5) Business Days prior to (x) in the case of a substitution of the Senior Non Preferred Notes pursuant to this Condition 5(n) (*Substitution and Variation of Senior Non Preferred Notes*), the issue date of the first Tranche of the relevant new series of securities or (y) in the case of a variation of the Senior Non Preferred Notes pursuant to this Condition 5(n) (*Substitution and Variation of Senior Non Preferred Notes*), the date such variation becomes effective; and

(vii) (a) are listed or admitted to trading on a regulated market, if the relevant Series of Senior Non Preferred Notes were listed or admitted to trading on a regulated market immediately prior to the relevant substitution or variation, or (b) are listed or admitted to trading on any recognised stock exchange (including, without limitation, a regulated market), if the relevant Series of Senior Non Preferred Notes were listed or admitted to trading on any recognised stock exchange other than a regulated market immediately prior to the relevant substitution or variation.

(o) *Variation of ranking following a MREL/TLAC Criteria Event*

If MREL/TLAC Criteria Event is specified as applicable in the applicable supplement and a MREL/TLAC Criteria Event has occurred and is continuing in respect of a Series of Senior Non Preferred Notes, the Fiscal and Paying Agent and the Issuer may agree, without the consent of the Noteholders, to (i) vary the ranking of such Notes to Senior Preferred Notes or (ii) substitute all (but not some only) of such Notes for Senior Preferred Notes on substantially similar terms to those of the relevant Senior Non Preferred Notes (and not otherwise materially less favourable to the Noteholders), except for the ranking of such Notes. Alternatively, the Issuer may, at its option, redeem all (but not some only) of the relevant Series of Senior Non Preferred Notes in accordance with Condition 5(p) (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL/TLAC Disqualification Event or a MREL/TLAC Criteria Event*).

Following such determination, the Issuer shall give notice as soon as practicable to the relevant Noteholders (in accordance with Condition 12 (*Notices*)), specifying the details of such variation or substitution, as the case may be, including the date on which such variation or substitution, as the case may be, shall take effect and details of where the Noteholders can inspect or obtain copies of the new or amended terms and conditions of the Notes. Such substitution or variation will be effected without any cost or charge to the Noteholders.

For the purpose of this Condition 5(o) (*Variation of ranking following a MREL/TLAC Criteria Event*), "**MREL/TLAC Criteria Event**" means in respect of a Series of Senior Non Preferred Notes (i) such Notes do not comply with the criteria applicable to eligible liabilities and are excluded from the eligible liabilities available to meet the MREL/TLAC Requirements according to the Relevant Rules as a consequence or (ii) such Notes are deemed to fall outside the category of obligations described in article L.613-30-3-I-4°. of the French Monetary and Financial Code (*Code monétaire et financier*), provided that, a MREL/TLAC Criteria Event shall not occur where such Series of Notes is excluded on the basis (x) that the remaining maturity of the relevant Notes is less than any period prescribed by any applicable eligibility criteria under the MREL/TLAC Requirements, or (y) of any applicable limits on the amount of eligible liabilities permitted or allowed to meet the MREL/TLAC Requirements.

(p) *Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL/TLAC Disqualification Event or a MREL/TLAC Criteria Event*

Upon the occurrence of a MREL/TLAC Disqualification Event or (if specified as applicable in the applicable supplement) a MREL/TLAC Criteria Event (each as defined above), the Issuer may, at any time, subject to having given no less than seven (7) nor more than forty five (45) calendar days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem all but not some only of the Notes then outstanding, at the Early Redemption Amount on the date specified in the notice of redemption, together with, if appropriate, interest accrued to (but excluding) the date fixed for redemption.

(q) *Conditions to redemption prior to the Maturity Date or substitution and variation of Senior Non Preferred Notes*

Any purchase pursuant to Condition 5(h) (*Purchases*) and any redemption prior to any specified maturity date or pursuant to Condition 5(b) (*Redemption for Taxation Reasons*), Condition 5(c) (*Redemption at the Option of the Issuer ("Issuer Call")*, Condition 5(p) (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL/TLAC Disqualification Event or a MREL/TLAC Criteria Event*), substitution or variation of a Senior Non Preferred Note pursuant to Condition 5(n) (*Substitution and Variation of a Senior Non Preferred Note*) or substitution or variation of the ranking of a Senior Non Preferred Note following a MREL/TLAC Criteria Event pursuant to Condition 5(o) (*Variation of ranking following a MREL/TLAC Criteria Event*) is subject to the prior written approval of the Relevant Regulator to the extent required at such date.

(r) *Conditions to redemption prior to the Maturity Date of Senior Preferred Notes*

If "*Prior approval of Relevant Regulator*" is specified as applicable in the applicable supplement, any purchase pursuant to Condition 5(h) (*Purchases*) and any redemption of Senior Preferred Notes prior to any specified maturity date or pursuant to Condition 5(b) (*Redemption for Taxation Reasons*) and Condition 5(c) (*Redemption at the Option of the Issuer ("Issuer Call"*) is subject to the prior written approval of the Relevant Regulator to the extent required at such date.

