

BASE PROSPECTUS



BNP PARIBAS

BNP PARIBAS S.A., ACTING THROUGH ITS HUNGARIAN BRANCH

HUF 75,000,000,000 Note Programme

This document constitutes two base prospectuses (together the **Base Prospectus**) for the purposes of the Note Programme (the **Programme**) of BNP PARIBAS S.A., acting through its Hungarian Branch (the **Issuer**) under which the Issuer may from time to time issue Hungarian forint denominated notes (the **Notes**) that are either (i) listed and/or admitted to trading on a regulated market; or (ii) unlisted and/or not admitted to trading on any regulated market. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed HUF75,000,000,000 (or its equivalent in other currencies calculated).

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors". In accordance with section 29(1) of the Capital Markets Act, only the Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. Therefore, the risks related to an investment in the Notes issued under the Programme exceed the ordinary level of risks related to public offerings in general.

The Hungarian Financial Services Authority (the **HFS**A) in its capacity as competent authority under Act CXX of 2001 on the Capital Markets (the **Capital Markets Act**) approved this document as a base prospectus in its resolution No. H-KE-III-693/2013 dated 30 September 2013. Application has also been made to the Budapest Stock Exchange (**BSE**) for certain Notes issued under the Programme to be listed and admitted to trading on the Budapest Stock Exchange's regulated market, which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been listed and admitted to trading on the Budapest Stock Exchange's regulated market. The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be determined by the Issuer. Under the Programme the Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The requirement to publish a prospectus under the Prospectus Directive (as defined below) and the Capital Markets Act only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)) and section 14 of the Capital Markets Act.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will, to the extent required under the Capital Markets Act, be filed with the HFSA.

The Issuer's long-term credit ratings are A+ with a negative outlook (Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**")), A2 with a stable outlook (Moody's Investors Service Ltd. ("**Moody's**")) and A+ with a stable outlook (Fitch France S.A.S. ("**Fitch France**")). Each of Standard &

Poor's, Moody's and Fitch France is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of Standard & Poor's, Moody's and Fitch France is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

BNP Paribas UK Limited and OTP Bank Plc

as **Mandated Lead Arrangers**

The date of this Base Prospectus is 21 August 2013.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Section 27(5) of the Capital Markets Act and Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU) (the **Prospectus Directive**).

In accordance with section 29(1) of the Capital Markets Act, only the Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. Therefore, the risks related to an investment in the Notes issued under the Programme exceed the ordinary level of risks related to public offerings in general.

The Issuer's responsibility statement is set out in the chapter entitled "*Responsibility Statement*" below. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Mandated Lead Arrangers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Mandated Lead Arrangers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. The Mandated Lead Arrangers do not accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Mandated Lead Arrangers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Mandated Lead Arrangers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Mandated Lead Arrangers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review the most recently published audited annual financial statements, unaudited semi-annual interim consolidated financial statements and quarterly financial results of the Issuer.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer does not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction (other than in Hungary) where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including Hungary, the United Kingdom and France), see "*Subscription and Sale*".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions,

Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

PRESENTATION OF INFORMATION

In this Base Prospectus, all references to:

HUF refers to Hungarian forint

U.S. dollars, U.S.\$ and \$ refer to United States dollars; and

euro and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

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SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary because of the type of Notes and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the mention of “not applicable”.

Section A – Introduction and warnings

Element	Title	
A.1	Warning that the Summary should be read as an introduction and provision as to claims	<p>This summary should be read as an introduction to the Base Prospectus and the applicable Final Terms.</p> <p>Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms.</p> <p>Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated.</p> <p>No civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Base Prospectus and the applicable Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Notes.</p>
A.2	Consent as to the use of the Base Prospectus, period of validity and other conditions attached	Not Applicable – the Notes are issued in denominations of a Hungarian forint amount equivalent to at least €100,000.

Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	BNP PARIBAS S.A., acting through its Hungarian Branch (<i>BNP Paribas Magyarországi Fióktelepe</i> in Hungarian).
B.2	Domicile/ legal form/ legislation/ country of incorporation	BNP PARIBAS, Hungary Branch is a branch office of BNP Paribas S.A. (a company incorporated in France as a société anonyme under French law and licensed as a bank having its head office at 16, boulevard des Italiens – 75009 Paris, France) established in Hungary under Act CXXXII of 1997 on Hungarian Branch Offices and Commercial Representative Offices of Foreign-Registered Companies.
B.4b	Trend information	<p><i>Macroeconomic Conditions.</i></p> <p>The Issuer’s results of operations are affected by the macroeconomic and market environment. Given the nature of its business, the Issuer is particularly susceptible to macroeconomic and market conditions in Europe, which have experienced disruptions in recent years.</p> <p>While global economic conditions generally improved over the course of 2012, growth prospects diverge for advanced and developing economies in 2013 and going forward. In the Euro-zone, sovereign spreads came down in 2012 from historically high levels, although uncertainty remains over the solvability of certain sovereigns and the extent to which E.U. member states are willing to provide additional financing.</p> <p><i>Legislation and Regulations Applicable to Financial Institutions.</i></p> <p>The Issuer is affected by legislation and regulations applicable to global financial institutions, which are undergoing significant change in the wake of the global financial crisis. New measures that have been proposed and adopted include more stringent capital and liquidity requirements, taxes on financial transactions, restrictions and taxes on employee compensation, limits on commercial banking activities, restrictions of types of financial products, increased internal control and transparency requirements, more stringent business conduct rules, mandatory reporting and clearing of derivative transactions, requirements to mitigate risks relating to OTC derivatives and the creation of new and strengthened regulatory bodies. New or proposed measures that affect or will affect the Issuer include the Basel 3 and CRD4 prudential frameworks, the related requirements announced by the EBA, the designation of the Issuer as a systemically important financial institution by the FSB, the French banking law, the E.U. Liikanen proposal and the Federal Reserve’s proposed framework for the regulation of foreign banks.</p>
B.5	Description of the Group	The Issuer is a European leading provider of banking and financial services and has four domestic retail banking

Element	Title	
		markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 78 countries and has almost 190,000 employees, including over 145,000 in Europe. The Issuer is the parent company of the BNP Paribas Group (the "BNPP Group").
B.9	Profit forecast or estimate	Not applicable, the Issuer does not provide a profit forecast or estimate.
B.10	Audit report qualifications	Not Applicable. - No qualifications are contained in any audit reports incorporated by reference in the Base Prospectus.
B.12	Selected historical key financial information:	

In millions of EUR

	31/12/2011	31/12/2012	30/06/2013
Revenues	42,384	39,072	19,972
Cost of risk	(6,797)	(3,941)	(2,087)
Net income, Group share	6,050	6,553	3,347
Common Equity Tier 1 Ratio (Basel 2.5)	9.6%	11.8%	12.2%
Tier 1 Ratio	11.6%	13.6%	13.6%
Total consolidated balance sheet	1,965,283	1,907,290	1,861,338
Consolidated loans and receivables due from customers	665,834	630,520	623,587
Consolidated items due to customers	546,284	539,513	554,198
Shareholders' equity (Group share)	75,370	85,886	86,136

Statements of no significant or material adverse change

There has been no significant change in the financial or trading position of the BNPP Group since 31 December 2012 and there has been no material adverse change in the prospects of the Issuer or the BNPP Group since 31 December 2012.

There has been no significant change in the financial or trading position of the Issuer since 30 June 2013 and there has been no material adverse change in the prospects of the Issuer since 30 June 2013.

Element	Title	
B.13	Events impacting the Issuer's solvency	Not Applicable. - As at the date of this Base Prospectus and to the best of the Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 31 December 2012.
B.14	Dependence upon other group entities	<p>Subject to the following paragraph, the Issuer is not dependent upon other members of the BNPP Group.</p> <p>In April 2004, the Issuer began outsourcing IT Infrastructure Management Services to the “BNP Paribas Partners for Innovation” (BP²I) joint venture set up with IBM France at the end of 2003. BP²I provides IT Infrastructure Management Services for the Issuer and several BNPP subsidiaries in France, Switzerland, and Italy. In mid-December 2011 the Issuer renewed its agreement with IBM France for a period lasting until end-2017. At the end of 2012, the parties entered into an agreement to gradually extend this arrangement to BNP Paribas Fortis as from 2013. BP²I is 50/50-owned by the Issuer and IBM France; IBM France is responsible for daily operations, with a strong commitment of the Issuer as a significant shareholder. See also Element B.5 above.</p>
B.15	Principal activities	<p>The Issuer holds key positions in its three activities:</p> <ul style="list-style-type: none"> • Retail Banking, which includes: <ul style="list-style-type: none"> ○ a set of Domestic Markets, comprising: <ul style="list-style-type: none"> ▪ 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 Retail Banking, comprising: <ul style="list-style-type: none"> ▪ Europe-Mediterranean, ▪ BancWest; ○ Personal Finance; • Investment Solutions; and • Corporate and Investment Banking (CIB).
B.16	Controlling shareholders	None of the existing shareholders controls, either directly or indirectly, the Issuer. The main shareholders are Société Fédérale de Participations et d'Investissement (SFPI) a public-interest <i>société anonyme</i> (public limited company)

Element	Title	
		acting on behalf of the Belgian government holding 10.3% of the share capital as at 30 June 2013; AXA holding 2.9% of the share capital as at 30 June 2013 and Grand Duchy of Luxembourg holding 1.0% of the share capital as at 30 June 2013. To the Issuer's knowledge, no shareholder other than SFPI owns more than 5% of its capital or voting rights.
B.17	Solicited credit ratings	<p>The Issuer's long term credit ratings are A+ with a negative outlook (Standard & Poor's Credit Market Services France SAS), A2 with a stable outlook (Moody's Investors Service Ltd.) and A+ with a stable outlook (Fitch France S.A.S.).</p> <p>Notes issued under the Programme may be rated or unrated.</p> <p>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 by the assigning rating agency.</p>

Section C – Securities

Element	Title	
C.1	Type and class of Notes/ISIN	<p>The Notes to be issued under the Programme may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of the foregoing.</p> <p>The respective International Securities Identification Number of the relevant Notes will be specified in the respective Final Terms.</p>
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in Hungarian forints. Payments in respect of the Notes shall only be made in the territory of Hungary and in Hungarian forints (see also Element C.8 below).</p>
C.5	Restrictions on transferability	<p>Not Applicable. - There are no restrictions on the free transferability of the Notes.</p>
C.8	Rights attached to the Notes, including ranking and limitations on those rights	<p>Notes issued under the Programme will have terms and conditions relating to, among other matters:</p> <p>Status</p> <p>Notes may be issued on a senior basis and will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).</p> <p>Payment</p> <p>Payments in respect of the Notes shall only be made in the territory of Hungary and in Hungarian forints. The Issuer shall not be liable to make any payments in respect of the</p>

Element	Title
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Notes in any other place or in any other currency, provided that the scope of such exclusion of the Issuer's liability shall not extend to a refusal by the Issuer to effect such payments in respect of the Notes in the territory of Hungary and in Hungarian forints if the Issuer is not prevented by applicable law to fund its due and payable payment obligations in respect of the Notes by way of converting its freely convertible and liquid currencies into Hungarian forints. For the purposes of this clause, payment in respect of the Notes is deemed to be made in the territory of Hungary if such payment is made to a bank account the International Bank Account Number (IBAN) of which bank account starts with the country code of Hungary (i.e. "HU"). The Issuer shall not be liable for any failure to make any payments in respect of the Notes which is caused by an event or circumstance beyond the Issuer's or, if applicable, the respective paying agent's control (including e.g. any change in Hungarian law or intervention of a competent judicial or governmental or regulatory authority or failure of the operations of any funds transfer system) occurring after the issue of the Notes and as a result of which event or circumstance it becomes illegal or impossible to make any payments in respect of the Notes in the territory of Hungary and in Hungarian forints, as long as such event or circumstance is outstanding. For the avoidance of doubt, If an Event of Default has occurred and is continuing and any holder of a Note declared a Note held by it due and payable under Condition 8 then this paragraph shall not apply.

Taxation

All payments in respect of Notes will be made without deduction for or on account of withholding taxes imposed by Hungary unless required by applicable law. In the event that any such deduction is made, the Issuer will not pay additional amounts to cover the amounts so deducted.

All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

Events of default

The terms of the Notes will contain events of default including non-payment, non-performance or non-observance of the Issuer's obligations in respect of the

Element	Title	
		Notes and the insolvency or winding up of the Issuer.
		<i>Meetings</i>
		The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.
		<i>Governing law</i>
		Hungarian law.
C.9	Interest/Redemption	<i>Interest</i>
		Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate.
		<i>Redemption</i>
		The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be determined by the Issuer at the time of issue of the relevant Notes.
		<i>Indication of Yield</i>
		In the case of Notes that bear or pay interest at a fixed rate, the yield will be specified in the applicable Final Terms and will be calculated as the rate of interest that, when used to discount each scheduled payment of interest and principal under the Notes from the Maturity Date back to the Issue Date, yields amounts that sum to the Issue Price. An indication of the yield may only be calculated for Fixed Rate and may not be determined for Notes that bear or pay interest determined by reference to a floating rate.
		The yield is calculated at the Issue Date on the basis of the Issue Price and on the assumption that the Notes are not subject to early cancellation. It is not an indication of future yield.
		In the case of Notes that bear or pay interest other than at a fixed rate, due to the nature of such Notes it is not possible to determine the yield as of the Issue Date.
		<i>Representative of holders</i>
		Not Applicable. – No representative of the Noteholders has been appointed by the Issuer.
		Please also refer to item C.8 above for rights attaching to the Notes.
C.21	Listing and Admission to	Notes issued under the Programme may be listed and admitted to trading on the Budapest Stock Exchange or

Element	Title
	trading such other stock exchange or market specified below, or may be issued on an unlisted basis.

Section D – Risks

Element	Title
D.2	<p>Key risks regarding the Issuer</p> <p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme. Twelve main categories of risk are inherent in the Issuer's activities:</p> <ol style="list-style-type: none"> 1. Credit Risk; 2. Counterparty Risk; 3. Securitisation; 4. Market Risk; 5. Operational Risk; 6. Compliance and Reputation Risk; 7. Concentration Risk; 8. Asset-liability management Risk; 9. Breakeven Risk; 10. Strategy Risk; 11. Liquidity and refinancing Risk; 12. Insurance subscription Risk. <p>Difficult market and economic conditions could have a material adverse effect on the operating environment for financial institutions and hence on the Issuer's financial condition, results of operations and cost of risk.</p> <p>Legislative action and regulatory measures taken in response to the global financial crisis may materially impact the Issuer and the financial and economic environment in which it operates.</p> <p>The Issuer's access to and cost of funding could be adversely affected by a resurgence of the Euro-zone sovereign debt crisis, worsening economic conditions, further rating downgrades or other factors.</p> <p>A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect the Issuer's results of operations and financial condition.</p> <p>The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and</p>

Element	Title	
		<p>volatility.</p> <p>The Issuer may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.</p> <p>Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.</p> <p>Significant interest rate changes could adversely affect the Issuer's revenues or profitability.</p> <p>The soundness and conduct of other financial institutions and market participants could adversely affect the Issuer.</p> <p>The Issuer's competitive position could be harmed if its reputation is damaged.</p> <p>An interruption in or a breach of the Issuer's information systems may result in lost business and other losses.</p> <p>Unforeseen external events can interrupt the Issuer's operations and cause substantial losses and additional costs.</p> <p>The Issuer is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates.</p> <p>Notwithstanding the Issuer's risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses.</p> <p>The Issuer's hedging strategies may not prevent losses.</p> <p>The Issuer may experience difficulties integrating acquired companies and may be unable to realise the benefits expected from its acquisitions.</p> <p>Intense competition, especially in France where it has the largest single concentration of its businesses, could adversely affect the Issuer's revenues and profitability.</p>
D.3	Key risks regarding the Notes	<p>In addition to the risks relating to the Issuer (including the default risk) that may affect the Issuer's ability to fulfil its obligations under the Notes, there are certain factors which are material for the purposes of assessing the market risks associated with Notes issued under the Programme, including that (i) the Notes are unsecured obligations, (ii) the trading market for Notes may be volatile and may be adversely impacted by many events, (iii) an active secondary market may never be established or may be illiquid and that this may adversely affect the value at which an investor may sell its Notes (investors may suffer a partial or total loss of the amount of their investment), (iv) Notes may be redeemed prior to maturity at the option of the Issuer which may limit their market value, (v) the Notes may be subject to withholding taxes in circumstances where</p>

Element	Title
	<p>the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes, (vi) the Notes may have a minimum trading amount and if, following the transfer of any Notes, a Noteholder holds fewer Notes than the specified minimum trading amount, such Noteholder will not be permitted to transfer their remaining Notes prior to redemption without first purchasing enough additional Notes in order to hold the minimum trading amount, (vii) if so indicated in the Final Terms the Issuer may, in its sole and absolute discretion, elect to vary the settlement of the Notes, (viii) the meetings of Noteholders provisions permit defined majorities to bind all Noteholders, (ix) any judicial decision or change to an administrative practice or change to Hungarian law, as applicable, after the date of the Base Prospectus could materially adversely impact the value of any Notes affected by it, (x) a reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by a credit rating agency could result in a reduction in the trading value of the Notes, (xi) certain conflicts of interest may arise (see Element E.4 below), and (xii) government and monetary authorities may impose or modify exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes in the territory of Hungary and in Hungarian forints (see also Element C.8 above).</p> <p>Notes traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile.</p> <p>In certain circumstances Noteholders may lose the entire value of their investment.</p>

Section E – Offer

Element	Title
E.4	<p>Interest of natural and legal persons involved in the issue/offer</p> <p>The relevant Mandated Lead Arrangers may be paid fees in relation to any issue of Notes under the Programme. Any such Mandated Lead Arranger and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and their affiliates in the ordinary course of business.</p>
E.7	<p>Expenses charged to the investor by the Issuer or an Offeror</p> <p>It is not anticipated that the Issuer will charge any expenses to investors in connection with any issue of Notes under the Programme.</p>

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings when used below.