6. Taxation

(a) *Additional Amounts*

If French law should require that any payments of principal and interest in respect of the Senior Preferred Notes or the Senior Non Preferred Notes (or the Senior Preferred Guarantee, the Senior Non Preferred Guarantee or the Senior Guarantees) or payments of interest only in respect of the Subordinated Notes (or the Subordinated Guarantee), be subject to withholding with respect to any taxes or duties whatsoever, the 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 of principal and interest in respect of the Senior Preferred Notes or the Senior Non Preferred Notes (or the Senior Preferred Guarantee, the Senior Non Preferred Guarantee or the Senior Guarantees) or interest only in respect of the Subordinated Notes (or the Subordinated Guarantee) then due and payable; provided, however, that the 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 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) 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

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

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

(vi) for any taxes payable under section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") (or any successor or amended versions of these provisions), any regulations or other official guidance thereunder, or any agreement (including any

intergovernmental agreement or any law implementing such intergovernmental agreement) entered into in connection therewith; or

(vii) for any combination of (i) through (vi) above.

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

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

(B) if the full amount of the moneys payable on such a date in respect of such Note has not been received by the Fiscal and 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 in respect of the Senior Preferred Notes and Senior Non Preferred Notes (or the Senior Preferred Guarantee, the Senior Non Preferred Guarantee and the Senior Guarantees) and payments of interest in respect of the Subordinated Notes (or the Subordinated Guarantee) shall be deemed also to refer to any additional amounts which may be payable under this paragraph 6.

(b) *Supply of Information*

In order to assist the Fiscal and Paying Agent with its compliance with Section 1471 through 1474 of the Code and the rules and regulations thereunder (as in effect from time to time, collectively, the "**Applicable Law**") the Issuer agrees (i) to provide the Fiscal Paying Agent and any paying agent reasonably available information collected and stored in the Issuer's ordinary course of business regarding holders of the Notes (solely in their capacity as such) and which is necessary for the Fiscal and Paying Agent and any paying agent's determination of whether it has tax related obligations under Applicable Law and (ii) that the Fiscal and Paying Agent and any paying agent shall be entitled to make any withholding or deduction from payments under the Fiscal Paying Agent Agreement and the Notes to the extent necessary to comply with Applicable Law. Nothing in the immediate preceding sentence shall be construed as obligating the Issuer to make any "gross up" payment or similar reimbursement in connection with a payment in respect of which amounts are so withheld or deducted.

7. Redenomination

Where redenomination is specified in the applicable supplement as being applicable, the Issuer 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," paragraph 12 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 Issuer determines, 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 Issuer shall promptly notify the Noteholders, the stock exchange, if any, on which the Notes may be listed and the Paying Agents of such deemed amendments;

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

(c) if certificated Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer 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 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 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 Issuer 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 Senior Preferred Notes where one or more of the Events of Default (as defined below) are specified as applicable in the applicable supplement, the holders of at least 50% of the aggregate principal amount of such Series of outstanding Notes may give written notice to the Issuer and the Fiscal and Paying Agent that such Series of outstanding Notes are, and shall accordingly forthwith become, immediately due and repayable at their 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 Issuer fails to pay any principal payable in respect of such Series of Notes when due and payable; or

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

(iii) the Issuer fails to perform or observe any of its other obligations under the such Series of 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) the Issuer ceases its payments, or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer is subject to similar proceedings, or, in the absence of legal proceedings, the Issuer 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 Issuer for its winding-up or dissolution, except in connection with a merger or other reorganization in which all of the Issuer's assets are transferred to, and all of the Issuer's debts and liabilities (including the Notes) are assumed by, another entity which continues the Issuer's activities.

(b) Enforcement

If the Notes are Subordinated Notes, Senior Non Preferred Notes, or Senior Preferred Notes (unless, in the case of Senior Preferred Notes, where the applicable supplement specifies that one or more of the Events of Default are applicable), or if the Senior Preferred Notes (provided the applicable supplement specifies one or more of the Event of Defaults are applicable) become on the Optional Conversion Date or on the Automatic Conversion Date, as the case may be, Senior Non Preferred Notes, then the Events of Default listed in Condition 8(a) (*Events of Default*) above shall (starting from the Optional Conversion Date in the case of Senior Preferred to Senior Non Preferred Notes (optional conversion) or from the Automatic Conversion Date in the case of Senior Preferred to Senior Non Preferred Notes (automatic conversion)) not apply to such Notes. However, in either case, a Noteholder may, upon written notice to the Fiscal and Paying Agent, cause such Notes 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 an order is made or an effective decision is passed for the liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer.

9. Prescription

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiration of ten (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 (5) years from the due date thereof.

10. Replacement of Notes

If any Note, including any Global Note or Master 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 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 Issuer shall be at liberty from time to time without the consent of the Noteholders to issue further notes ("**Additional Notes**"), such Additional Notes forming a single series with the existing Notes so that such Additional Notes and the Notes carry rights identical in all respects, or in all respects except for the first payment of interest thereon. Any Additional Notes shall be issued under a separate CUSIP or ISIN number unless the Additional Notes are issued pursuant to a "qualified reopening" of the original series, are otherwise treated as part of the same "issue" of debt instruments as the original series or are issued with no more than a de minimis amount of original discount, in each case for U.S. federal income tax purposes.

12. Notices

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

(b) So long as global securities are held on behalf of DTC or any other clearing system, notices to holders of securities represented by a beneficial interest in the global securities may be given by delivery of the relevant notice to DTC or the alternative clearing system, as the case may be. If Notes are not held on behalf of DTC or any other clearing system, 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, or publish the information on an English language website of the Issuer or such other public medium as it may use at the time. 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 or Master 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 second 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 in the English language 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 or Master 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 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 the Issuer.

Subject to Condition 5(b) (*Redemption for Taxation Reasons*), Condition 5(c) (*Redemption at the Option of the Issuer ("Issuer Call")*), Condition 5(n) (*Substitution and Variation of Senior Non Preferred*), Condition 5(o) (*Variation of ranking following a MREL/TLAC Criteria Event*), and Condition 5(p) (*Optional Redemption of Senior Non Preferred Notes upon the occurrence of a MREL/TLAC Disqualification Event or a MREL/TLAC Criteria Event*):

(a) 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:

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

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

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

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

(b) 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; and

(c) 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) and, in the case of a Series of Senior Non Preferred Notes or, if "*Prior approval of the Relevant Regulator*" is specified in the applicable supplement, a Series of Senior Preferred Notes, any proposed modification of any provision of such Senior Notes, in each case requiring the consent of holders of at least 50% in principal amount of the then outstanding Notes of such Series, can only be effected subject to the prior approval of the Relevant Regulator, to the extent required.

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

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

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

(b) surrender any right or power of the 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 the 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.

(g) For the avoidance of doubt, with respect to the Subordinated Notes, the Senior Non Preferred Notes and, if "*Prior approval of the Relevant Regulator*" is specified in the applicable supplement, the Senior Preferred Notes, any modification or amendment can only be effected with the prior approval of the Relevant Regulator, to the extent required.

The 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 the Issuer. This meeting will be held at the time and place determined by the 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 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 Issuer 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 Issuer 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 Issuer 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 Issuer and any of its affiliates without being liable to account to the Noteholders for any resulting profit. The Bank of New York Mellon will be the initial Fiscal and Paying Agent with its specified office at 101 Barclay Street, New York, New York.

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(a) (*Status (Senior Notes)*) and Condition 2(b) (*Status (Subordinated Notes)*) will be governed by, and construed in accordance with, French law.

The Issuer and the Guarantor have irrevocably consented to the non-exclusive jurisdiction of the courts of the State of New York and the U.S. courts located in The City of New York, Borough of Manhattan with respect to any action that may be brought in connection with the Notes, with respect to the Issuer, and the Guarantees, with respect to the Guarantor. Each of the Issuer 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 Issuer in any U.S. or New York State court.

The Issuer and the Guarantor hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to the base prospectus and this prospectus supplement or the Notes.

The Issuer and its properties are currently not entitled to any sovereign or other immunity and the Issuer 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. Statutory Write-Down or Conversion

(a) *Acknowledgment*

By its acquisition of the Notes, each Noteholder (which, for the purposes of this Condition 16, includes any current or future holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-in or Loss Absorption Power (as defined below) by the Relevant Resolution Authority (as defined below), which may include and result in any of the following, or some combination thereof:

(1) the reduction of all, or a portion, of the Amounts Due (as defined below);

(2) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;

(3) the cancellation of the Notes; and/or

(4) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;

(ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority.

For these purposes, the "**Amounts Due**" are the principal amount of the Notes, and any accrued and unpaid interest on the Notes that has not been previously cancelled or otherwise is no longer due.

(b) *Bail-in or Loss Absorption Power*

For these purposes, the "**Bail-in or Loss Absorption Power**" is any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, the "**BRRD**"), including without limitation pursuant to French decree-law No. 2015-1024 dated August 20, 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended from time to time, the "**August 20, 2015 Decree Law**"), Regulation (EU) No 806/2014 of the European Parliament and of the Council of July 15, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (as amended from time to time, "**Single Resolution Mechanism**"), or otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced on a permanent basis (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other

person, whether in connection with the implementation of a Bail-in Tool following placement in resolution or otherwise.

A reference to a "**Regulated Entity**" is to any entity referred to in Section I of Article L.613-34 of the French Monetary and Financial Code as modified by the August 20, 2015 Decree Law, which includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France.

A reference to the "**Relevant Resolution Authority**" is to the *Autorité de contrôle prudentiel et de resolution* (the "**ACPR**"), the Single Resolution Board established pursuant to the Single Resolution Mechanism, and/or any other authority entitled to exercise or participate in the exercise of any Bail-in or Loss Absorption Power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism).

(c) *Payment of Interest and Other Outstanding Amounts Due*

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of its group.

(d) *No Event of Default*

Neither a cancellation of the Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Noteholder to any remedies (including equitable remedies) which are hereby expressly waived.

(e) *Notice to Noteholders*

Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will provide a written notice to the Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable regarding such exercise of the Bail-in or Loss Absorption Power. The Issuer will also deliver a copy of such notice to the Fiscal and Paying Agent for informational purposes, although the Fiscal and Paying Agent shall not be required to send such notice to Noteholders. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in or Loss Absorption Power nor the effects on the Notes described in clauses 16(a) and 16(b) of this section.

(f) *Duties of the Fiscal and Paying Agent*

Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority, the Issuer and each Noteholder (including each holder of a beneficial interest in the Notes) hereby agree that (a) the Fiscal and Paying Agent shall not be required to take any directions from Noteholders, and (b) the Fiscal and Paying Agency Agreement shall impose no duties upon the Fiscal and Paying Agent whatsoever, in each case with respect to the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority.

Notwithstanding the foregoing, if, following the completion of the exercise of the Bail-In or Loss Absorption Power by the Relevant Resolution Authority, any Notes remain outstanding (for example, if the exercise of the Bail-In or Loss Absorption Power results in only a partial write-down of the principal of the Notes), then the Fiscal and Paying Agent's duties under the Fiscal and Paying Agency Agreement shall remain applicable with respect to the Notes following such completion to the extent that the Issuer and the Fiscal and Paying Agent shall agree pursuant to an amendment to the Fiscal and Paying Agency Agreement.