RISKS RELATING TO THE ISSUER AND ITS INDUSTRY

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

As a global financial institution, the Issuer's businesses are highly sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The Issuer has been and may continue to be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign obligations, capital, credit or liquidity markets, regional or global recessions, sharp fluctuations in commodity prices, currency exchange rates or interest rates, inflation or deflation, restructurings or defaults, corporate or sovereign debt rating downgrades or adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts). Market disruptions and sharp economic downturns, 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 Issuer's financial condition, results of operations or cost of risk.

European markets have experienced significant disruptions in recent years as a result of concerns regarding the ability of certain countries in the Euro-zone to refinance their debt obligations and the extent to which European Union member states or supranational organizations will be willing or able to provide financial support to the affected sovereigns. These disruptions contributed to 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 Issuer holds and in the future may hold substantial portfolios of sovereign obligations issued by the governments of, and has and may in the future have substantial amounts of loans outstanding to borrowers in, certain of the countries that have been most significantly affected by the crisis in recent years. The Issuer also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis has had, and may continue to have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and therefore on the environment in which the Issuer operates.

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

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

Legislation and regulations have been enacted or proposed in recent periods with a view to introducing a number of changes, some permanent, in the global financial environment. While the objective of these new measures is to avoid a recurrence of the recent financial crisis, the impact of the new measures could be to change substantially the environment in which the Issuer and other financial institutions operate.

The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements, taxes on financial transactions, restrictions and temporary or permanent taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and, potentially, investment banking activities more generally), restrictions or prohibitions on certain types of financial products or activities, increased internal control and transparency requirements with respect to certain activities, more stringent conduct of business rules, increased regulation of certain types of financial products including mandatory reporting of derivative transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions, and the creation of new and strengthened regulatory bodies.

Certain measures that have been or are in the process of being adopted and will be applicable to the Issuer, such as the Basel 3 and Capital Requirements Directive 4 prudential frameworks, the requirements in relation to them announced by the European Banking Authority and the designation of the Issuer as a systemically important financial institution by the Financial Stability Board, will increase the Issuer's regulatory capital and liquidity requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. The Issuer implemented an adaptation plan in response to these requirements, including reducing its balance sheet and bolstering its capital base. Ensuring and maintaining compliance with further requirements of this type that may be adopted in the future may lead the Issuer to take additional measures that could weigh on its profitability and adversely affect its financial condition and results of operations.

New measures such as the proposed French banking law or, at the E.U. level, the Liikanen proposal (if adopted) could require the Issuer to ring-fence certain of its activities within a subsidiary that will be required to comply with prudential ratios and raise financing on a stand-alone basis. The Federal Reserve's proposed framework for the regulation of foreign banks may also require the Issuer to create a new intermediate holding company for its U.S. activities, which would be required to comply with specific capital and liquidity requirements on a stand-alone basis. In addition, the proposed French banking law, as well as the proposed E.U. framework for a single supervisory mechanism and the proposed E.U. framework for the recovery and resolution of financial institutions, will grant increased powers to regulators (including the French banking regulator, the Financial Stability Board, the French deposit guarantee fund and, potentially, the European Central Bank) to prevent and/or resolve banks' financial difficulties, such as the power to require banks to adopt structural changes, issue new securities, cancel existing equity or subordinated debt securities, convert subordinated debt into equity, and, more generally, ensure that any losses are borne by banks' shareholders and creditors. These measures, if adopted, may restrict the Issuer's ability to allocate and apply capital and funding resources, limit its ability to diversify risk and increase its funding costs, which could, in turn, have an adverse effect on its business, financial condition, and results of operations.

Some of the new regulatory measures are proposals that are under discussion and that are subject to revision, and would in any case need adapting to each country's regulatory framework by national legislators and/or regulators. It is therefore impossible to accurately predict which measures will be adopted or to determine the exact content of such measures and their ultimate impact on the Issuer. Depending on the nature and scope of regulatory measures that are ultimately adopted, they could (in addition to having the effects noted above) affect the Issuer's ability to conduct (or impose limitations on) certain types of activities, its ability to attract and retain talent (particularly in its investment banking and financing businesses) and, more generally, its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations.

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

The Euro-zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks. This was due to several factors, including a sharp increase in the perception of bank credit risk due to their exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the Issuer, 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 increased substantially. Were such adverse credit market conditions to reappear due to factors relating to the economy or the financial industry in general or to the Issuer in particular, the effect on the liquidity of the European financial sector in general and the Issuer in particular could be materially adverse.

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

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

In connection with its lending activities, the Issuer regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". The Issuer'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 Issuer uses its best efforts 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 Issuer'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 Issuer's results of operations and financial condition.

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

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

To the extent that the Issuer 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 Issuer has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could expose it to potentially unlimited losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Issuer may from time to time have a trading strategy of holding a long position in one asset and a short position in another, 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 Issuer did not anticipate or against which it is not hedged, the Issuer might realize a loss on those paired positions. Such losses, if significant, could adversely affect the Issuer's results of operations and financial condition.

The Issuer 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 Issuer provides securities underwriting, financial advisory and other investment banking services. The Issuer's corporate and investment banking revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can decrease as a result of market changes that are unfavorable to its Investment Banking business and clients. In addition, because the fees that the Issuer 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 Issuer receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by the Issuer's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Issuer receives from its asset management business.

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

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

In some of the Issuer'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 Issuer 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 Issuer calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the Issuer did not anticipate.

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

The amount of net interest income earned by the Issuer during any given period significantly affects its overall revenues and profitability for that period. Interest rates are affected by many factors beyond the Issuer's control. 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 Issuer's net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to the Issuer's short-term financing may adversely affect the Issuer's profitability.

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

The Issuer's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have led to market-wide liquidity problems and could lead to further losses or defaults. The Issuer has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose the Issuer to credit risk in the event of default of a group of the Issuer's counterparties or clients. In addition, the Issuer's credit risk may be exacerbated when the collateral held by it 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 Issuer.

In addition, misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff, as a result of which numerous financial institutions globally, including the Issuer, have announced losses or exposure to losses in substantial amounts. Potentially significant additional potential exposure is also possible in the form of litigation, claims in the context of the bankruptcy proceedings of Bernard Madoff Investment Services (BMIS) (a number of which are pending against the Issuer), and other potential claims relating to counterparty or client investments made, directly or indirectly, in BMIS or other entities controlled by Bernard Madoff, or to the receipt of investment proceeds from BMIS.

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

The Issuer'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 Issuer's ability to attract and retain customers. The Issuer's reputation could be harmed if it fails to adequately promote and market its products and services. The Issuer's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Issuer'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 Issuer's reputation could be damaged by employee misconduct, misconduct by market participants to which the Issuer is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. The loss of business that could result from damage to the Issuer's reputation could have an adverse effect on its results of operations and financial position.

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

As with most other banks, the Issuer relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Issuer's customer relationship management, general ledger, deposit, servicing and/or loan organization systems. The Issuer cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies have recently experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage information systems change frequently and often are not recognized until launched against a target, the Issuer may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. The occurrence of any failures of or interruptions in the Issuer's information systems resulting from such

intrusions or from other causes could have an adverse effect on the Issuer's reputation, financial condition and results of operations.

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

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

The Issuer is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates.

The Issuer is exposed to regulatory compliance risk, such as the inability to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging legal or regulatory requirements. Besides damage to the Issuer's reputation and private rights of action, non-compliance could lead to significant fines, public reprimand, enforced suspension of operations or, in extreme cases, withdrawal of operating licenses. This risk is further exacerbated by continuously increasing regulatory oversight. This is the case in particular with respect to money laundering, the financing of terrorist activities or transactions with countries that are subject to economic sanctions. For example, U.S. regulators and other government authorities have in recent years strengthened economic sanctions administered by the Office of Foreign Assets Control of the U.S. Department of Treasury ("OFAC") as well as the related legal and regulatory requirements (see "Note 8—Contingent Liabilities: Legal Proceedings and Arbitration" in the Issuer's financial statements for more information in this respect).

More generally, the Issuer is exposed to the risk of legislative or regulatory changes in all of the countries in which it operates, including, but not limited to, the following:

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

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

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

The Issuer 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 Issuer'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 Issuer may have failed to identify or anticipate. The Issuer'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 Issuer's qualitative tools and metrics for managing risk are based on its use of observed historical market behavior. The Issuer applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the Issuer 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 Issuer 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 Issuer's ability to manage its risks. The Issuer's losses could therefore be significantly greater than the historical measures indicate. In addition, the Issuer's quantified modeling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

The Issuer's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that the Issuer uses to hedge its exposure to various types of risk in its businesses is not effective, the Issuer may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Issuer 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 Issuer'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 Issuer'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 Issuer's reported earnings.

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

The Issuer has in the past and may in the future acquire other companies. 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 Issuer'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 Issuer's business, which could have a negative impact on the business and results of the Issuer. 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 Issuer undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the Issuer may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

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

Competition is intense in all of the Issuer'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 Issuer's industry could intensify as a result of the ongoing consolidation of financial services that accelerated during the recent financial crisis. If the Issuer 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 Issuer and its competitors. In addition, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favorable terms. It is also possible that the increased presence in the global marketplace of nationalized financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, following the recent financial crisis or the imposition of more stringent requirements (particularly capital requirements and activity restrictions) on larger or systematically significant financial institutions could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Issuer.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investors in Fixed Rate Notes are exposed to the risk that if interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Notes.

Noteholders will not be able to calculate in advance their rate of return on Floating Rate Notes.

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue both Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and vice versa).

Risks applicable to all Notes

Notes are Unsecured Obligations

The Notes are unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* with themselves.

The trading market for the Notes may be volatile and may be adversely impacted by many events.

The market for debt securities is influenced by the economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other industrialised countries and areas. There can be no assurance that events in Hungary, France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The 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 Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

All payments in respect of Notes will be made without deduction for or on account of withholding taxes imposed by Hungary unless required by applicable law. In the event that any such deduction is made, the Issuer will not pay additional amounts to cover the amounts so deducted.

Withholding under the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Mandated Lead Arranger (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

U.S. Foreign Account Tax Compliance Withholding

The U.S. "Foreign Account Tax Compliance Act" (or **FATCA**) imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer is classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section "Taxation – Foreign Account Tax Compliance Act."

Minimum Trading Amount

Investors should note that the Notes may have a minimum trading amount. The minimum trading amount (if any) will be specified in the applicable Final Terms. In such cases, if, following the transfer of any Notes, a holder holds fewer Notes than the specified minimum trading amount, such holder will not be permitted to transfer their remaining Notes prior to redemption without first purchasing enough additional Notes in order to hold the minimum trading amount.

The value of the Notes could be adversely affected by a change in Hungarian law or administrative practice.

The conditions of the Notes are based on Hungarian law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Hungarian law or

administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes. It is not possible to predict the price at which Notes will trade in the secondary market. The Issuer may, but is not obliged to, list Notes on a stock exchange. Also, to the extent Notes of a particular issue are redeemed in part, the number of Notes of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Notes of such issue. A decrease in the liquidity of an issue of Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Notes. 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 which they paid for them, and consequently investors may suffer a partial or total loss of the amount of their investment.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose or modify (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes in the territory of Hungary and in Hungarian forints. As a result of the above imposition or modification of exchange controls or any other event or circumstance beyond the Issuer's control and specified in Condition 4.2 below, the Issuer may be entitled to suspend making any payments in respect of the Notes as long as such event or circumstance is outstanding in accordance with Condition 4.2 below. There can be no assurance that the above referred exchange controls or any other events or circumstances beyond the Issuer's control and specified in Condition 4.2 below will not restrict or prohibit payments of principal, any premium, or interest denominated in any Specified Currency. The above risks generally depend on factors over which the Issuer does not have any control and which cannot be readily foreseen, such as economic events, political events; and the supply of, and demand for, the relevant currencies. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

A credit rating reduction may result in a reduction in the trading value of the Notes.

The value of the Notes is expected to be affected, in part, by investors' general appraisal of creditworthiness of the Issuer. Such perceptions are generally influenced by the ratings accorded to the outstanding security of BNPP by standard statistical rating services, such as Moody's, Standard & Poor's and Fitch France. A reduction in the rating, if any, accorded to outstanding debt securities of BNPP by one of these or other rating agencies could result in a reduction in the trading value of the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Base Prospectus:

- (a) the audited consolidated financial statements of BNP Paribas S.A. as at, and for the years ended, 31 December 2011 and 31 December 2012, together with the respective statutory auditors' reports thereon;
- (b) the Articles of Association of the Issuer dated 9 July 2013; and
- (c) the unaudited consolidated interim financial statements of BNP Paribas S.A. for the period ended 30 June 2013, together with the respective statutory auditors' reports thereon.

For the period of 12 months following the date of this Base Prospectus, copies of the Base Prospectus (including any supplements thereto) the above referred documents incorporated by reference and, following their publication, the Issuer's semi-annual reports (together with the audit reports thereon) referred to in section 2(1) of PM Decree 24/2008 (VIII. 15.) will be:

- (i) available for inspection during normal business hours at the specified office of the Issuer at a time previously notified to and agreed with the Issuer via telephone (+ 36 1 374 6422) during normal business hours; and
- (ii) also made available to the public on the websites of the Issuer (www.bnpparibas.com), with the exception of the Base Prospectus (including any supplements thereto) which is made available on the websites of the Issuer (www.bnpparibas.hu), OTP Bank Plc. (www.otpbank.hu) and the Budapest Stock Exchange (www.bet.hu).

Copies of the applicable Final Terms are (to the extent applicable):

- (A) available for collection or inspection during normal business hours at the specified office of the Issuer at a time previously notified to and agreed with the Issuer via telephone (+ 36 1 374 6422); and
- (B) also made available to the public on the websites of the Issuer (www.bnpparibas.hu), the relevant dealer (e.g. www.otpbank.hu in case of OTP Bank plc. as relevant dealer¹) and the Budapest Stock Exchange (www.bet.hu).

Supplement

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the HFSÁ in accordance with section 32 of the Capital Markets Act and Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

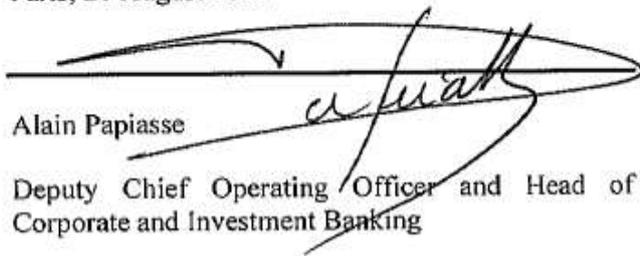
¹ For the avoidance of doubt, the Final Terms applicable to Notes in relation to which OTP Bank Plc. does not act as a dealer will not be published on OTP Bank Plc's above website.

RESPONSIBILITY STATEMENT

In accordance with section 29(1) of the Capital Markets Act, the Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Signed on behalf of the Issuer:

Paris, 21 August 2013

A handwritten signature in black ink, appearing to read 'a papiasse', is written over a horizontal line. The signature is stylized and cursive.

Alain Papiasse

Deputy Chief Operating Officer and Head of
Corporate and Investment Banking

BNP Paribas S.A.

FORM OF THE NOTES

Each Tranche of Notes will be in dematerialised registered form. The Issuer will, in accordance with the Capital Markets Act, issue and deposit with KELER Zrt. a document (the **Document**), which does not qualify as a security, setting out the particulars of each Series of Notes. In the event that further Notes are issued or a part of the relevant Series of Notes are cancelled, in each case in accordance with the Terms and Conditions of the Notes, the Document will be cancelled and a new Document (the **new Document**) amended in accordance with the particulars of the further Notes or, as the case may be, the outstanding part of the relevant Series of Notes will be issued.

The Final Terms, or in the case of a Series with more than one Tranche, the latest Final Terms, for each Series of Notes (or the relevant provisions thereof) form part of the related Document or new Document, as the case may be, and supplement the Terms and Conditions of the Notes.

Payments in respect of the Notes will be made in accordance with the rules and regulations of KELER Zrt. as effective from time to time and taking into consideration the relevant laws on taxation to those securities account managers who are registered in the register of KELER Zrt. with respect to such Notes at the close of the business on the Reference Date (as defined in the Terms and Conditions of the Notes) for that payment, as designated in the regulations of KELER Zrt. effective from time to time. Payment shall be due to that person who is deemed to be the Holder (as defined below) on the Reference Date. In accordance with Section 138(2) of the Capital Markets Act, any reference to a **Holder** or **Holders** in relation to any Notes means the person or persons, as the case may be, to whose securities account the Notes are credited until the opposite is proven.

The Notes will be transferable only by debiting the seller's securities account and crediting the buyer's securities account and in accordance with the rules and procedures for the time being of KELER Zrt. Under Section 6(5) of the Capital Markets Act, the Holders will not be entitled to exchange dematerialised Notes for printed Notes. However, in the limited circumstances described in Condition 1(e) of the Terms and Conditions of the Notes, the Issuer will be obliged to procure the delivery of printed Notes to the Holders. The Notes will be cleared through KELER Zrt., which has its registered office at Asbóth u. 9-11., 1075 Budapest, Hungary.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Date]

BNP PARIBAS S.A., acting through its Hungarian Branch

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the HUF [●] Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 August 2013 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive and Act CXX of 2001 on the Capital Markets (the **Capital Markets Act**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [and its Supplement dated [●]]. To the extent applicable, the Summary is annexed to the Final Terms¹.

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [has]/[and its Supplement dated [●] have] been published on the websites of the Issuer (www.bnpparibas.hu)[, OTP Bank Plc. (www.otpbank.hu)] [and] [the Budapest Stock Exchange (www.bet.hu)].]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

- | | | | |
|----|-----|---------------------------|-------------------------------------------------------|
| 1. | (a) | Issuer: | BNP PARIBAS S.A., acting through its Hungarian Branch |
| 2. | (a) | Series Number: | [] |
| | (b) | Tranche Number: | [] |
| 3. | | Specified Currency: | [] |
| 4. | | Aggregate Nominal Amount: | |
| | (a) | Series: | [] |
| | (b) | Tranche: | [] |

¹ No Summary will be attached to Final Terms in relation to unlisted Notes, unless such Notes are offered by way of a public offering.

5. (a) Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
- (b) Minimum Purchase Price: []²
6. Specified Denomination / Calculation Amount: []
7. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
- (c) Term: []
8. Maturity Date: *Fixed rate - specify date/
Floating rate - Interest Payment Date falling in or nearest to [specify month]*
9. Interest Basis: [[] per cent. Fixed Rate]
[[[] month [BUBOR/LIBOR/EURIBOR]] +/- [] per cent. Floating Rate]
[Zero Coupon]
10. Redemption basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11. Put/Call Options: [Investor Put]
[Issuer Call]
12. (a) Status of the Notes: Senior
- (b) [Date [Board] approval for [], respectively]]
issuance of Notes obtained:
13. Type of Offering: [public]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s): [] per Calculation Amount

² Only applicable in relation to Notes sold by way of an auction procedure.

- (d) Broken Amount(s): per Calculation Amount, payable on the Interest Payment Date falling [Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)] [Actual / 365 (ÁKK)]
- (f) Determination Date(s): in each year [Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA) In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
15. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) (i) Specified Period(s):
- (ii) Specified Interest Payment Dates:
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (c) Additional Business Centre(s):
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount:
- (f) Screen Rate Determination:
- Reference Rate: Reference Rate: month
 [BUBOR/LIBOR/EURIBOR].
- Interest Determination Date(s):
- Relevant Screen Page:
- (g) ISDA Determination:
- Floating Rate Option:
- Designated Maturity:
- Reset Date:
- (h) Margin(s): [+/-] per cent. per annum

- (i) Minimum Rate of Interest: [] per cent. per annum
 - (j) Maximum Rate of Interest: [] per cent. per annum
 - (k) Day Count Fraction: [[Actual/Actual (ISDA)][Actual/Actual]
Actual/365 (Fixed)
Actual/365 (ÁKK)
Actual/365 (Sterling)
Actual/360
[30/360][360/360][Bond Basis]
[30E/360][Eurobond basis]
30E/360 (ISDA)]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
 - (b) Reference Price: []
 - (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

17. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
 - (b) Optional Redemption Amount: [] per Calculation Amount
 - (c) If redeemable in part:
 - (i) Minimum Redemption Amount: []
 - (ii) Maximum Redemption Amount: []
 - (d) Notice periods: Minimum period: [] days
Maximum period: [] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements.)

18. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
- (c) Notice periods: Minimum period: [] days
Maximum period: [] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply)
19. Final Redemption Amount: [] per Calculation Amount
20. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes: Dematerialised registered.
22. Additional Financial Centre(s): [Not Applicable/give details]

RESPONSIBILITY

The Issuer signs these Final Terms in accordance with Section 29(2) of the Capital Markets Act and accepts responsibility for the information contained therein. *[[Relevant third party information]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of BNP PARIBAS S.A., acting through its Hungarian Branch:

[PLACE], [DATE]

By:
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING** [Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Budapest Stock Exchange.] / [Not Applicable.]

2. **RATINGS**

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

[defined terms] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the [Mandated Lead Arrangers] [respective manager(s)] [or [●] in its capacity as paying agent], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under section 32 of the Capital Markets Act or Article 16 of the Prospectus Directive.)]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer []
(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) [Estimated net proceeds:] [] [Not Applicable]
(If proceeds are intended for more than one use will

need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

- (iii) [Estimated total expenses:] []. [Not Applicable.]
[Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]

5. UNIFIED YIELD RATE

Unified Yield Rate (in Hungarian: EHM) []

6. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

[] [Calculated as [include specific details of method of calculation in summary form] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price / Minimum Purchase Price. It is not an indication of future yield.

7. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [BUBOR/LIBOR/EURIBOR/specify other Reference Rate] rates can be obtained from [Reuters].

8. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Any clearing system(s) other than KELER Zrt. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iii) Separated deposit account number: []
- (iv) Payment places: []
- (v) Date and number of authorization of the Authority approving the Programme: []
- (vi) Cost of the offering: []
- (vii) Delivery: Delivery [against/free of] payment

(viii) Names and addresses of paying agent(s) (if any): [OTP Bank Plc.][]

9. DISTRIBUTION

(i) Name and address of the Issuer: [Not Applicable/*give name and address*]

(ii) If non-syndicated, name and address of the relevant Dealer: []

(iii) Name of underwriter (*jegyzési garanciavállaló*): [] [not applicable]

(iv) Total commission and [] per cent. of the Aggregate Nominal Amount concession:

(v) Conditions of the offering:

(A) Place and method of subscription/auction: []

(B) Date of subscription/auction: []

(C) Minimum and maximum amount of the subscription / auction: [determined in number of securities or aggregated invested amount]

(D) Overallotment: []

(E) Allocation: []

(F) Place and method of announcement: []

(vi) Place and method of announcement of the results of the offering: []

(vii) U.S. Selling Restrictions: [Reg. S Compliance Category 2] [not applicable]]

(viii) Other selling restrictions: [] [not applicable]

SCHEDULE TO THE FINAL TERMS

[Summary of the relevant issue.]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will form part of each Document (as defined below). The applicable Final Terms (or the relevant provisions thereof) will form part of each Document prepared in connection with each issue. Reference should be made to "Form of Final Terms" of this Base Prospectus for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by BNP PARIBAS S.A., acting through its Hungarian Branch (the **Issuer**). References herein to the **Notes** shall be references to the Notes of this Series and shall mean units of the Specified Denomination in the Specified Currency.

The final terms for this Note (or the relevant provisions thereof) are set out in the Final Terms attached to this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are, unless otherwise stated, to the Final Terms (or the relevant provisions thereof) attached to this Note. Words and expressions used in the applicable Final Terms shall have the same meanings where used in the Terms and Conditions of the Notes unless the context otherwise requires or unless otherwise stated.

Any reference to **Noteholders**, **noteholders**, **Holders** or **holders** in relation to any Notes shall mean the holders of the Notes. As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

1. TYPE, FORM, KIND AND TITLE

(A) *Type*

The Notes are transferable, dematerialised registered debt securities created in accordance with the Capital Markets Act and 285/2001 (XII. 26.) Government Decree on Bonds.

(B) *Form*

The Notes are in dematerialised registered form. The Issuer will, in accordance with the Capital Markets Act, issue and deposit with the clearing system Központi Elszámolóház és Értéktár (Budapest) ZRt. or its legal successor (**KELER**) a document (the **Document**), which does not qualify as a security, with the particulars of this Series of Notes. In the event that further Notes are issued in accordance with Condition 11 or a part of this Series of Notes are cancelled in accordance with Condition 5.6, the Document will be cancelled and a new Document (the **new Document**) amended in accordance with the particulars of the further Notes or, as the case may be, the outstanding part of this Series of Notes will be issued.

The Final Terms for this Note (or the relevant provisions thereof) form part of the related Document or new Document, as the case may be, and supplement these Terms and Conditions of the Notes (the **Terms and Conditions of the Notes**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions of the Notes, replace or modify the Terms and Conditions of the Notes for the purposes of this Note. References to the applicable Final Terms are to the Final Terms relating to a Tranche of Notes (or the relevant provisions thereof) which forms part of the Document prepared with respect to this Note.

(C) *Kind*

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.

(D) *Title*

In accordance with Section 138(2) of the Capital Markets Act, any reference to **Noteholders**, **noteholders**, **holders** or **holders** in relation to any Notes shall mean the person or persons to whose securities account the Notes are credited until the opposite is proven. The Notes will be transferable only by debiting the seller's securities account and crediting the buyer's securities account and in accordance with the rules and procedures for the time being of KELER. Under Section 6(5) of the Capital Markets Act, the Holders will not be entitled to exchange the dematerialised Notes for printed Notes. However, in the limited circumstances set out in Condition 1(E), the Issuer will be obliged to procure the delivery of printed Notes to the Holders.

(E) *Closure of KELER*

- (i) Upon the occurrence of an Exchange Event (as defined below) the Issuer undertakes at its own expense and in accordance with the then applicable laws, rules and regulations of any stock exchange on which the Notes are for the time being listed:
 - (a) to issue a new Series of Notes (the **Replacement Notes**) in replacement of the Series of Notes which were, in accordance with the records of KELER at the time of the occurrence of the Exchange Event, credited to securities accounts of each Securities Account Manager (as defined below) with KELER (the **Cancelled Notes**); and

- (b) to procure that appropriate arrangements in line with the then prevailing market standards for the servicing of bearer debt securities are established in connection with the Replacement Notes.

Exchange Event means the Issuer has been notified that KELER has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor clearing system is available.

- (ii) The Replacement Notes to be issued by the Issuer upon the occurrence of an Exchange Event will:
 - (a) constitute a new Series of Notes with terms (save for their respective issue dates and save as provided in (vi) below) identical to the Cancelled Notes which they are replacing;
 - (b) be delivered to the securities account managers who have Cancelled Notes credited to their securities account with KELER (the **Securities Account Managers**) in accordance with the last available records of KELER (as determined in accordance with Condition 1(F)); and
 - (c) be represented by printed certificates.
- (iii) The Issuer will promptly (and in any event within five days of its occurrence) give notice to any stock exchange (in accordance with the then applicable rules and regulations of that stock exchange) on which the Notes are for the time being listed and to the Holders in accordance with Condition 9 upon the occurrence of an Exchange Event and the issuance of Replacement Notes. The Issuer will procure that the replacement of the Cancelled Notes with Replacement Notes shall occur no later than 60 days after the date of the giving of the notice referred to in the immediately preceding sentence.
- (iv) The aggregate nominal amount of Replacement Notes issued following the occurrence of an Exchange Event shall be equal to the aggregate nominal amount of Notes which, according to the records of KELER, were credited to the securities accounts of Securities Account Managers at the time of the occurrence of the Exchange Event.
- (v) Upon the receipt of Replacement Notes by a Securities Account Manager, such Securities Account Manager and the Holder whose securities account is managed by such Securities Account Manager agree that the Notes which were credited to the securities account of such Securities Account Manager with KELER at the time of the occurrence of the Exchange Event shall be cancelled and shall cease to be of any further effect. Upon the receipt of the Replacement Notes, the Securities Account Manager agrees to hold them for the benefit and on behalf of Holders for whom the Securities Account Manager manages a securities account and in accordance with the balance of such securities account of such Holder. For the avoidance of doubt, to the extent that payments have been made in respect of Notes on or prior to the time that those Notes become Cancelled Notes, this shall relieve the Issuer of being required to make those payments in respect of the Replacement Notes. If any payment in respect of Notes falls due on or after the occurrence of an Exchange Event but prior to the date of delivery of Replacement Notes, then that payment shall only be required to be made by, or on behalf of, the Issuer at the time of presentation (and surrender, as the case may be) of the Replacement Note to the relevant paying agent by the holder of the Replacement Note. For the purposes of the immediately preceding sentence, interest shall continue to accrue on the Notes at the Rate of Interest (as defined below) in respect of the period from and including the due date for payment to but excluding the actual date of payment.

(vi) If Replacement Notes are issued pursuant to this Condition 1(E) then:

(A) The word "Type", in the heading of Condition 1 shall be deleted, Condition 1(A) shall be deleted, Condition 1(C) shall become Condition 1(B) and Conditions 1(B) and 1(D) will be replaced with the following, respectively:

"(A) Form and Denomination

The Notes are in bearer form (where the certificate indicates the name of the owner), serially numbered, in the Specified Currency and the Specified Denomination. Interest bearing Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to **Coupons** or **coupons** shall, unless the context otherwise requires, be deemed to include a reference to **Talons** or **talons**. Any reference herein to **Notes** shall, unless the context otherwise requires, be deemed to include a reference to Coupons attached to such Notes."

"(C) Title

Title to the Notes and Coupons attached to such Notes will pass upon endorsement of the transfer of title on the Notes and delivery of the Notes and Coupons attached to such Notes following such endorsement of the transfer of title. The Issuer and the Mandated Lead Arrangers will (except as otherwise required by law) deem and treat the bearer of any Note and Coupon attached to such Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of any previous loss or theft thereof) for all purposes, other than if the identity of the owner is indicated on the relevant Note and Coupon attached to such Note. Any reference to **Noteholders**, **noteholders**, **Holder**s or **holders** in relation to any Note shall mean the holder or holders of the Notes. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. Any reference herein to **Noteholders**, **noteholders**, **Holder**s or **holders** shall, unless the context otherwise requires, be deemed to include a reference to Couponholders";

(B) The definition of Business Day contained in Condition 3.2(a)(ii) shall be amended by deleting:

"; and

(c) a day on which KELER is effecting money and securities transfers."

at the end of that definition and replacing it with".";

(C) The second paragraph of Condition 4.2 will be replaced with the following:

"Payments of principal will (subject to the above first paragraph of Condition 4.2 and as provided below and subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6) be made in the following manner:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and
- (ii) payments in euro will be made 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 cheque,

only against presentation and surrender of this Note, and payments of interest in respect of this Note will (subject as provided below) be made as aforesaid only against presentation and surrender of Coupons, in each case at the specified office of the relevant paying agent.