(g) *Proration*

If the Relevant Resolution Authority exercises the Bail-in or Loss Absorption Power with respect to less than the total Amounts Due, unless the Fiscal and Paying Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Bail-in or Loss Absorption Power will be made on a pro-rata basis.

(h) *Conditions Exhaustive*

The matters set forth in this Condition 16 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Note.

17. Guarantees

(a) *Senior Guarantees*

(i) Status (Senior Preferred Guarantee)

The obligations of the Issuer under the Senior Preferred Notes that are 3(a)(2) Notes (the "**3(a)(2) Senior Preferred Notes**") will be guaranteed on a senior preferred basis by the Guarantor (the "**Senior Preferred Guarantee**"). The Guarantor's obligations under the Senior Preferred Guarantee constitute and will constitute direct, unconditional, unsecured, and senior obligations of the Guarantor and rank and will at all times rank:

a) senior to Senior Non Preferred Obligations (including the obligations of the Guarantor under the Senior Non Preferred Guarantee);

b) *pari passu* with Senior Preferred Obligations (including the obligations of the Guarantor under the Senior Guarantee); and

c) junior to present and future claims benefiting from other preferred exceptions.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights to payment of any holder of 3(a)(2) Senior Preferred Notes under the Senior Preferred Guarantee rank (a) junior to present and future claims benefiting from other preferred exceptions, and (b) senior to any Senior Non Preferred Obligations (including the obligations of the Guarantor under the Senior Non Preferred Guarantee).

(ii) Status (Senior Non Preferred Guarantee)

The obligations of the Issuer under the Senior Non Preferred Notes that are 3(a)(2) Notes (the "**3(a)(2) Senior Non Preferred Notes**") will be guaranteed on a senior non preferred basis by the Guarantor (the "**Senior Non Preferred Guarantee**"). The Guarantor's obligations under the Senior Non Preferred Guarantee constitute and will constitute direct, unconditional, unsecured, and senior (*chirographaires*) obligations of the Guarantor and rank and will at all times rank:

a) senior to Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations (including the obligations of the Guarantor under the Subordinated Guarantee);

b) pari passu with other Senior Non Preferred Obligations; and

c) junior to present and future claims benefiting from preferred exceptions including Senior Preferred Obligations (including obligations of the Guarantor under the Senior Preferred Guarantee and the Senior Guarantee).

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights to payment of any holder of 3(a)(2) Senior Non Preferred Notes under the Senior Non Preferred Guarantee rank :

a) junior to Senior Preferred Obligations (including the obligations of the Guarantor under the Senior Preferred Guarantee); and

b) senior to any Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations of the Issuer and to the obligations of the Guarantor under the Subordinated Guarantee.

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

"**Senior Guarantee**" means each of the senior guarantees issued by the Guarantor on May 30, 2008 and May 13, 2015, respectively, relating to the Program.

(b) *Subordinated Guarantee*

The obligations of the Issuer under the Subordinated Notes that are 3(a)(2) Notes (the "**3(a)(2) Subordinated Notes**") will be guaranteed on a subordinated basis by the Guarantor (the "**Subordinated Guarantee**").

(i) For so long as any Existing Subordinated Note is outstanding, the Guarantor's obligations under the Subordinated Guarantee constitute and will constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and rank and will rank *pari passu* with all other present and future direct, unconditional, unsecured and ordinarily subordinated obligations of the Issuer.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights to payment of a holder of any 3(a)(2) Subordinated Notes under the Subordinated Guarantee shall be subordinated to the full payment of unsubordinated creditors of the Issuer (including depositors) but, subject to such payment in full, a holder of 3(a)(2) Subordinated Notes shall be paid under the Subordinated Guarantee in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any Undated Deeply Subordinated Notes (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*) issued by the Issuer.

(ii) Upon redemption or repurchase and cancellation of all of the Existing Subordinated Notes, the Guarantor's obligations under the Subordinated Guarantee will constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and will rank *pari passu* among themselves and *pari passu* with:

a) any obligations or instruments of the Issuer which constitute Tier 2 Capital; and

b) any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Guarantee.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights to payment of a holder of any 3(a)(2) Subordinated Notes under the Subordinated Guarantee will (a) be subordinated to the full payment of (i) the unsubordinated creditors of the Issuer and (ii) the Eligible Creditors of the Issuer; and (b) will be paid in priority to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*).

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 Issuer or the Subordinated Guarantee that may be incurred or assumed by the Guarantor.

At any time when 3(a)(2) Subordinated Notes are outstanding, the Issuer may not be dissolved.

18. 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 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.

"**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.

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, entities taxed as partnerships or partners therein, dealers in securities or currencies, traders in securities electing to mark to market, nonresident alien individuals present in the United States for more than 182 days in a taxable year, or 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. Further, this summary does not address the alternative minimum tax, the Medicare tax on net investment income or other aspects of U.S. federal income or state and local taxation that may be relevant to a holder in light of such holder's particular circumstances. Holders should consult their own tax advisors in determining the tax consequences to them of holding Notes, including the application to their particular situation of the U.S. federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

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 that is not a United States holder.

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 Deeply Subordinated Notes) as equity of BNP Paribas. In general, we expect that any Note that promises (subject to provisions giving effect to the Bail-In Tool) to repay principal in an amount at least equal to its issue price should be treated as indebtedness for U.S. federal income tax purposes. 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 (for purposes of this discussion, a "Reverse Convertible Note") or (iii) a cash-settled forward contract with respect to Underlying Assets (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 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, a Forward Contract Note and an Undated Deeply Subordinated Note is expected to 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 unless otherwise indicated in the applicable pricing supplement.