To the extent applicable, Fixed Rate Notes should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons).

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons (as applicable) will be issued in respect thereof.

Upon the date on which any Floating Rate Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Note.";

- (D) The definition of Payment Day contained in Condition 4.2(a) shall be amended by:
 - (i) deleting:
 - "; and
 - (iii) a day on which KELER is effecting money and securities transfers."at the end of that definition and replacing it with "."; and
 - (ii) inserting in Condition 4.2(a)(i) after the words "currency deposits)" the words "in the relevant place of presentation and in";
- (E) Condition 5.2 shall be amended by replacing the last sentence thereof with:

"In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot not more than 30 days prior to the date fixed for redemption. A list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 9 not less than 15 days prior to the date fixed for redemption.";

- (F) Condition 5.3 shall be amended by replacing the second paragraph thereof with:

"To exercise the right to require redemption of this Note the Holder of this Note must deliver, at the specified office of the relevant paying agent specified in the applicable Final Terms 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 (for the time being current) obtainable from any specified office of the relevant paying agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the relevant paying agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. Any Put Notice given by a Holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such Holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph (d) and instead to declare such Note forthwith due and payable pursuant to Condition 8.";

- (F) Condition 9 shall be amended by:

- (i) inserting after the word "sent" in the last paragraph: "(together with this Note)"; and
- (ii) deleting the end of the sentence from "together with" and replacing it with "."; and

- (G) All references to KELER and/or actions to be taken by or in connection with KELER in the Terms and Conditions of the Notes shall be deemed to be deleted.

(F) *Records of KELER*

The records of KELER shall be evidence of the identity of the Securities Account Managers and the number of Notes credited to the securities account of each Securities Account Manager. For these purposes a statement issued by KELER stating:

- (i) the name of the Securities Account Manager to which the statement is issued; and
- (ii) the aggregate nominal amount of Notes credited to the securities account of the Securities Account Manager as at the close of business on the last day prior to the occurrence of an Exchange Event on which KELER is effecting money and securities transfers,

shall be evidence of the records of KELER.

2. STATUS OF THE NOTES

2.1 Status of the Notes

The Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).

3. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

3.1 Interest on Fixed Rate Notes

This Condition 3.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 3.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant 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.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment 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 (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such 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 that would occur in one calendar year; and

- (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if "Actual/365 (ÁKK)" is specified in the applicable Final Terms, the actual number of days (except the 29th day of February in a leap year, if applicable) in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date divided by 365;
- (c) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment 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 a year of 360 days with 12 30-day months) divided by 360.
- (d) In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment 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); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

3.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 3.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is:

- (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 Budapest and each Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, 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 centre of the country of the relevant Specified Currency or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (c) a day on which KELER is effecting money and securities transfers.

(b) 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 Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms 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 Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the relevant paying agent under an interest rate swap transaction if the relevant paying agent were acting as Calculation Agent 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 at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Budapest inter-bank offered rate (**BUBOR**) or the London inter-bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest (as defined below) shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

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

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or if the Reference Rate is EURIBOR rounded if necessary to the third decimal place with 0.0005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either BUBOR, LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) or 12.30 p.m. (Budapest time in the case of BUBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the relevant paying agent specified in the applicable Final Terms. 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 relevant paying agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Programme Agreement contains provisions for determining the Rate of Interest or Rate in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Specified Time indicated above or in the applicable Final Terms. In the above event, the relevant paying agent will request each of the Reference Banks to provide that paying agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the relevant

paying agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the relevant paying agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the relevant paying agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the relevant paying agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) that paying agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified 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 London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Budapest inter-bank market (if the Reference Rate is BUBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the relevant paying agent with offered rates, 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 (rounded as provided above) 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 approximately the Specified 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 the purpose) informs the relevant paying agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Budapest inter-bank market (if the Reference Rate is BUBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest 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 paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest 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 paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The relevant paying agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The relevant paying agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to the Calculation Amount and, in each case, multiplying such sum by the applicable Day Count Fraction,

and rounding the resultant 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.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 3.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, 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 (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (ÁKK)" is specified in the applicable Final Terms, the actual number of days (except the 29th day of February in a leap year, if applicable) in the Interest Period divided by 365;
- (iv) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, 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;
- (v) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vii) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (viii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to KELER, (if applicable) the relevant regulatory authority and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 9 as soon as possible after their determination 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) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to KELER, (if applicable) the relevant regulatory authority and each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 9.

(f) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3.2 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the relevant paying agent and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

3.3 Zero Coupon Notes

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 5.4(c) at its Amortised Face Amount. 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 Final Terms. 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 such incomplete month or on such other basis as may be specified in the applicable Final Terms.

3.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at a level specified under Section 301/A of Act IV of 1959 on the Civil Code (*1959. évi IV. törvény a Polgári Törvénykönyvről*) (the **Civil Code**) until

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the relevant paying agent and notice to that effect has been given to the Noteholders in accordance with Condition 9.

4. PAYMENTS

4.1 Redenomination

In case that any currency or national currency unit in which the Notes are denominated and/or in which the payments relating to the Notes should be made in accordance with the relevant Final

Terms ceases to exist and is replaced by EUR, (i) the denomination of such Notes shall be changed to EUR in accordance with applicable laws, and (ii) all monetary liabilities arising from such Notes shall be automatically due to in EUR without further notice to the Noteholders, and the exchange rate at which the relevant currency or the national currency unit shall be translated into EUR shall be the official rate (i.e. a fixed conversion coefficient) stipulated by applicable laws. Such replacement of the relevant currency or national currency unit (i) shall not affect in any respect the existence of the Issuer's liabilities arising from the Notes or the enforcement of such liabilities, and (ii) shall not be considered, for the avoidance of any doubts, as a change of these Terms and Conditions or of the Final Terms or as an Event of Default under these Terms and Conditions.

4.2 Method of payment

Payments in respect of the Notes shall only be made in the territory of Hungary and in Hungarian forints. The Issuer shall not be liable to make any payments in respect of the Notes in any other place or in any other currency, provided that the scope of such exclusion of the Issuer's liability shall not extend to a refusal by the Issuer to effect such payments in respect of the Notes in the territory of Hungary and in Hungarian forints if the Issuer is not prevented by applicable law to fund its due and payable payment obligations in respect of the Notes by way of converting its freely convertible and liquid currencies into Hungarian forints. For the purposes of this clause, payment in respect of the Notes is deemed to be made in the territory of Hungary if such payment is made to a bank account the International Bank Account Number (IBAN) of which bank account starts with the country code of Hungary (i.e. "HU"). The Issuer shall not be liable for any failure to make any payments in respect of the Notes which is caused by an event or circumstance beyond the Issuer's or, if applicable, the relevant paying agent's control (including e.g. any change in Hungarian law or intervention of a competent judicial or governmental or regulatory authority or failure of the operations of any funds transfer system) occurring after the issue of the Notes and as a result of which event or circumstance it becomes illegal or impossible to make any payments in respect of the Notes in the territory of Hungary and in Hungarian forints, as long as such event or circumstance is outstanding. For the avoidance of doubt, if an Event of Default has occurred and is continuing and any holder of a Note declared a Note held by it due and payable under Condition 8 then this paragraph shall not apply.

Payments in respect of the Notes shall be made through the relevant paying agent, in accordance with the rules and regulations of KELER as effective from time to time, and taking into consideration the relevant laws on taxation, to those Securities Account Managers to whose securities account at KELER such Notes are credited at close of business on the Reference Date (as defined below) for that payment, as designated in the regulations of KELER effective from time to time. Pursuant to current rules and regulations of KELER, the Reference Date is the day falling three Business Days immediately prior to the relevant Interest Payment Date (the **Reference Date**). Payment shall be due to that person who is deemed to be the Holder on the Reference Date.

(a) *Payment Day*

If the date for payment of any amount in respect of any Note is not a Payment Day (as defined below), the Holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 centre of the country of the relevant Specified Currency; or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(iii) a day on which KELER is effecting money and securities transfers.

(b) *Interpretation of principal and interest*

Any reference in the Terms and Conditions of the Notes to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 6;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined below); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Terms and Conditions of the Notes to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

Amortised Face Amount shall be calculated in accordance with the following formula:

$$RP \times (1 + AY)^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

(c) *U.S. Internal Revenue Code of 1986*

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6; (ii) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the **Code**), and (iii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6) any law implementing an intergovernmental approach thereto.

4.3 General provisions applicable to payments

The Holders shall be the only persons entitled to receive payments in respect of Notes and the Issuer will be discharged by payment to, or to the order of, the Holders in respect of each amount so paid. Each of the persons shown in the records of KELER as the beneficial holder of a particular nominal amount of Notes must look solely to KELER, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the Holders.

5. REDEMPTION AND PURCHASE

5.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

5.2 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 9 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed will be selected in accordance with the rules of KELER and the applicable Final Terms not more than 30 days prior to the date fixed for redemption.

5.3 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 9 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem 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.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of the respective paying agent at any time during normal business hours of such paying agent both an ownership certificate issued by KELER or the relevant Securities Account Manager (which document certifies, in addition to the title of the Holder, that the Notes are held on an account blocked for the benefit of the Issuer) and a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of the respective paying agent (a **Put Notice**). With respect to Notes credited to the securities accounts of KELER falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any respective paying agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the respective paying agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice or other notice given by a holder of any Note pursuant to this Condition 5.3 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.3 and instead to declare such Note forthwith due and payable pursuant to Condition 8.

5.4 Early Redemption Amounts

For the purpose of Condition 8, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365)

5.5 Purchases

The Issuer may at any time purchase Notes (provided that all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Unless indicated in the Final Terms, the Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Notes or cancelled.

5.6 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 5.5 above (together with all unmatured Coupons and Talons cancelled therewith) cannot be reissued or resold.

5.7 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 Condition 5.1, 5.2 or 5.3 above or upon its becoming due and repayable as provided in Condition 8 (*Events of Default*) 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 Condition 5.4(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the relevant paying agent and notice to that effect has been given to the Noteholders in accordance with Condition 9,

and the Accrual Yield were increased by the default interest specified under Section 301(1) of the Civil Code.

5.8 Provisions relating to the subscription and auction procedures in connection with the Notes

Notes may be offered under the Programme either by way of a subscription procedure pursuant to section 49 of the Capital Markets Act or an auction procedure pursuant to section 50 of the Capital Markets Act. For the purposes of this Condition 5.8, the terms:

- (a) **subscription** shall mean in the context of a respective offering of Notes an unconditional and irrevocable statement made by a prospective investor intending to acquire such Notes pursuant to which statement that investor accepts the Notes so offered and undertakes to pay the respective consideration of such Notes; and
- (b) **auction** shall mean a method of offering Notes pursuant to which method the Issuer (subject to certain conditions) provides an opportunity to prospective investors to make an offer to purchase the respective Notes and the offers so received by the Issuer will be assessed by the Issuer in accordance with the respective conditions applicable to such auction procedure.

Since the Notes are issued in dematerialized form, a subscription or auction offer during the offering shall be accepted only if the respective investor has provided during the subscription or auction procedure the identification data of the respective securities intermediary operating such investor's securities account as well as the number of its securities account and bank account held with the respective Mandated Lead Arranger or dealer.

Applications for the purchase of Notes may be made by a prospective investor to the respective Mandated Lead Arranger or dealer at the sale locations and during the business hours as set out in the applicable Final Terms by the submission of the respective duly completed subscription or auction forms to the respective Mandated Lead Arranger.

Each prospective investor should ascertain from the respective Mandated Lead Arranger or dealer when the respective Mandated Lead Arranger or dealer will require receipt of cleared funds from it in respect of its application for the purchase of any Notes and the manner in which payment should be made to the respective Mandated Lead Arranger or dealer.

Excess application monies will be returned (without interest) to applicants by no later than 7 days after the date that the offer period in relation to the respective Notes closes. Excess application monies will be returned (without interest) by wire transfer to the bank account as detailed on the application form or by any other method as the Issuer or the respective Mandated Lead Arranger or dealer deems to be appropriate.

If the Issuer receives subscriptions for the respective Notes in an amount equal to the aggregate principal amount of the Notes so offered, the Issuer may close the respective offer period before the scheduled end of such offer period, provided that the offer period shall not be shorter than 3 business days. The Issuer may also decline or accept applications which would exceed the aggregate principal amount of the Notes so offered.

The Issuer determines the minimum purchase price that will be accepted during the auction procedure in light of the offers. The Issuer will not accept any auction offers indicating a purchase price below this minimum purchase price and such offers will be void. The auction offers will be accepted in decreasing order of the purchase prices specified in the respective auction offers, starting from the auction offer indicating the highest purchase price (not exceeding) the maximum quantity determined with respect to the relevant Series of Notes.

6. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will not pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction.

As used herein **Tax Jurisdiction** means Hungary or any political subdivision or any authority thereof or therein having power to tax.

7. PRESCRIPTION

Claims against the Issuer for payment under the Notes may not be prescribed unless otherwise permitted by Hungarian law.

8. EVENTS OF DEFAULT

8.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 30 days in the case of principal and 30 days in the case of interest; or

- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and the failure continues for the period of 45 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) the Issuer applies for the appointment of an ad hoc representative (*mandataire ad hoc*) under French bankruptcy law, or enters into an amicable procedure (*procédure de conciliation*) with creditors or 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 reorganisation 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;

then any holder of a Note may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

9. NOTICES

All notices regarding the Notes will be deemed to be validly given if published on the Issuer's website (www.bnpparibas.hu). The Issuer shall also ensure that notices are duly published in a manner which complies with the Capital Markets Act and the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Notices to be given by any Noteholder shall be in writing and sent to the relevant paying agent, together with evidence satisfactory to the relevant paying agent of ownership which may include certification to this effect by KELER.

10. MEETINGS OF NOTEHOLDERS

10.1 General

Subject to and in accordance with Conditions 10.2 to 10.5 below:

- (a) meetings of the Noteholders may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than twenty per cent. in nominal amount of the Notes for the time being remaining outstanding;
- (b) the quorum at any such meeting for passing an extraordinary resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of

payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding;

- (c) an extraordinary resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders;
- (d) the Issuer and the respective paying agent may agree, without the consent of the Noteholders or Couponholders, to:
 - (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes or the Coupons which is not prejudicial to the interests of the Noteholders; or
 - (ii) any modification of the Notes, the Coupons or any related agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 9 as soon as practicable thereafter.

10.2 Definitions

For the purposes of this Condition 10. the following expressions have the following meanings unless the context otherwise requires:

voting certificate means an English and Hungarian language certificate issued by the relevant agent (on the basis of a separate agreement to be entered into between it and the Issuer) in relation to the relevant Notes and dated in which it is stated that the bearer of the voting certificate is entitled to attend and vote at the meeting and any adjourned meeting in respect of the Notes represented by the certificate;

block voting instruction means an English and Hungarian language document issued by the relevant agent (on the basis of a separate agreement to be entered into between it and the Issuer) and dated which:

- (a) relates to a specified nominal amount of Notes and a meeting (or adjourned meeting) of the holders of the Series of which those Notes form part;
- (b) states that the relevant agent has been instructed by the holders of the Notes to attend the meeting and procure that the votes attributable to the Notes are cast at the meeting in accordance with the instructions given;
- (c) identifies with regard to each resolution to be proposed at the meeting the nominal amount of Notes in respect of which instructions have been given that the votes attributable to them should be cast in favour of the resolution and the nominal amount of Notes in respect of which instructions have been given that the votes attributable to them should be cast against the resolution; and
- (d) states that one or more named persons (each a proxy) is or are authorised and instructed by the relevant agent to cast the votes attributable to the Notes identified in accordance with the instructions referred to in (c) above as set out in the block voting instruction;

a **relevant clearing system** means, KELER Zrt.;

24 hours means a period of 24 hours including all or part of a day on which banks are open for business in Hungary (disregarding for this purpose the day on which the meeting is to be held); and

48 hours means a period of 48 hours including all or part of two days on which banks are open for business in Hungary (disregarding for this purpose the day on which the meeting is to be held).

References in this Condition 10. to the **Notes** are to the Series of Notes in respect of which the meeting is, or is proposed to be, convened.

For the purposes of calculating a period of **clear days**, no account shall be taken of the day on which a period commences or the day on which a period ends.

10.3 Evidence of entitlement to attend and vote

10.3.1 The following persons (each an **Eligible Person**) are entitled to attend and vote at a meeting of the holders of Notes:

- (a) a bearer of any voting certificate in respect of the Notes; and
- (b) a proxy specified in any block voting instruction.

A Noteholder may require the issue by the relevant agent of voting certificates and block voting instructions in accordance with the terms of Conditions 10.3.2 and 10.3.3 below.

For the purposes of Conditions 10.3.2 and 10.3.3 below, the relevant agent may rely, without further enquiry, on any information received from a relevant clearing system and shall have no liability to any Noteholder or other person for any loss, damage, cost, claim or other liability caused by its reliance on such information, nor for any failure by a relevant clearing system to deliver information to the relevant agent.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the meeting or adjourned meeting be deemed to be the holder of the Notes to which the voting certificate or block voting instruction relates.

10.3.2 Notes - voting certificate

A holder of a Note may obtain a voting certificate in respect of that Note from the relevant agent (unless the Note is the subject of a block voting instruction which has been issued and is outstanding in respect of the meeting specified in the voting certificate or any adjourned meeting) subject to the holder procuring that the Note is deposited with the relevant agent or (to the satisfaction of the relevant agent) is held to its order or under its control or blocked in an account with a relevant clearing system upon terms that the Note will not cease to be deposited or held or blocked until the first to occur of:

- (a) the conclusion of the meeting specified in the voting certificate or, if later, of any adjourned meeting; and
- (b) the surrender of the voting certificate to the relevant agent who issued it.

10.3.3 Notes - block voting instruction

A holder of a Note may require the relevant agent to issue a block voting instruction in respect of that Note (unless the Note is the subject of a voting certificate which has been issued and is outstanding in respect of the meeting specified in the block voting instruction or any adjourned meeting) by depositing the Note with the relevant agent or (to the satisfaction of the relevant agent) by:

- (a) procuring that, not less than 48 hours before the time fixed for the meeting, the Note is held to the relevant agent's order or under its control or is blocked in an account with a relevant clearing system, in each case on terms that the Note will not cease to be so deposited or held or blocked until the first to occur of:
 - (i) the conclusion of the meeting specified in the block voting instruction or, if later, of any adjourned meeting; and
 - (ii) the surrender to the relevant agent, not less than 48 hours before the time for which the meeting or any adjourned meeting is convened, of the receipt issued by the relevant agent in respect of each deposited Note which is to be released or (as the

case may require) the Note ceasing with the agreement of the relevant agent to be held to its order or under its control or to be blocked; and

- (b) instructing the relevant agent that the vote(s) attributable to each Note so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to the meeting or any adjourned meeting and that the instruction is, during the period commencing 48 hours before the time for which the meeting or any adjourned meeting is convened and ending at the conclusion or adjournment of the meeting, neither revocable nor capable of amendment.

10.4 Convening of meetings, quorum, adjourned meetings

- 10.4.1 The Issuer may at any time and, if required in writing by Noteholders holding not less than 20 per cent. in nominal amount of the Notes for the time being outstanding, shall convene a meeting of the Noteholders and if the Issuer fails for a period of seven days to convene the meeting, the meeting may be convened by the relevant Noteholders. Whenever the Issuer is about to convene any meeting it shall (i) enter into a separate agreement with the relevant agent concerning the duties of such agent in connection with the meeting; and (ii) give notice in writing to the relevant agent of the day, time and place of the meeting and of the nature of the business to be transacted at the meeting. Every meeting shall be held at a time and place approved by the relevant agent.
- 10.4.2 At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the Noteholders in the manner provided in Condition 9. The notice, which shall be in the English and Hungarian languages, shall state generally the nature of the business to be transacted at the meeting and, in the case of an extraordinary resolution only, shall either (i) specify the terms of the extraordinary resolution to be proposed or (ii) inform Noteholders that the terms of the extraordinary resolution are available free of charge from the relevant agent, provided that, in the case of (ii), such resolution is so available in its final form with effect on and from the date on which the notice convening such meeting is given as aforesaid. The notice shall (i) include statements as to the manner in which Noteholders may arrange for voting certificates or block voting instructions to be issued and, if applicable, appoint proxies or representatives; or (ii) inform Noteholders that details of the voting arrangements are available free of charge from the relevant agent, provided that, in the case of (ii) the final form of such details are so available with effect on and from the date on which the notice convening such meeting is given as aforesaid. A copy of the notice shall be sent by mail to the Issuer (unless the meeting is convened by the Issuer).
- 10.4.3 The person (who may but need not be a Noteholder) nominated in writing by the Issuer shall be entitled to take the chair at each meeting but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting the Noteholders present shall choose one of their number to be Chairman failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
- 10.4.4 At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 5 per cent. in nominal amount of the Notes for the time being outstanding shall (except for the purpose of passing an extraordinary resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the required quorum is present at the commencement of business. The quorum at any meeting for passing an extraordinary resolution shall (subject as provided below) be one or more Eligible Persons present and holding or representing in the aggregate not less than 50 per cent. in nominal amount of the Notes for the time being outstanding provided that at any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by extraordinary resolution):
 - (a) modification of the Maturity Date of the Notes or reduction or cancellation of the nominal amount payable at maturity; or
 - (b) reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the rate of interest in respect of the Notes; or

- (c) modification of the currency in which payments under the Notes are to be made; or
- (e) modification of the majority required to pass an extraordinary resolution; or
- (f) the sanctioning of any scheme or proposal described in Condition 10.5.9(f); or
- (g) alteration of this proviso or the proviso to Condition 10.4.5 below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than two-thirds in nominal amount of the Notes for the time being outstanding.

- 10.4.5 If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened by Noteholders be dissolved. In any other case it shall be adjourned to the same day in the next week (or if that day is a public holiday the next following business day) at the same time and place (except in the case of a meeting at which an extraordinary resolution is to be proposed in which case it shall be adjourned for a period being not less than 14 clear days nor more than 42 clear days and at a place appointed by the Chairman and approved by the relevant agent). If within 15 minutes (or a longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either dissolve the meeting or adjourn it for a period, being not less than 14 clear days (but without any maximum number of clear days) and to a place as may be appointed by the Chairman (either at or after the adjourned meeting) and approved by the relevant agent, and the provisions of this sentence shall apply to all further adjourned meetings.
- 10.4.6 At any adjourned meeting one or more Eligible Persons present (whatever the nominal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any extraordinary resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present provided that at any adjourned meeting the business of which includes any of the matters specified in the proviso to Condition 10.4.4 the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-third in nominal amount of the Notes for the time being outstanding.
- 10.4.7 Notice of any adjourned meeting at which an extraordinary resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in Condition 10.4.2 and the notice shall state the relevant quorum. Subject to this it shall not be necessary to give any notice of an adjourned meeting.

10.5 Conduct of business at meetings

- 10.5.1 Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as an Eligible Person.
- 10.5.2 At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or the Issuer or by any Eligible Person present (whatever the nominal amount of the Notes held by him), a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 10.5.3 Subject to Condition 10.5.5, if at any meeting a poll is demanded it shall be taken in the manner and, subject as provided below, either at once or after an adjournment as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the

meeting for the transaction of any business other than the motion on which the poll has been demanded.

- 10.5.4 The Chairman may, with the consent of (and shall if directed by) any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
- 10.5.5 Any poll demanded at any meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
- 10.5.6 Any director or officer of the Issuer and its/their respective lawyers and financial advisers may attend and speak at any meeting. Subject to this, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of the Issuer or any subsidiary of the Issuer. Nothing contained in this paragraph shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer.
- 10.5.7 Subject as provided in Condition 10.5.6, at any meeting:
- (a) on a show of hands every Eligible Person present shall have one vote; and
 - (b) on a poll every Eligible Person present shall have one vote in respect of each minimum denomination of the Notes.

Without prejudice to the obligations of the proxies named in any block voting instruction, any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

- 10.5.8 The proxies named in any block voting instruction need not be Noteholders.
- 10.5.9 A meeting of the Noteholders shall in addition to the powers set out above have the following powers exercisable only by extraordinary resolution (subject to the provisions relating to quorum contained in Conditions 10.4.4 and 10.4.6), namely:
- (a) power to approve any compromise or arrangement proposed to be made between the Issuer and the Noteholders;
 - (b) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders against the Issuer or against any of its property whether these rights arise under this Condition 10., the Notes or the Coupons or otherwise;
 - (c) power to agree to any modification of the provisions contained in this Condition 10. or the Conditions, the Notes, the Coupons;
 - (d) power to give any authority or approval which under the provisions of this Condition 10. or the Notes is required to be given by extraordinary resolution;
 - (e) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon any committee or committees any powers or discretions which the Noteholders could themselves exercise by extraordinary resolution;
 - (f) power to approve any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as stated above and partly for or into or in consideration of cash; and

- (g) power to approve the substitution of any entity in place of the Issuer (or any previous substitute) as the principal debtor in respect of the Notes and the Coupons.
- 10.5.10 Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Condition 10. shall be binding upon all the Noteholders whether present or not present at the meeting and whether or not voting and upon all Couponholders and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 9 by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.
- 10.5.11 The expression **extraordinary resolution** when used in this Condition 10. or the Base Prospectus means (a) a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of this Condition 10. by a majority consisting of not less than 75 per cent. of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, by a majority consisting of not less than 75 per cent. of the votes given on the poll or (b) a resolution in writing signed by or on behalf of all the Noteholders, which resolution in writing may be contained in one document or in several documents in similar form each signed by or on behalf of one or more of the Noteholders.
- 10.5.12 Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any minutes signed by the Chairman of the meeting at which any resolution was passed or proceedings had shall be conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.
- 10.5.13 Subject to all other provisions contained in this Condition 10. the relevant agent may, on the basis of a separate agreement to be entered into between it and the Issuer and without the consent of the Issuer or the Noteholders, prescribe any other regulations regarding the calling and/or the holding of meetings of Noteholders and attendance and voting at them as the relevant agent may in its sole discretion think fit (including, without limitation, the substitution for periods of 24 hours and 48 hours referred to in this Condition 10. of shorter periods). Any regulations prescribed by the relevant agent may but need not reflect the practices and facilities of any relevant clearing system. Notice of any other regulations may be given to Noteholders in accordance with Condition 9 and/or at the time of service of any notice convening a meeting.

11. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having the same terms and conditions as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

12. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) Governing law

The Notes and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, Hungarian law.

(b) Submission to jurisdiction

The Issuer and the Holders agree to subject any disputes which may arise out of or in connection with the Notes, the issue thereof or any document created in connection with such issue (including a

dispute relating to any non-contractual obligations arising out of or in connection with the Notes) (the **Disputes**), to the exclusive jurisdiction of Hungarian courts.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

DESCRIPTION OF THE ISSUER

1. *Legal status and form of the Issuer*

The Issuer's legal and commercial name is BNP Paribas S.A. BNP Paribas S.A. is a French *société anonyme* registered with the Registre du Commerce et des Sociétés in Paris under number 662 042 449 (APE business identifier code: 651 C), licensed to conduct banking operations under the Monetary and Financial Code (*Code Monétaire et Financier, Livre V, Titre 1er*). The Issuer is domiciled in France; its registered office is located at 16, boulevard des Italiens - 75009 Paris, France (telephone number: +33 1 40 14 45 46). The Issuer is governed by banking regulations, the provisions of the Commercial Code applicable to trading companies and by its Articles of Association. The Issuer's purpose (Article 3 of the Articles of Association) is to provide and conduct the following services with any legal entity or individual, in France and abroad, subject to compliance with the laws and regulations applicable to credit institutions licensed by the *Comité des Établissements de Crédit et des Entreprises d'Investissement*: any investment services, any services related to investment activities, any banking activities, any transactions related to banking activities, any purchase of an ownership interest, within the meaning of Book III, Title 1 relating to bank transactions, and Title II relating to investment services and their ancillary services, of the Monetary and Financial Code. The Issuer was founded pursuant to a decree dated May 26, 1966, its duration has been extended to a period of 99 years as from September 17, 1993. Each financial year begins on January 1 and ends on December 31.

2. *The Issuer's history and development*

The Issuer was formed in 1966 through the merger of Comptoir National d'Escompte de Paris ("CNEP") and Banque Nationale pour le Commerce et l'Industrie ("BNCI"). CNEP, which was organized in 1848 and was initially involved primarily in business financing in Paris, grew its French network over the years and actively participated in the industrial development of France, financing such projects as railroad and industrial construction. BNCI, which succeeded Banque Nationale du Commerce in 1932, focused on a dual strategy of expansion within France by acquiring several regional banks and establishing operations abroad. At the time of their nationalization in 1945, BNCI and CNEP were, respectively, the third and fourth largest French banks in terms of assets.

The French government owned over 80% of the voting stock of the Issuer and its predecessor banks until 1982 and owned 100% of the voting stock of the Issuer from 1982 until 1993. In October 1993, the Issuer was privatized through the offering of shares to the public in France and internationally. During the 1990s, the Issuer launched new banking products and services and expanded its presence in France and internationally, while positioning itself to benefit fully from the introduction of the euro. Privatization also significantly boosted the Issuer's profitability – in 1998, it led the French banking industry in terms of return on equity.

Banque Paribas was founded in 1872 under the name of Banque de Paris et des Pays-Bas, as a result of a merger between a Dutch bank, Banque de Crédit et de Dépôts des Pays-Bas, and a French bank, Banque de Paris. In 1968, a holding company called Compagnie Financière de Paris et des Pays-Bas was created and all banking activities were transferred to a subsidiary also called Banque de Paris et des Pays-Bas. In June 1982, when it was nationalized, the name of the holding company was changed to Compagnie Financière de Paribas and the name of the bank was changed to Banque Paribas.

Compagnie Financière de Paribas was privatized in 1987, resulting in the effective privatization of Banque Paribas. In 1998, Banque Paribas was merged with the holding company and certain of the holding company's subsidiaries, and the surviving entity was renamed Paribas.

In 1999, following a public tender offer without precedent in the French banking industry and a six-month stock market battle, the Issuer and Paribas effected a merger of equals. 2000 was the first full year of operation of the BNP Paribas Group in its new configuration, following approval of the merger at the extraordinary general meeting on May 23, 2000.

In the first half of 2006, the Issuer acquired BNL, Italy's sixth largest bank. This acquisition transformed the Issuer, providing it with access to a second domestic market in Europe. All of the BNP Group's businesses have since been able to draw on a national banking network in both Italy and France to develop their business.

In 2009, the Issuer acquired Fortis Bank and BGL (Banque Générale du Luxembourg), thereby creating a European leader in retail banking, with four domestic markets.

3. *Events impacting the Issuer's solvency*

As at the date of this Base Prospectus and to the best of the Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 31 December 2012.

5. *Business overview*

The Issuer, Europe's leading provider of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It is present in 78 countries and has almost 190,000 employees, including over 145,000 in Europe. The Issuer holds key positions in its three activities:

- Retail Banking, which includes:
 - a set of 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 Retail Banking, comprising:
 - Europe-Mediterranean,
 - BancWest;
 - Personal Finance;
- Investment Solutions; and
- Corporate and Investment Banking (CIB).

BNP Paribas SA is the parent company of the BNP Paribas Group.

As at December 31, 2012, the BNP Paribas Group had consolidated assets of €1,907.3 billion (compared to €1,965.3 billion at December 31, 2011), consolidated loans and receivables due from

customers of €630.5 billion (compared to €665.8 billion at December 31, 2011), consolidated items due to customers of €539.5 billion (compared to €546.3 billion at December 31, 2011) and shareholders' equity (BNP Paribas Group share including income for 2011) of €85.9 billion (compared to €75.4 billion at December 31, 2011). Pre-tax income for the year ended December 31, 2012 was €10.4 billion (compared to €9.7 billion for the year ended December 31, 2011). Net income, BNP Paribas Group share, for the year ended December 31, 2012 was €6.6 billion (compared to €6.1 billion for the year ended December 31, 2011).

Except where otherwise specified, all financial information and operating statistics included herein are presented as of December 31, 2012.

Strategy

Group Outlook

The BNP Paribas Group is in the process of preparing its 2014-2016 business development plan with a goal of unveiling a comprehensive presentation early in 2014.

The first part of this plan, Simple & Efficient, the ambitious initiative to simplify the BNP Paribas Group's way of functioning and improve operating efficiency, is already under way along with one specific business development plan in Asia Pacific.

The preparation of the BNP Paribas Group business development plan is progressing satisfactorily, with the announcement this semester of three new business development plans: Hello Bank!, Asset Management and Germany.