This summary does not apply to Dual Currency Notes or Senior Preferred Notes that may be converted into Senior Non Preferred Notes. A description of the tax considerations relevant to such 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.

United States holders that use an accrual method of accounting for tax purposes ("accrual method holders") generally are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements (the "book/tax conformity rule"). The application of the book/tax conformity rule thus

may require the accrual of income earlier than would be the case under the general tax rules described below, although it is not clear to what types of income the book/tax conformity rule applies. This rule generally is effective for tax years beginning after December 31, 2017 or, for debt securities issued with original issue discount, for tax years beginning after December 31, 2018. Accrual method holders should consult with their tax advisors regarding the potential applicability of the book/tax conformity rule to their particular situation.

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 Internal Revenue Service (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 U.S. source capital gain or loss, and 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. However, exchange gain or loss is recognized only to the extent of total gain or loss recognized in the transaction. 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 U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), 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 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.

The application of the book-tax conformity rule to OID and de minimis OID is uncertain in some respects. The book/tax conformity rule applies to OID in some cases, and therefore may require accrual method holders to include OID on original issue discount debt securities in a more accelerated manner than described above if they do so for financial accounting purposes. It is uncertain what adjustments, if any, should be made in later accrual periods when taxable income exceeds income reflected on the United States holder's financial statements to reflect the accelerated accrual of income in earlier periods. In addition, it is possible, although less likely, that accrual method holders may be required to include de minimis OID in gross income as the de minimis OID accrues for financial statement purposes.

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 is required to 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.

If a Note provides for a scheduled accrual period that is longer than one year (for example, as a result of a long initial period on a Note with interest that is generally paid on an annual basis), then stated interest on the Note will not qualify as "qualified stated interest" under the applicable Treasury Regulations. As a result, the Note would be an Original Issue Discount Note. In that event, among other things, cash-method United States holders will be required to accrue stated interest on the Note under the rules for OID described above, and all United States holders will be required to accrue OID that would otherwise fall under the *de minimis* threshold.

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 fourth 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.

The application of the book/tax conformity rule to debt securities with market discount is uncertain. Under the book/tax conformity rule, an accrual method holder that has made the election described in the prior paragraph to accrue market discount may be required to accrue market discount in a more accelerated manner than described above if the holder does so for financial accounting purposes. It is also possible, although less likely, that accrual method holders that have not made the election described above and that accrue market discount on a current basis on their financial statements may be required to accrue market discount—including de minimis market discount—currently for U.S. federal income tax purposes.

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 OID 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 Issuer will be required to determine a "comparable yield" for the Linked Debt Notes that takes into account the yield at which the 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 that 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 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 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 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 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. 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.

If a United States holder purchases a Linked Debt Note for an amount that differs from its adjusted issue price, the general rules discussed above under "Premium and Market Discount" will not apply. Instead, the United States holder must reasonably determine the extent to which the difference between the price the holder paid for the Linked Debt Note and its adjusted issue price is attributable to a change in expectations as to the projected contingent payments, a change in interest rates, or both, and make certain adjustments. United States holders should consult their tax advisors regarding these adjustments.

Upon a sale, exchange or retirement of a Linked Debt Note (including a repurchase or redemption of the Note at the option of the 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 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 payment or retirement. Any gain or loss realized by a United States holder on a sale or exchange of such property generally will be capital gain or loss and will generally be long-term capital gain or loss if the sale or exchange occurs more than one year after such payment or the retirement of the Linked Debt Note.

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

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

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

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

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

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

Purchasers of Linked Debt Notes at a Price Other than Adjusted Issue Price. If a United States holder purchases a Linked Debt Note in the secondary market for an amount that differs from the adjusted issue price of the Notes at the time of purchase, that United States holder will be required to accrue interest income on the Note in

accordance with the comparable yield even if market conditions have changed since the date of issuance. The regular rules for accruing bond premium, acquisition premium and market discount will not apply. Instead, a United States holder must reasonably determine whether the difference between the purchase price for a Note and the adjusted issue price of a Note is attributable to a change in expectations as to the contingent amounts potentially payable in respect of the Notes, a change in interest rates since the Notes were issued, or both, and allocate the difference accordingly to the remaining daily portions of interest and projected payments.

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

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

Consequences of Reverse Convertible Notes and Forward Contract Notes

The following discussion applies to Notes that may be characterized as either a Reverse Convertible Note, a Forward Contract Note or in some other manner, rather than as debt. The following discussion assumes that none of the Underlying Assets consist of shares of an issuer that is a passive foreign investment company for U.S. federal income tax purposes. If this assumption is not correct, then the U.S. federal income tax consequences of owning the Notes could differ significantly from the consequences described below.

Consequences of Reverse Convertible Notes

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

Under the above, agreed-to characterization of the Reverse Convertible Notes, (i) amounts paid to the Issuer in respect of the original issue of a Reverse Convertible Note will be treated as allocable in their entirety to the amount of the cash deposit attributable to such Note, (ii) amounts denominated as interest will be characterized as interest payable on the amount of such deposit, and will be includible in the income of a United States holder as interest in the manner described below, and (iii) amounts denominated as option premium will be characterized as option premium, and will be includible in the income of a United States holder in the manner described below. As discussed below, there is no assurance that the IRS will agree with this treatment, and alternative treatments of the

Reverse Convertible Notes could result in less favorable U.S. federal income tax consequences to a holder, including a requirement to accrue income on a current basis or to recognize gain on the receipt of the Underlying Assets (or their cash equivalent) at maturity.