Simple & Efficient: An Ambitious Plan to Simplify the Way the BNP Paribas Group Functions and Improve Operating Efficiency

In 2013, the BNP Paribas Group will launch a three-year €1.5 billion investment program designed to simplify the way it functions and improve its operating efficiency.

The BNP Paribas Group is aiming to improve operating efficiency in order to achieve cost savings starting in 2013 and which are expected to reach €2 billion a year as of 2015. About half of these savings are expected to come from Retail Banking, a third from CIB and a sixth from Investment Solutions. This will be achieved without closing down any businesses and with the dedication of the entire Group.

In order to maximize the benefits, General Management will head the program and a specially-dedicated team will provide across-the-board monitoring, facilitating project management across several business units and functions.

The program will include five areas for transformation (process review, system streamlining, operating simplification, customer service and cost optimisation) and across-the-board approaches to improving operating efficiency (digitization of business processes, increased delegation, simplified internal reporting, etc.). Over 1,000 initiatives have already been identified in the BNP Paribas Group.

Asia Pacific: A Region for the BNP Paribas Group to Focus its Business Development

With a workforce of nearly 8,000 persons⁴ working for CIB and Investment Solutions, and a presence in 14 markets, the BNP Paribas Group believes it is one of the best positioned international

⁴ Excluding partnerships.

banks in Asia Pacific where it has had a long-standing presence. CIB and Investment Solutions currently make about 12.5% of their revenues there, or €2 billion.

In the fast-growing region, the BNP Paribas Group has recognized franchises especially in Trade Finance (with 25 trade centers), Cash Management (number 5 in Asia), Fixed Income (number 1 for FX Derivatives and number 1 Interest Derivative Dealer), Equities and Advisory (number 2 Equity Derivatives Dealer), Private Banking (number 8 with 30 billion in assets under management in 2012), Insurance (7th among non-Asian insurers), and has a strong presence in the petroleum and gas, metals and mining products sectors as well as air transport. The BNP Paribas Group also has successful partnerships with a number of leading domestic players.

By leveraging its solid platforms, the BNP Paribas Group's goal is to grow CIB's and Investment Solutions' revenues in Asia to over €3 billion by 2016, or a compounded annualized growth rate on the order of 12%.

The BNP Paribas Group expects to grow its financed assets by the same magnitude and, likewise, to grow the gathering of deposits in the region. Within the next three years, the BNP Paribas Group also expects to hire about 1,300 people in the region to work in Investment Solutions and CIB.

For corporate clients, the BNP Paribas Group will bolster the commercial organisation geared to multinational corporations as well as local large and medium-sized businesses. Thereby, it will expand its domestic client base, service global clients in Asia Pacific and its Asian clients as they take their businesses global. It will hence step up the effort with respect to Trade Finance and Cash Management and, in Fixed Income, speed up the roll out of bonds, flow products, and hedging instruments. At the same time, the BNP Paribas Group will heighten its presence with investors rolling out Originate to Distribute, developing Asset Management and Securities Management, expanding the Private Banking client base and stepping up cross-selling between CIB and Investment Solutions. Lastly, the BNP Paribas Group will forge new partnerships, especially in Insurance with the objective of developing business in China and Indonesia.

A member of the Executive Committee, already based in the region, will oversee the BNP Paribas Group's business and development.

Hello bank!: the European digital bank of the BNP Paribas Group

The BNP Paribas Group announced in May the launch of its new European digital bank, Hello bank!, in Germany, Belgium, France and Italy. Business started on May 16 in Germany and Belgium, on June 17 in France and is planned for October in Italy.

Given the increasing importance of Internet and mobile technologies, and the emergence of new behaviours and expectations of some clients, the BNP Paribas Group decided to launch a new generation online digital bank built to be used via mobile phones and smartphones.

Hello bank! will benefit from its integration within the BNP Paribas Group, allowing to optimise IT and operational synergies by using existing platforms and infrastructures. As such, no legal entity will be created, Hello bank! being a department within the retail networks in France, Belgium, Italy, and Cortal Consors in Germany.

Hello bank! ambitions to recruit 1.4 million customers by 2017, mainly by acquiring new customers. Eighty million euro start-up costs, booked at Domestic Markets, have been budgeted for 2013. The BNP Paribas Group plans an overall staff of about 1,000 people at Hello bank! By 2017, including 900 advisors.

The aim is to break even within four years in all countries.

Asset Management: a strategic business for the BNP Paribas Group

Asset Management is a strategic business for the BNP Paribas Group for three basic reasons: 1) it is a key business for institutional clients, 2) it is responsible for managing our clients' assets and 3) it delivers substantial return on equity.

With 3,200 people working in 40 countries, the business unit has a global reach. Its assets under management total 375 billion euros as at 30 June 2013.

The business unit is already a major player in the institutional client segment where it ranks number 7 in Europe. Its investment management is recognised by leading consultants and industry reviews in various capabilities such as European equities or Fixed Income in Asia.

It has strong positions in the individual client segment and in Private Banking with distribution across the networks of the four domestic markets (where its products are offered to a 15 million strong client base) and access to leading global distributors.

Lastly, Asset Management has a solid organisation in emerging markets with a presence in 17 countries and 50 billion euros in distributed assets, and a bolstered presence through local partnerships, in particular with Shinhan in Korea and HFT in China.

The business unit has three priority areas for development.

For the institutional clientele, the objective is to strengthen recognition of the best BNP Paribas Group expertise by leading international consultants and increase assets under management by winning new mandates. The BNP Paribas Group will develop new areas of expertise, in particular in loans and CLOs, accelerate the development of the European Equities offering, launch solutions adapted to the needs of insurers and pension funds and make selected investments to guarantee the best possible service for these demanding clients.

In Asia Pacific and emerging markets, the BNP Paribas Group plans to increase the volume of assets under management in growth markets and increase cross-selling worldwide. The BNP Paribas Group will consolidate positions in key markets (China, Brazil, South Korea, Indonesia), strengthen regional and local expertise and forge local partnerships to gain access to retail clients.

With respect to the retail and private banking clientele, the objective is to create one of the 3 biggest distribution platforms in continental Europe, by forging partnerships with banking or distribution networks, bolstering the solution offering for individuals and industrialising business processes.

The BNP Paribas Group's objective is by 2016 to grow revenues in this highly profitable core business by 10% and increase the assets under management. The BNP Paribas Group plans to jump-start asset inflows with a target of 40 billion euros in net asset inflows by 2016 in the value added segments, primarily in the institutional segment, in Asia Pacific and in emerging markets. To this end, the BNP Paribas Group will make selective investments, in particular the institutional segment.

Germany: a target market for our development in Europe

In Germany, the BNP Paribas Group has strong positions to build future development, the existing organisation with 12 businesses and approximately 3,500 employees covering all client segments.

In Retail Banking, the BNP Paribas Group has robust specialised retail franchises: Cortal Consors is the leader in online investment advisory services; Personal Finance ranks number 3 in point of sale consumer lending and Leasing Solutions ranks number 1 in farm equipment and has leading positions in vendor programmes. In Corporate & Investment Banking, BNP Paribas has leading

positions with large corporate and institutional clients and has a network of 6 regional business centres which is part of the “One bank for Corporates” approach developed by the BNP Paribas Group. Lastly, Investment Solutions has prominent positions, Securities Services is the number 1 depositary bank, Real Estate Services ranks number 1 in commercial real estate transactions (BtoB) and Cardif is a key player in credit protection insurance.

The business development plan in Germany is a comprehensive growth initiative fostering cross-selling across all the segments.

The BNP Paribas Group’s objective is to significantly increase individuals’ deposits via Hello bank!, transforming Cortal Consors into a digital bank in order to reach about 1.1 million clients and 1% market share of individuals’ deposits by 2017.

The BNP Paribas Group will at the same time grow outstanding loans and consolidate its positioning on the corporate segment to reach top 5 position with large corporates and midcaps by 2018.

By leveraging its global reach and diversified expertise, the BNP Paribas Group will deepen relationships with large corporates and extend its clientele to large exporting midcaps. It will also expand the customer base in Leasing (target of 3 billion in outstandings by 2016, or +50% compared with the level in 2012) and Factoring (target of 6% market share by 2016, or roughly double what it was in 2012).

The BNP Paribas Group will step up the pace of developing strong positions in specialised businesses. It will strengthen leading positions in Real Estate Services and Securities Services (see the acquisition of Commerzbank’s depositary businesses announced on 25 July 2013). It will develop diversified distribution channels in order to grow BNP Paribas Cardif’s market position and develop partnerships with Personal Finance, notably in retail and automotive sectors.

The BNP Paribas Group’s objective is to grow revenues in Germany 1.5 billion euros by 2016, or a compounded annualised growth rate on the order of 8% whilst growing revenues with large German corporates outside Germany.⁵

To that end, the BNP Paribas Group plans to bolster its organisation by growing the workforce by over 500 staff in 3 years and enhancing its commercial efficiency and visibility, creating for example, BNP Paribas Houses. The BNP Paribas Group also expects a sharp rise in commitments as it grows the business and the customer base.

The objective is thereby to build a long-term franchise in a market that is a target for the BNP Paribas Group’s growth in Europe.

Retail Banking

The Issuer’s strategy for 2013 is summarized below according to its three principal activities.

Domestic Markets

In 2013, Domestic Markets will continue its strong commitment to its clients, invest in innovation and pursue its effort to streamline operations.

It will thus prepare the retail bank of the future. For individual customers, it will expand innovative online banking services, in particular for mobile phones and continue to develop new payment solutions. For corporate customers, it will continue to expand One Bank for Corporates in association with CIB whilst continuing to acquire new customers (already 2,600 new accounts by

⁵ Revenues not included in the 1.5 billion euro target.

year-end 2012) and bolstering the service offering, in particular in Cash Management, leveraging on its leading position in the eurozone. With respect to VSEs & SMEs, Domestic Markets will capitalize on the network of Small Business Centers (59 in France, 42 in Italy) and focus on developing synergies with Leasing Solutions and Arval. Private Banking will leverage its leadership position in the eurozone to grow its business in Italy and to pursue synergies with corporates and small businesses.

In Domestic Markets as a whole, the business unit will upgrade its networks based on the needs of its customers with more advisory and less transaction related services and more diversified formats.

An ambitious plan was thus unveiled in Belgium in December 2012 (Bank for the Future) designed to anticipate new customer behaviors (mobile banking, customer relations centers, less in-branch teller business and increased commercial meetings with clients) and to improve operating efficiency.

International Retail Banking

The retail banking networks outside the eurozone will roll out the BNP Paribas Group's integrated business model whilst adapting themselves to local specificities.

Europe-Mediterranean will continue its selected business development with the opening of branches in regions with fast-paced growth (such as Morocco); adapt the set up and offering to online banking; develop business with institutional customers and grow cash management. With respect to Turkey, TEB will continue to grow its business, in particular by continuing to step up cross-selling with Investment Solutions and CIB.

At BancWest, in a more favorable economic context, the commercial offering will be expanded, in particular by developing Private Banking, closer cooperation with CIB and enhancing the Cash Management offering. Lastly, BancWest will continue to upgrade and streamline the branch network.

Personal Finance

Personal Finance will continue to adapt to the new environment.

In France, the business unit will continue to transform its business model whilst growing Cetelem Banque's business (gathering of savings and sale of protection insurance products), implementing the process of assisting clients in a difficult position and leveraging its business alliance with BPCE (joint venture up and running on January 1, 2013) to share certain development costs.

In Italy, Personal Finance will roll out Findomestic Banca (marketing of deposit accounts and insurance products) and continue product innovation.

Lastly, the business unit will continue to develop engines of growth: in Russia by implementing the strategic alliance with Sberbank; in the automobile sector, through partnerships with European manufacturers and distributors; in the BNP Paribas Group's retail banking networks in emerging countries, by rolling out PF Inside; and, lastly, by expanding the Internet offering.

Investment Solutions

In 2013, Investment Solutions will continue to strengthen its leadership positions in Europe with targeted clientele, in particular Ultra High Net Worth Individuals in Private Banking and institutional clients.

The business unit will continue to innovate and expand its product offering: in Securities Services, by capitalizing on changes in regulations in the field of market infrastructure; in Asset Management, by developing high value added products; in all the business units, by rolling out the online banking service offering.

Investment Solutions will continue international business development in fast growing countries, in particular by bolstering platforms in Asia Pacific, Latin America and the Gulf countries. Lastly, Insurance will continue to be a powerful driver of growth within the business unit.

Corporate and Investment Banking

In 2013, CIB will continue transforming the business model, whilst bolstering its operations in Asia and North America.

Advisory and Capital Markets will continue to expand the product offering whilst strengthening flow product platforms, developing market infrastructure access and collateral management services and continuing to grow the bond origination businesses.

Corporate Banking will continue its transformation, further increasing client deposits by expanding Cash Management whilst developing a regional approach to be closer to clients.

The roll out of Originate to Distribute will be stepped up by leveraging on already strong positions in syndication, securitization and bond issues and by developing innovative distribution channels (debt funds).

Retail Banking

With 7,150 branches in 41 countries, 22 million individual, professional and small business customers, 216,000 corporate clients and institutions and over 12 million active customers at Personal Finance, the Issuer generated more than half of its revenues from retail banking activities in 2012. Retail banking activities employ 135,000 people, representing 71% of the BNP Paribas Group's headcount.

Retail Banking comprises Domestic Markets, International Retail Banking (IRB) and Personal Finance (PF).

Domestic Markets

Domestic Markets comprises the retail banking networks of the Issuer in France (FRB), Italy (BNL bc), Belgium (BRB operating under the BNP Paribas Fortis brand) and Luxembourg (LRB operating under the BGL BNP Paribas brand), together with three specialist activities: Arval (multi-brand full service vehicle leasing), BNP Paribas Leasing Solutions (leasing and rental solutions ranging from equipment financing to fleet management services) and BNP Paribas Personal Investors (online savings and brokerage). In addition, Wealth Management develops its private banking model in the domestic markets. Lastly, Cash Management and Factoring complete the services provided to corporate clients, deployed under the "One Bank for Corporates in Europe and Beyond" concept, in synergy with CIB's Corporate Banking unit.

Domestic Markets has a total of 4,150 branches, more than 15 million retail clients, 268,500 private banking clients and 176,000 corporate clients. It employs a total of 76,000 people, including 66,000 in the four domestic networks. Through its three specialist activities, Domestic Markets operates in a total of 26 countries.

Domestic Markets plays a strategic role for the BNP Paribas Group, by providing a large base of deposits and off-balance sheet savings, supporting both retail and corporate clients, financing the economy and preparing the retail banking business of the future. Five transversal missions – Business Development, IT, Operations, Human Resources and Communications – provide the business lines with their expertise.

With Domestic Markets, BNP Paribas is no. 1 in Cash Management in Belgium, Italy and France (according to Euromoney), leading private bank in France (according to Professional Wealth Management and The Banker) as well as in Luxembourg (according to Euromoney) and no. 1 in Europe in equipment financing for professionals (according to Leaseurope 2011 rankings).

French Retail Banking (FRB)

French Retail Banking (FRB) employs 31,500 people to support all its clients with their plans and projects. It has a client base made up of 6.9 million individual and private banking clients, 639,000 small business and professional clients and more than 80,000 corporate and institutional clients. The division offers a broad line-up of products and services, ranging from current account services to the most innovative financial engineering services in the areas of corporate financing and asset management.

During 2012, FRB acquired more than 430,000 new clients. FRB continues to invest in its branch network, which already forms part of a much broader multi-channel structure, with a view to providing its clients with an ever closer service. The network is organized by client category:

- 2,200 branches and 5,934 ATMs operating under the BNP Paribas and BNP Paribas - Banque de Bretagne brands. More than 75% of the branches have now been refurbished to the “Welcome & Services” standard. New generation branches have also been tested in the Paris region and the Drôme department;
- 217 Wealth Management centers, making BNP Paribas the no. 1 private bank in France (based on assets under management)⁶;
- 58 Small Business Centers which help small businesses and SMEs to manage their wealth planning projects or projects related to their company’s life cycle;
- a unique network of 28 Business Centers dedicated to corporate customers across the length and breadth of the country, as well as a professional assistance service – Service Assistance Entreprise (SAE) – and Cash Customer Services (CCS);
- specialist subsidiaries including factoring company BNP Paribas Factor, BNP Paribas Développement, a private equity provider, and Protection 24, a remote surveillance firm;
- 54 production and sales support branches, back offices that handle all the transaction processing operations.