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

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

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

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

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

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

basis will be increased by any amounts included in income by the holder as OID and reduced by any interest payments made on such Note.

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

It is also possible that future legislation would cause Reverse Convertible Notes to be subject to tax on a mark-to-market basis, or that future legislation, regulations or other IRS guidance would require the accrual of income with respect to the Reverse Convertible Notes on a current basis at ordinary rates (as opposed to capital gains rates), possibly in excess of any amounts paid currently. or to treat the Reverse Convertible Notes in another manner that significantly differs from the agreed-to treatment discussed above. It is impossible to predict how future legislation or regulatory changes would impact the treatment of Reverse Convertible Notes. United States holders are urged to consult their tax advisors regarding the potential effects of the foregoing developments on the tax treatment of the Reverse Convertible Notes.

Consequences of Forward Contract Notes

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

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

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

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

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

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

It is not possible to predict whether such regulations will be promulgated by the U.S. Treasury Department, or the form or effective date that any regulations that may be promulgated might take. It is also possible that future legislation would cause Forward Contract Notes to be subject to tax on a mark-to-market basis, or that future regulations or other IRS guidance would require the accrual of income with respect to the Forward Contract Notes on a current basis at ordinary rates (as opposed to capital gains rates), possibly in excess of any amounts paid currently or to treat the Notes in another manner that significantly differs from the agreed-to treatment discussed above. It is impossible to predict how future legislation or regulatory changes would impact the treatment of Forward Contract Notes.

Foreign Currency Notes Reportable Transactions

A United States holder that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A United States holder may be required to treat a foreign currency exchange loss relating to a Foreign Currency Note as a reportable transaction if the loss exceeds U.S.$50,000 in a single taxable year if the United States holder is an individual or trust, or higher amounts for other United States holders. In the event the acquisition, ownership or disposition of a Foreign Currency Note constitutes participation in a "reportable transaction" for purposes of these rules, a United States holder will be required to disclose its investment to the IRS, currently on Form 8886. Prospective investors are urged to consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Foreign Currency Notes.

Foreign Financial Asset Reporting

Certain United States holders that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Notes) that are not held in accounts maintained by financial institutions. The understatement of income attributable to "specified foreign financial assets" in excess of U.S.$50,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. Higher reporting thresholds apply to certain individuals living abroad

and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. United States holders who fail to report the required information could be subject to substantial penalties. Holders should consult with their own tax advisors regarding the possible application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Non-United States Holders

Subject to the discussion below under "Foreign Account Tax Compliance Act", non-United States holders of Notes 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.

Subject to the discussion below under "Foreign Account Tax Compliance Act", the gain realized on any sale or exchange of the Notes by a non-United States holder 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.

The U.S. Treasury Department and the IRS have published final regulations under Section 871(m) of the Code. Under the regulations, a 30% withholding tax would be imposed on "dividend equivalent" payments. These include payments made pursuant to certain equity-linked instruments ("**specified ELIs**") that reference a U.S. source dividend payment (which could include a payment on certain Notes, including certain Physical Delivery Notes, Linked Notes, Reverse Convertible Notes or Forward Contract Notes). A payment references a U.S. source dividend payment if it is directly or indirectly contingent upon or determined by reference to, in whole or in part, the payment of a dividend from sources within the United States. If a Note is a specified ELI, a non-United States holder generally would be subject to withholding on certain payments on such a Note, which may include coupon payments, payments of principal at final maturity or proceeds from the sale or disposition of the Note, regardless of whether the payment is by its terms determined by reference to a U.S. source dividend. A non-United States holder would not be entitled to additional amounts with respect to amounts so withheld. Holders should consult their own tax advisors on how Section 871(m) of the Code and the regulations discussed above may apply to payments they receive in respect of Notes.

Foreign Account Tax Compliance Act

Withholding on certain "foreign passthru payments" (a term not yet defined) made on Notes may apply beginning in 2019. With respect to Notes that are treated as "obligations" for purposes of FATCA, any such withholding would apply to payments on Notes, and would apply only to foreign passthru payments on Notes issued six months or more after Treasury regulations defining the term "foreign passthru payments" are published. In addition, France has entered into an intergovernmental agreement with the United States, which could result in the imposition of additional reporting requirements under French law.

By purchasing the Notes, holders agree to provide either an IRS Form W-9 or the applicable IRS Form W-8, and whatever other information may be necessary to comply with these reporting obligations. If an amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from interest or other payments on the Notes as a result of an investor's failure to comply with these rules, neither the Issuer nor the Guarantor nor any paying agent nor any other person would be required to pay additional amounts with respect to any Notes as a result of the deduction or withholding of such tax. As a result, if payments in respect of the Notes are subject to FATCA withholding, investors may receive less interest or principal than expected. Holders of Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

Information Reporting and Backup Withholding

Information returns may be required to be filed 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, fail to certify that they are not subject to backup withholding tax, or otherwise fail to comply with applicable backup withholding tax rules. Persons holding Notes who are not United States holders may be required to comply with applicable certification

procedures to establish that they are not United States holders in order to avoid the application of such information reporting requirements and backup withholding tax. Any amount paid as backup withholding may be creditable against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

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.

French Taxation Considerations Relating to the Notes

The descriptions below are intended as a brief summary of certain French tax consequences that may be relevant to holders of Notes who do not concurrently hold shares of the Issuer. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Pursuant to Article 125 A III of the French *Code général des impôts*, payments of interest and other revenues made by the Issuer on the Notes are not subject to withholding tax unless such payments are made outside of France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"), in which case a 75% withholding tax is applicable subject to certain exceptions, and to more favorable provisions of any applicable double tax treaty. The 75% withholding tax is applicable irrespective of the tax residence of the Holder. The list of Non-Cooperative States is published by a ministerial executive order, which may be updated at any time and at least on a yearly basis. A draft law published by the French government on March 28, 2018, would, if adopted in its current form, expand the list of Non-Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include states and jurisdictions on the blacklist published by the Council of the European Union and as a consequence, would expand this withholding tax regime to certain states and jurisdictions included in the blacklist.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on the Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State (the "**Deductibility Exclusion**"). The abovementioned draft law published by the French government on March 28, 2018 would, if adopted in its current form, expand this regime to the states and jurisdictions included in the blacklist published by the Council of the European Union. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 et seq. of the French *Code général des impôts*, 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 (i) 30% (to be reduced and aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years opened on or after January 1st, 2020) for Holders of Notes who are non-French tax resident legal persons, (ii) 12.8% for Holders of Notes who are non-French tax resident individuals, in each case (x) unless payments are made in a Non-Cooperative State (in which case the withholding tax rate would be equal to 75% and (y) subject to certain exceptions (certain of which are set forth below) and, to more favourable provisions of any applicable double tax treaties.

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

In addition, under French tax administrative guidelines (BOI-INT-DG-20-50-20140211 dated February 11, 2014, BOI-RPPM-RCM-30-10-20-40-20140211 dated February 11, 2014, and BOI-IR-DOMIC-10-20-20-60-20150320 dated March 20, 2015), an issue of Notes benefits from the Exception without the Issuer 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 (*Code monétaire et financier*) 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;

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

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

Since the Notes will be cleared through a qualifying clearing system at the time of their issue, they will fall under the Exception. Consequently, payments of interest and other revenues made by the Issuer under the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Taxation on Sale or Other Disposition

Under Article 244 *bis* C of the French *Code général des impôts*, a person that is not a resident of France for the purpose of French taxation generally is not subject to any French income tax or capital gains tax on any gain derived from the sale or other disposition of a debt security, unless such debt security forms part of the business property of a permanent establishment or a fixed base that such person maintains in France.

Stamp Duty and Other Transfer Taxes

Transfers of Notes outside France will not be subject to any stamp duty or other transfer tax imposed in France, provided such transfer is not recorded or referred to in any manner whatsoever in a deed registered in France.

Estate and Gift Tax

France imposes estate and gift tax on securities of a French company that are acquired by inheritance or gift. According to article 750 *ter* of the French *Code général des impôts*, the taxation is triggered without regard to the residence of the transferor. However, France has entered into estate and gift tax treaties with a number of countries pursuant to which, assuming certain conditions are met, residents of the treaty country may be exempted from such tax or obtain a tax credit.

As a result from the combination of the French domestic tax law and the estate and gift tax convention between the United States and France, a transfer of Notes by gift or by reason of the death of a United States holder entitled to benefits under that convention will not be subject to French gift or inheritance tax, so long as, among other conditions, the donor or decedent was not domiciled in France at the time of the transfer and the Notes were not used or held for use in the conduct of a business or profession through a permanent establishment or fixed base in France.

ERISA MATTERS

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

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

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

PLAN OF DISTRIBUTION

The Notes are being offered from time to time by the Issuer through BNPP Securities or one or more affiliates thereof (the "**Lead Dealer**"), Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co. LLC, J.P. Morgan Securities LLC, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC (each, a "**Dealer**" and, collectively with the Lead Dealer and any other dealers for the Notes appointed by the Issuer 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. The 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 Issuer has 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 Issuer to any of the Dealers on account of sales of Notes made through such other dealers or directly by the 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 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 two business days, which we refer to as T+2. 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+2. In such case, by virtue of the fact that the initial delivery of the Notes will not be made following the then applicable standard basis, investors who wish to trade the Notes before a final settlement will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. The particular settlement terms of any Series of Notes will be specified in the applicable supplement.

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

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

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

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

The Issuer has 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 Issuer 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 Issuer, 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 Issuer 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 Issuer 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.

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 Issuer. Any distribution of the 3(a)(2) Notes offered hereby will be made in compliance with applicable provisions of Rule 5121 of the Financial Industry Regulatory Authority, Inc. ("**FINRA**"), which provides that, among other things, when a FINRA member participates in such an offering, it may not execute transactions in any discretionary account without the prior specific written approval of the customer.

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 the section "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 Issuer of the Notes as set forth under the section "Notice to Investors" in the base prospectus.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates.

If any of the Dealers or their affiliates have a lending relationship with us, certain of those dealers or their affiliates routinely hedge, and certain other of those dealers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these dealers and their affiliates would hedge

such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Conflicts of Interest between the Issuer and the Dealers

BNPP Securities, the Lead Dealer for the Notes offered hereby and a wholly owned subsidiary of the Bank and an affiliate of the Branch and the Issuer, is a FINRA member. Accordingly, any offering of the 3(a)(2) Notes will be conducted in accordance with the applicable provisions of FINRA Rule 5121 that 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 Issuer has agreed to indemnify each Dealer against, or to make contributions relating to, certain civil liabilities, including liabilities under the Securities Act.