FRB also provides its clients with a full online relationship capability, based on:

- the bnpparibas.net website, offering services used by more than 2.5 million clients;
- 3 Client Relationship Centers in Paris, Lille and Orléans, which handle all requests received by e-mail, telephone or instant messaging, and 2 specialist contact centers “Net Crédit” and “Net Épargne”;

⁶ Source: Décideurs Stratégie Finances Droit 2012.

- the NET Agence online bank, offering prospective clients all the services and products of a large bank available online with a dedicated adviser.

This online offering was elected client service of the year 2013⁷, demonstrating BNP Paribas' aim of continuously adapting its capability, for example by integrating new forms of contact: SAV Twitter and the Facebook page already have more than 220,000 members.

BNL Banca Commerciale

BNL bc is Italy's 6th largest bank in terms of total assets and loans to customers⁸ It provides a comprehensive range of banking, financial and insurance products and services to meet the needs of its diversified client base consisting of:

- around 2.2 million⁹ individual and 28,100 private banking clients (number of households) ;
- 144,800 small business clients ;
- over 26,200 medium and large companies, including Large Relationships consisting of around 455 groups and 1,800 operating companies;
- 16,000 local authorities and non-profit organizations.

In retail and private banking, BNL bc has a strong position in lending, especially residential mortgages (market share of around 7%¹⁰), and a growing deposit base (market share of 3.9% for current accounts) well ahead of its network penetration (2.7% in terms of branch numbers).

BNL bc also has a long-standing tradition in supporting large companies and local authorities (with market shares for loans to corporates of over 4% and 1.2%¹¹ for loans to local authorities) with a well-established reputation in cross-border payments, project financing and structured finance, as well as factoring through its specialized subsidiary Ifitalia (which ranks 3rd in the market in terms of annual turnover¹²).

BNL bc has adopted a multi-channel distribution approach, organized into regions ("direzioni territoriali") with the Retail & Private Banking and Corporate Banking activities being run as separate structures:

- close to 890 branches;
- 33 Private Banking Centers;
- 42 Small Business Centers;
- 53 branches dealing with small and medium enterprises, large corporates, local authorities and public sector organizations;
- 5 Trade Centers in Italy for its clients' cross-border activities, complementing BNP Paribas' international network;

⁷ Source: Cabinet Viséo Conseil.

⁸ Source: annual and interim reports of BNL and its peers.

⁹ Active clients.

¹⁰ Source: Bank of Italy.

¹¹ Source: Bank of Italy. Since 2012, the Bank of Italy's statistics have included Cassa Depositi e Prestiti (CDP), a state-owned financial institution operating in the local authorities segment. Excluding CDP, BNL bc's market share is about 5%.

¹² Source: Assifact.

- a network of 10 Italian Desks, mainly located in the Mediterranean area, to assist Italian companies in their operations abroad as well as multinational companies with direct investments in Italy.

The multi-channel offering is complemented by some 1,950 ATMs and 38,000 POS terminals, as well as telephone and online banking for both retail and corporate clients.

Belgian Retail Banking (BRB)

Retail & Private Banking (RPB)

- BNP Paribas Fortis is no. 1 in personal and small business banking in Belgium, with 3.6 million clients and high-ranking positions in all banking products¹³. BNP Paribas Fortis serves its clients and finances the economy through various networks forming part of a multi-channel distribution strategy. The branch network comprises 938 branches (of which 277 are independent), plus 680 customer service points under the partnership with Bpost Bank and 310 Fintro franchise outlets¹⁴.
- RPB's Client Relationship Management (CRM) center manages a network of 4,382 cash dispensers, as well as online and mobile banking services via the easy banking app (1.2 million users).
- A Client Contact Center is also available and handles up to more than 10,000 calls daily.

Since July 1, 2012, the network has been reorganized into seven rather than nine regions and from January 1, 2013, the 938 branches will be organized into 164 branch groups, which will report to 29 regional Head Offices. This new structure is designed to deliver further improvement in client service.

BNP Paribas Fortis is a major player in the Belgian private banking market. Its services are aimed at individual customers with assets of more than €250,000. Wealth Management caters to clients with assets of more than €4 million. Clients are served through 37 Private Banking centers and two Wealth Management centers.

Corporate & Public Bank Belgium (CPBB)

CPBB offers a comprehensive range of financial services to corporates, public entities and local authorities. With more than 600 corporate clients and 12,500 midcap clients, it is the market leader¹⁵ in both categories and a challenger in public banking with 710 clients. CPBB keeps very close to the market through its team of more than 40 corporate bankers and 210 relationship managers operating out of 22 Business Centers, supported by specialists in specific areas.

Luxembourg Retail Banking (LRB)

BGL BNP Paribas provides a broad range of financial products and services to personal, small business and corporate clients through a network of 38 branches and its departments dedicated to corporate clients. It is the 2nd-largest retail bank in Luxembourg in terms of personal banking, with a total of 206,719 customers representing a market share of 16%¹⁶. It is the leading commercial bank with 39,802 corporate clients representing a market share of 35%¹⁶.

¹³ Source: Benchmarking Monitor September 2012 and Strategic Monitor Small Professionals 2011.

¹⁴ In December 2012, Fintro had 312 branches, more than 1,000 employees and €9.22 billion in assets under management (excluding insurance) and 268,000 active customers.

¹⁵ Source: TNS survey, 2012.

¹⁶ Source: ILRES survey, October 2012.

BGL BNP Paribas' private banking teams provide tailored, integrated wealth management and planning solutions. They are proposed mainly as a complement to daily banking services in the six private banking sites backed by the branch network.

Arval

Specialist in multi-brand full service vehicle leasing, Arval offers its customers tailored solutions that optimize their employee's mobility and outsource the risks associated with fleet management. Expert advice and service quality are delivered by more than 4,000 employees in 25 countries. Arval is also supported by strategic partnerships in 14 countries. It also benefits from the solid infrastructure and far-reaching network of the BNP Paribas Group.

At the end of December 2012, Arval's leased vehicle fleet was stable compared with 2011.

At the same date, Arval had a total leased fleet of 689,000 vehicles. Arval is a major European player in full service vehicle leasing and no. 1 in multi-brand leasing in France¹⁷ and Italy¹⁸ and no. 2 in Poland¹⁹ in terms of leased vehicles.

BNP Paribas Leasing Solutions

BNP Paribas Leasing Solutions uses a multi-channel approach (direct sales, sales via referrals, partnerships and banking networks) to offer corporate and small business clients an array of leasing and rental solutions, ranging from equipment financing to fleet outsourcing.

To deliver optimum service to its clients, BNP Paribas Leasing Solutions has chosen to adopt an organization structure specialized by markets, with integrated sales and operating teams:

- Equipment & Logistics Solutions for farming machinery, construction and public works equipment, light commercial and industrial vehicles;
- Technology Solutions for office, IT and telecoms equipment;
- Bank Leasing Services for leasing products to BNP Paribas bank network customers.

For the third year running, BNP Paribas Leasing Solutions remains the European leader in equipment financing with Arval²⁰ and has consolidated on its contribution to financing the economy.

BNP Paribas Leasing Solutions arranged more than 282,140 financing deals in 2012. Its total outstandings under management exceed €19.4 billion²¹.

BNP Paribas Personal Investors

BNP Paribas Personal Investors provides independent financial advice and a wide range of investment services to individual clients. It comprises three players:

- Cortal Consors is the European specialist in online savings and brokerage for individuals, providing online trading services and personal investment advice via Internet, telephone and face-to-face to over one million clients in Germany, France and Spain. Its broad range of

¹⁷ Source: Syndicat National des Loueurs de Voitures Longue Durée, France 4th quarter 2012.

¹⁸ Source: FISE ANIASA (*Federazione Imprese di Servizi - Associazione Nazionale Industria dell'Autonoleggio e Servizi Automobilistici*), Italy, December 2012.

¹⁹ Source: PZWLP, Poland, 4th quarter 2012.

²⁰ Source: Leaseurope 2011 league tables published in August 2012.

²¹ Amounts after servicing transfer, including short-term outstandings.

independent products and services includes short-term investment solutions, mutual funds and life insurance;

- B*capital, an investment company, offers to its clients in France direct access to a complete range of markets (equities, bonds, derivatives), providing financial analysis as well as customized advice and active portfolio management. B*capital is the majority shareholder in stockbroker Portzamparc, specialized in small and mid-cap businesses;
- Geojit BNP Paribas is one of the leading retail brokers in India. It provides brokerage services for equities, derivatives and financial savings products by phone, online and via a network of around 500 branches throughout India. Geojit BNP Paribas also operates in the United Arab Emirates, Saudi Arabia, Oman, Bahrain and Kuwait, where it targets mainly a non-resident Indian clientele.

BNP Paribas Personal Investors manages TEB Investment activities in Turkey, which include brokerage services for retail investors via Internet and a network of 34 branches.

At December 31, 2012, BNP Paribas Personal Investors²² had 1.5 million customers and €35.1 billion in assets under management, of which 39% was invested in equity assets, 34% in savings products or mutual funds and 27% in cash. BNP Paribas Personal Investors employs 2,171 staff.

International Retail Banking (IRB)

IRB comprises the Issuer's retail banking activities in 15 countries outside the euro zone.

It has three business lines:

- Retail Banking, serving close to 7 million clients through a multi-channel distribution network (including 3,000 branches);
- Wealth Management, in cooperation with Investment Solutions;
- services for corporate clients, providing local access to all BNP Paribas products and services, as well as support in all the BNP Paribas Group's countries through a network of 83 Business Centers, 22 Trade Centers and 16 MNC Desks.

BancWest

In the United States, the retail banking business is conducted through Bank of the West and First Hawaiian Bank, subsidiaries of BancWest Corporation since 1998, wholly-owned by BNP Paribas since the end of June 2001.

Until 2006, BancWest pursued a policy of acquisitions to develop its franchise in western America. In the past six years, it has focused on organic growth, by strengthening its infrastructure and, more recently, developing its sales and marketing capability, especially in the corporate segment and in Wealth Management.

Bank of the West markets a very broad range of retail banking products and services to individuals, small businesses and corporate clients in 19 States in western and mid-western America. It also has strong positions across the USA in certain niche lending markets, such as marine, recreational vehicles, church lending, small business and agribusiness.

²²

Including 34% of Geojit BNP Paribas.

With a local market share of more than 42% in deposits, First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and corporates.

BancWest currently serves some 1.5 million households. In total, it has 11,766 employees, close to 800 branches and corporate offices, and total assets close to \$80 billion at December 31, 2012. It ranks as the 7th-largest commercial bank in the western United States by deposits²³.

In 2012, for the second year running, Bank of the West came top of the regional banks in the Market Probe awards for its "Customer Advocacy score", demonstrating the excellent customer satisfaction levels it has achieved.

Europe-Mediterranean

Europe-Mediterranean (EM) operates a network of 2,046 branches in 14 geographical areas. It is present in Turkey, Central and Eastern Europe (Poland and Ukraine), the southern Mediterranean Basin (Morocco, Algeria and Tunisia), sub-Saharan Africa and in Asia through partnerships.

EM is gradually rolling out the BNP Paribas Group's integrated Retail Banking model which has proved so successful in its domestic markets by providing local customers with the expertise for which the BNP Paribas Group has a strong competitive position in the market (dynamic customer segmentation, Cash Management, Trade Finance, multi-channel distribution, specialized financing, wealth management, mobile banking, etc.).

In December 2012, Emirates NBD and BNP Paribas announced that they had signed a definitive agreement whereby BNP Paribas will sell its entire stake in BNP Paribas Egypt S.A.E. (BNP Paribas Egypt) to Emirates NBD, subject to Central Bank of Egypt approval and other regulatory approvals in Egypt and the United Arab Emirates.

Personal Finance

*BNP Paribas Personal Finance, European no. 1 in personal loans*²⁴

BNP Paribas Personal Finance (PF) is the BNP Paribas Group's consumer credit specialist, with over 12 million active customers. It also has a residential mortgage lending business. With more than 16,000²⁵ employees in around 20 countries, BNP Paribas Personal Finance ranks as the leading player in France and in Europe.

Through brands such as Cetelem, Findomestic and AlphaCredit, BNP Paribas Personal Finance provides a comprehensive range of consumer loans at point of sale (retail stores and car dealerships) and directly to clients either online or through its customer relation centers. The consumer credit business also operates within the BNP Paribas Group's retail banking network in the emerging countries, through the "PF Inside" set-up. In France and Italy, Personal Finance's offer was complemented with insurance and savings products.

It is also developing an active strategy of partnerships with retail chains, web merchants and other financial institutions (banking and insurance) drawing on its experience in the lending market and its ability to provide integrated services tailored to the activity and commercial strategy of its partners. It is also a leading player in responsible lending and financial literacy.

Core Commitment to Responsible Lending

²³ Source: SNL Financial, June 30, 2012.

²⁴ Source: annual reports of companies specialized in consumer credit.

²⁵ Excluding LaSer staff.

BNP Paribas Personal Finance has made responsible lending the basis of its commercial strategy as a means of ensuring sustainable growth. At each stage of the customer relationship, from preparing an offer through to granting and monitoring a loan, responsible lending criteria are applied. These criteria are based on needs of customers – who are central to this approach – and customer satisfaction, which is assessed regularly.

This cross-company approach is implemented according to the specific characteristics of each country. In addition, structural measures such as the design and distribution of accessible and responsible products and services, as well as the “Debt Collection Charter”, are rolled out and implemented in all countries.

France has the most comprehensive Personal Finance offering, including identifying and assisting clients in a potentially difficult financial position, access to independent business mediation and, since 2004, monitoring of three responsible lending criteria which are disclosed on a yearly basis: refusal rate, repayment rate and risk rate.

Since 2007, BNP Paribas Personal Finance has supported the development of personal microfinance guaranteed by the Fonds de Cohésion Sociale. At the end of 2012, it had granted more than 355 micro-loans totaling €724,155.

Investment Solutions

Combining BNP Paribas’ activities related to the collection, management, development, protection and administration of client savings and assets, Investment Solutions offers a broad range of high value-added products and services around the world, designed to meet all the requirements of individual, corporate and institutional investors.

Investment Solutions comprises 5 business lines, with highly complementary expertise:

- Insurance: BNP Paribas Cardif (7,540 employees, 38 countries, €170 billion in assets under management);
- Securities Services: BNP Paribas Securities Services (7,830 employees, 32 countries, €1,010 billion in assets under administration, €5,524 billion in assets under custody);
- Private Banking: BNP Paribas Wealth Management (6,070 employees, 28 countries, €265 billion in assets under management);
- Asset Management: BNP Paribas Investment Partners (3,340 employees, 40 countries, €405 billion in assets under management);
- Real Estate: BNP Paribas Real Estate (3,120 employees, 36 countries, €13 billion in assets under management).

In total, Investment Solutions is present in 70 countries with around 25,650²⁶ employees.

All the Investment Solutions businesses hold leading positions in Europe, where they operate in the key domestic markets of the BNP Paribas Group (France, Italy, Belgium, Luxembourg) and in Switzerland, the United Kingdom and Germany. Investment Solutions is also actively working to further its international development in high growth regions such as Asia-Pacific, Latin America and the Middle East, where the businesses are expanding their activities through new operations, acquisitions, joint ventures and partnership agreements.

²⁶

Including share of BNP Paribas Wealth Management employees.

BNP Paribas Cardif

BNP Paribas Cardif insures people, their families and their property. It has operations in 38 countries, nearly 90 million customers and strong positions in Europe, Asia and Latin America.

As a global player in personal insurance, BNP Paribas Cardif develops savings and protection products and services that comply with its Social and Environmental Responsibility policy.

It provides savings solutions for setting aside and building up a retirement provision through multi-fund life insurance contracts, guaranteed capital products and unit-linked funds.

In addition to its flagship loan insurance business, BNP Paribas Cardif has expanded its protection offering to encompass health insurance, budget, income and payment means protection, extended warranty, property and casualty insurance, and back-to-work assistance.

BNP Paribas Cardif sells its products through a multi-channel distribution network:

- Retail Banking channel, which sells insurance products through the BNP Paribas branch networks in France, Italy, Belgium, Luxembourg, Poland, Turkey and Ukraine;
- Partnerships channel, which distributes insurance products through partners worldwide, including banks, financial institutions, consumer credit companies, credit subsidiaries of car manufacturers and major retail groups;
- Digital & Brokers channel, encompassing BNP Paribas Cardif's digital capability, which is essential to its partners' distribution strategy, and its brokerage capability (Belgium, Luxembourg, Netherlands and United Kingdom).