Notice to Residents of Canada

In Canada, this document constitutes an offering of the securities only in those Canadian jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. The offering of the securities in Canada is being made on a private placement basis in reliance on exemptions from the prospectus requirements under the securities laws of each applicable Canadian province and territory where the securities may be offered and sold, and therein may only be made with investors that are purchasing as principal and that qualify as both an "accredited investor" as such term is defined in National Instrument 45-106 *Prospectus Exemptions* or, in Ontario, in the *Securities Act* (Ontario, as applicable, and as a "permitted client" as such term is defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any offer and sale of the securities in any province or territory of Canada may only be made through a dealer that is properly registered under the securities legislation of the applicable province or territory wherein the securities are offered and/or sold or, alternatively, by a dealer that qualifies under and is relying upon an exemption from the registration requirements therein. Any resale of the securities must be made in accordance with applicable securities laws, which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with exemptions from registration and prospectus requirements. These resale restrictions may in some circumstances apply to resale of the securities outside Canada. Canadian purchasers are advised to seek legal advice prior to any resale of the securities.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages, or both, in addition to any other rights they may have at law, if this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Each Dealer may have an ownership, lending or other relationship with the Issuer of the securities offered by this document that may cause the Issuer to be a "related issuer" or "connected issuer" to such Dealer, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts* ("**NI 33-105**"). Pursuant to Sections 3A.3(a) and/or 3A.4(b), as applicable, of NI 33-105, each Dealer and the Issuer are relying on an exemption from the disclosure requirements relating to the relationship between the Dealer and the Issuer prescribed by Section 2.1(1) of NI 33-105.

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux*

présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

European Economic Area

In relation to each member state of the European Economic Area (each, a "**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 was implemented in that 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 the applicable supplement in relation thereto to the public in that 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 Member State:

(1) if the applicable supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that 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 Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the applicable supplement 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 supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-Exempt Offer;

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

(3) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

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

provided that no such offer of Securities referred to in (2) to (4) above shall require the Issuer, the Guarantor 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 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 (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Member State.

MiFID II product governance / target market

The applicable supplement in respect of any Series of Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes of any such Series and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Lead Dealer nor the

Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRIIPs / IMPORTANT – EUROPEAN ECONOMIC AREA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPS Regulation.

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 Issuer have acknowledged that the Notes are being issued outside France and, accordingly, represents and agrees that:

(i) this prospectus supplement and the base prospectus have not been prepared and are not being distributed in the context of a public offering of securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and, therefore, this prospectus supplement, the base prospectus and the applicable supplement or any other offering materials relating to the Notes have not been and will not be filed with the French *Autorité des marchés financiers* (the "**AMF**") for prior approval or submitted for clearance to the AMF and, more generally 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 AMF 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 AMF;

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

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

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

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

Selling Restrictions in the United Kingdom

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

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

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

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

INDEPENDENT STATUTORY AUDITORS

The Group's consolidated financial statements as of and for the years ended December 31, 2017, December 31, 2016 and December 31, 2015 incorporated by reference herein have been audited by Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars as joint independent statutory auditors (*Commissaires aux comptes*).

DOCUMENTS DEEMED TO BE INCORPORATED BY REFERENCE

The Branch has not and will not publish its own financial statements and is not subject to audits by independent auditors (other than as part of the audit of the Bank's financial statements).

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

(a) the English version of the Bank's 2017 Registration Document (*Document de référence et rapport financier annuel 2017*), published by the Bank and filed with the AMF on March 6, 2018 under n°D.18-0104 (the "2017 Registration Document"), other than Chapter 3.6 (Outlook), Chapter 6 (Information on the Parent Company Financial Statements 31 December 2017), Chapter 7 (A Responsible Bank: Information concerning the Economic, Social, Civic and Environmental Responsibility of BNP Paribas), Chapter 8 (General Information), Chapter 10 (Person Responsible for the Registration Document) and Chapter 11 (Tables of Concordance) thereof;

(b) the English version of the First Update to the 2017 Registration Document (*actualisation du document de référence*), published by the Bank and filed with the AMF on May 4, 2018 under n°D.18-0104-A01 (the "First Update to the 2017 Registration Document") except the sections entitled "Person Responsible," "Documents on Display" and "Tables of Concordance" and any reference to a completion letter (*lettre de fin de travaux)*;

(c) the English version of any future update to the Bank's 2017 Registration Document (*actualisation du document de référence*);

(d) Chapters 3 (other than Chapter 3.6 (Outlook)), 4 and 5 of the English version of the Bank's 2016 Registration Document published by the Bank and filed with the AMF on March 7, 2017 under n°D.17-0132 (*Document de référence et rapport financier annuel 2016*);

(e) Chapters 4 and 5 of the English version of the Bank's 2015 Registration Document published by the Bank and filed with the AMF on March 9, 2016 under n°D.16-0126 (*Document de référence et rapport financier annuel 2015*);

(f) the English version of the 2018 Registration Document (*Document de référence et rapport financier annuel 2018*) to be published by the Bank, including any update thereto, other than any chapter entitled: "Outlook", "Information on the Parent Company Financial Statements", "A Responsible Bank: Information on the Economic, Social, Civic and Environmental Responsibility of BNP Paribas", "General Information", "Person Responsible for the Registration Document" and "Table of Concordance" thereof;

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

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

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

- any section entitled "Person Responsible", "Documents on Display", "Articles of Association" or "Table of Concordance" in any of the foregoing documents;
- any reference to a completion letter (*lettre de fin de travaux*) included in any of the foregoing documents; and
- any quantitative financial forecasts, projections, estimates, targets or objectives included in any of the foregoing documents (unless expressly included in a prospectus supplement).

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

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

AVAILABLE INFORMATION

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

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

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

BNP PARIBAS