All in all, more than half of BNP Paribas Cardif's operations are international. It has over 7,500 employees, of which 70% outside France.

BNP Paribas Cardif aims to be the world leader in insurance partnerships and leader in personal insurance solutions.

BNP Paribas Securities Services

BNP Paribas Securities Services is one of the major global players in securities services²⁷. In 2012, assets under custody grew by +22.3% compared with 2011 to stand at €5,524 billion. Assets under administration grew by +22% to €1,010 billion and the number of funds declined by -0.9% to 6,979. The number of transactions settled fell by -7.7% to 45 million, in a context of weaker activity in the financial markets.

BNP Paribas Securities Services provides integrated solutions for all actors involved in the investment cycle: sell side, buy side and issuers:

- sell-side operators such as investment banks, broker-dealers, banks and market infrastructures are offered customized solutions in execution services, derivatives clearing, local and global clearing, settlement and custody for all asset classes worldwide. Outsourcing solutions for middle and back-office activities are also provided;
- buy-side institutional investors such as asset managers, alternative fund managers, sovereign wealth funds, insurance companies, pension funds, fund distributors and promoters, have access to a broad range of services. These include global custody, depository bank and trustee services,

²⁷

Source: BNP Paribas Securities Services figures at December 31, 2012 for assets under custody; financial releases of Top 10 competitors.

transfer agency and fund distribution support, fund administration and middle-office outsourcing, investment reporting and risk and performance measurement;

- issuers (originators, arrangers and corporates) are provided with a wide range of corporate trust solutions: securitization and structured finance services, debt agency services, issuer advisory, stock option and employee stock plans, shareholder services and management of Annual General Meetings;
- market and financing services are provided across all client types. These include securities lending and borrowing, foreign exchange, credit and collateral management, outsourced trading service and cash financing.

Wealth Management

BNP Paribas Wealth Management encompasses BNP Paribas' private banking activities and serves a clientele of wealthy individuals, shareholder families and entrepreneurs seeking a one-stop shop for all their wealth management and financial needs. This global approach is based on a high value-added offering that includes:

- wealth planning services;
- financial services (advisory services in asset allocation, selection of investment products, discretionary portfolio management);
- customized financing;
- expert diversification advice (vineyards, art, real estate and philanthropy).

The business is organized in a way that aims to consolidate the BNP Paribas Group's positioning in retail banking, by providing the branch networks in the domestic markets with private banking capability, and to strengthen Wealth Management's positioning as a leading player in fast growing markets, particularly in Asia and the emerging markets.

This growth is supported by increased cross-functionality between geographies and support functions, developing new talent through the Wealth Management University and optimizing processes and tools.

With €265 billion in assets under management in 2012 and about 6,100 professionals in close to 28 countries, BNP Paribas Wealth Management ranks "Best Private Bank in Europe²⁸", equal "Second Best Global Private Bank", "Best Foreign Private Bank" in Hong Kong²⁹, no. 1 in France³⁰ and no. 1 for philanthropy services. Other distinctions include "Best Private Bank in Alternative Investment³¹" and "Best Private Bank in Taiwan".

These numerous awards reflect the robustness of BNP Paribas Wealth Management's positioning as a responsible, innovative bank, committed to delivering superior customer service.

BNP Paribas Investment Partners

BNP Paribas Investment Partners (BNPP IP) is the asset management arm of the BNP Paribas Group and is comprised of a network of 22 specialized companies worldwide.

²⁸ Source: Private Banker International 2012.

²⁹ Source: Private Banker International 2012 Greater China Awards.

³⁰ Source: Professional Wealth Management and The Banker.

³¹ Source: Asian Private Banker 2012.

A global investment solution provider, BNPP IP has three main distinct groups of investment expertise:

- Multi-expertise investment capabilities: BNP Paribas Asset Management, the largest entity in terms of assets under management, manages the major asset classes with investment teams operating in key markets;
- Specialist Investment Partners: specialists in a particular asset class or field (mainly alternative and multi-management), operating as boutique-like structures. THEAM is the most representative example;
- Local and regional solution providers: local asset managers covering a specific geographical region and/or clientele, the majority in emerging markets.

With €405 billion in assets under management and advisory on behalf of external clients³² and over 3,300 staff operating in 40 countries, BNPP IP offers a full range of investment management services to both institutional clients and distributors in 70 countries.

BNPP IP has offices in the world's major financial centers, including Brussels, Hong Kong, London, Milan, New York, Paris and Tokyo. It has a strong presence in a large number of emerging markets with local teams in Brazil, China, India, Indonesia, Russia and Turkey, enabling it to adapt its offering to the local needs of each market. This is why BNPP IP can be considered both a global investor and a local partner.

BNPP IP is the sixth largest player in Europe and among the top twenty asset managers worldwide³³.

BNP Paribas Investment Partners combines the financial strength, distribution network and disciplined management of the BNP Paribas Group with the reactivity, specialization and entrepreneurial spirit of investment boutiques.

BNP Paribas Real Estate

With 3,120 employees, BNP Paribas Real Estate ranks as continental Europe's no. 1 provider of real estate services to corporates³⁴ and as one of France's leading players in residential property.³⁵

Clients are the focus of its business strategy and its commercial organization. Its clients comprise businesses, institutional investors, private individuals, property developers and public entities. BNP Paribas Real Estate can meet their needs at every stage in a property's life cycle, through its comprehensive range of services.

- Property development - no. 1 in commercial property in France;
- Advisory (Transaction, Consulting, Valuation) - no. 2 in France and no. 1 in Germany³⁶;
- Property Management - no. 1 in France³⁷ and Belgium³⁸;
- Investment Management – no. 1 in Italy and no. 3 in France.

³² Including distributed assets.

³³ Source: IPE magazine July 2012 based on assets managed at December 2011.

³⁴ Source: Property Week, June 2012.

³⁵ Source: Innovapresse property developer league tables, June 2012.

³⁶ Source: Euromoney, September 2012.

³⁷ Source: Lettre M2.

³⁸ Source: Expertise, October 2012.

This integrated offering is built around international business lines.

In commercial property, BNP Paribas Real Estate supports its clients in 36 countries, through a direct presence (16 countries) or via alliances with local partners in 20 countries.

In residential real estate, BNP Paribas Real Estate's activities are chiefly based in France (Paris region and a few other big regional city areas).

As a responsible corporate citizen, BNP Paribas Real Estate is engaged in a number of programs promoting environmental protection, architecture and training for young people.

Corporate and Investment Banking

BNP Paribas Corporate & Investment Banking (CIB) employs just over 19,000 people in nearly 45 countries. BNP Paribas CIB provides its clients with corporate banking, advisory and capital markets services. In 2012, BNP Paribas CIB contributed 25% of the BNP Paribas Group's revenues and 29% of its pre-tax income.

BNP Paribas CIB's 15,000 clients, consisting of corporates, financial institutions and investment funds, are central to its strategy and business model. Staff's main aim is to develop and maintain long-term relationships with clients, support them in their expansion or investment strategy and provide global solutions to meet their financing, advisory and risk management needs. With a strong base in Europe and far-reaching ambitions in Asia and North America, BNP Paribas CIB is the European partner of choice for corporates and financial institutions worldwide.

In preparation for future regulatory changes and new capital requirements, at the end of 2011 BNP Paribas CIB implemented an adaptation plan to reduce its dollar funding needs and its asset base. In parallel, it embarked on the transformation of its business model to enable it to continue supporting its clients in their growth. As one of its transformative initiatives, BNP Paribas has developed an "originate to distribute" model combining its strong origination and distribution capacities, in order to bridge the gap between borrowers' expectations in terms of financing and those of investors in terms of yield, by creating a differentiated investment offer.

By the end of 2012, BNP Paribas CIB had successfully completed its adaptation plan and was one of the leading players in the market, thanks to its diversified product range and geographic reach. In recognition of this success, BNP Paribas was awarded the prestigious "Bank of the Year" award in December 2012 by IFR (International Financing Review).

Corporate Banking

Corporate Banking (CB) has two main goals: to deliver superior service to its clients through a closer relationship and comprehensive product offering, and to increase its self-funding capacity.

Corporate Banking comprises all financing products and services for corporate clients, from transaction banking to specialized financing solutions, including vanilla lending, specialized financing (energy and commodities, aircraft, shipping, real estate, export, leveraged financing, project, corporate acquisition financing and media telecom), cash management and international trade finance. The Corporate Banking offer has recently been expanded with a line of products dedicated to the gathering of corporate deposits ("Corporate Deposit" business line).

Corporate Banking is organized on a regional basis, particularly in Europe, Asia and North America, in order to strengthen its local relationships and to respond to specific geographic needs of local clients.

In Europe, Corporate Banking Europe (CBE) provides an integrated and homogeneous offering to its European corporate clientele, thus strengthening the “One Bank for Corporates in Europe and Beyond” concept developed in conjunction with the BNP Paribas Group’s four domestic markets. CBE has a team of 1,900 people serving 3,300 clients across 18 countries through 29 Business Centers and three specialist platforms (Brussels, Paris and Geneva), an unrivalled geographic reach and local presence.

In Asia, the business can build on its recognized franchises, particularly in Trade Finance with its 25 Trade Centers and in cash management where it is ranked no. 5 (Euromoney). In the Americas, Corporate Banking is a market leader in its various businesses operating from integrated hubs in New York and São Paulo with support in 7 other offices throughout the region.

In its ambition to provide clients with a balanced regional and global view of the clients’ business activity, Corporate Banking has organized its business lines in line with their specific characteristics.

In 2012, BNP Paribas once again enjoyed an unrivalled position in the corporate market and remains a European leader with worldwide strengths:

- No. 2 Worldwide Trade Finance Provider (Euromoney, 2012);
- No. 5 in Cash Management Worldwide (Euromoney Cash Management Survey 2012);
- No. 1 Bookrunner in EMEA Syndicated Loans by number and volume of deals (Bloomberg FY2012);
- No. 1 Bookrunner in EMEA Media Telecom Loans by number and volume of deals (Dealogic FY2012);
- Aircraft Leasing Innovator of the Year (Global Transportation Finance – November 2012);
- Best Debt House in Western Europe (Euromoney – July 2012).

Corporate Finance

Corporate Finance offers advisory services for mergers and acquisitions and primary equity capital market transactions. The M&A teams advise both buyers and targets and also offer advice on other strategic financial issues and privatizations. Primary capital market services include IPOs, equity issues, secondary issue placements, and convertible/exchangeable bond issues.

Corporate Finance employs around 400 professionals across a global network based on two main platforms, one in Europe and one in Asia, and a growing presence in the Middle East, Africa and the Americas.

In M&A, BNP Paribas consolidated its Top 10 ranking in several European countries. It remained no. 1 in France in 2012 on both deal numbers and volumes (Thomson Reuters, announced and completed deals). It also won Euromoney’s “Best M&A House in France” again.

In the primary equity market, BNP Paribas maintained its leadership in the Europe/Middle East/Africa region in 2012, ranking no. 3 bookrunner for EMEA equity-linked issues and placed in the Top 10 bookrunners for equity capital markets issues, all categories combined, according to Dealogic.

Fixed Income

Fixed Income is a global player in credit, currency and interest-rate products. With its headquarters in London, seven other trading floors in Paris, Brussels, New York, São Paulo, Hong Kong, Singapore and Tokyo, and additional regional offices throughout Europe, the Americas, the Middle East and Asia-Pacific, the business has more than 2,200 staff globally.

It covers a broad range of products and services extending from origination to sales and trading via structuring, syndication, research and electronic platforms. The division's global network of Fixed Income experts has built a large and diversified client base of asset managers, insurance companies, banks, corporates, governments and supranational organizations.

Teams of dedicated experts in each region help to finance the economy by meeting client needs through financing solutions such as bond issues. Fixed Income also offers its institutional client base new investment opportunities and solutions to manage various types of risk, such as interest rate, inflation, foreign exchange and credit risk. In 2012, Fixed Income added real value for its clients, as illustrated by its rankings in the official league tables and awards won:

2012 Rankings

- No. 1 bookrunner for euro bond issues, no. 8 bookrunner for international bond issues in all currencies (Thomson Reuters Bookrunner Rankings 2012);
- No. 2 in credit research in the “banking sector” and no. 2 in the consumer “products and retailing sector” (Euromoney Fixed Income Research Poll 2012);
- No. 1 on market share in euro fixed income derivatives for corporates (Euromoney Rates Survey 2012);
- N° 4 overall European Fixed Income - 6.2% Market Share (Greenwich Survey 2012).

2012 Awards

- Euro Bond House (IFR December 2012);
- EMEA Investment Grade Corporate Bond House (IFR December 2012);
- Best Debt House in Western Europe (Euromoney Awards for Excellence 2012);
- Most Innovative for Corporates (The Banker 2012);
- Structured Products House of the Year (Structured Products Europe 2012);
- Interest Rates House of the Year (Structured Products Europe 2012);
- Best Bank for Corporate DCM in €(EuroWeek Awards 2012)
- Structured Products House of the Year (Risk Magazine 2012).

Global Equities & Commodity Derivatives

BNP Paribas CIB's Global Equities & Commodity Derivatives (GECD) division offers equity, commodity, index and fund derivatives, as well as financing solutions and an integrated equity brokerage platform. It employs 1,400 front-office professionals operating in three major regions (Europe, Americas and Asia-Pacific).

GECD encompasses three complementary businesses:

- Structured Equity provides a clientele of individuals, corporates, banking networks, insurance companies and pension funds with customized or exchange-traded structured products to meet their capital protection, yield and diversification requirements;
- Flow & Financing caters to the needs of institutional investors and asset managers, delivering appropriate and innovative investment and hedging strategies, access to various financing solutions and services;
- Commodity Derivatives provides a range of risk hedging solutions to corporate clients whose businesses are highly correlated with commodity prices (producers, refineries and transport companies, for example). It also provides investors with access to commodities via a variety of investment strategies and structured solutions.

Selection of Awards Won in 2012

- Structured Products House of the Year (Risk Magazine);
- House of the Year (Structured Products Europe Awards);
- Derivatives House of the Year (The Asset Awards);
- Commodities Research House of the Year (Energy Risk Magazine);
- Oil and Products House of the Year (Energy Risk Magazine);
- Commodity Finance & Structured Products (Commodity Business Awards);
- Corporate and Social Responsibility (Commodity Business Awards).

Corporate Center

BNP Paribas “Principal Investments”

BNP Paribas Principal Investments manages the BNP Paribas Group’s portfolio of listed and unlisted investments with a view to extracting value over the medium term.

The Listed Investment Management unit acquires and manages minority interests in listed companies, predominantly French large caps.

The Private Equity Investment Management unit acquires and manages minority equity interests or mezzanine investments in unlisted companies in its domestic markets, either directly or indirectly through funds, thereby contributing to finance the economy.

Klépierre

Klépierre is a major player in retail real estate in Europe, with expertise in development, rental management and asset management. BNP Paribas was the majority shareholder of Klépierre until March 8, 2012, when it sold a 28.7% interest in Klépierre S.A. to Simon Property Group.

At December 31, 2012, BNP Paribas was Klépierre’s second largest shareholder behind Simon Property Group, with a 22.0% interest.

6. *Trend information*

Macroeconomic Conditions.

The Issuer's results of operations are affected by the macroeconomic and market environment. Given the nature of its business, the Issuer is particularly susceptible to macroeconomic and market conditions in Europe, which have experienced disruptions in recent years.

While global economic conditions generally improved over the course of 2012, growth prospects diverge for advanced and developing economies in 2013 and going forward. In the Euro-zone, sovereign spreads came down in 2012 from historically high levels, although uncertainty remains over the solvability of certain sovereigns and the extent to which E.U. member states are willing to provide additional financing.

Legislation and Regulations Applicable to Financial Institutions.

The Issuer is affected by legislation and regulations applicable to global financial institutions, which are undergoing significant change in the wake of the global financial crisis. New measures that have been proposed and adopted include more stringent capital and liquidity requirements, taxes on financial transactions, restrictions and taxes on employee compensation, limits on commercial banking activities, restrictions of types of financial products, increased internal control and transparency requirements, more stringent business conduct rules, mandatory reporting and clearing of derivative transactions, requirements to mitigate risks relating to OTC derivatives and the creation of new and strengthened regulatory bodies. New or proposed measures that affect or will affect the Issuer include the Basel 3 and CRD4 prudential frameworks, the related requirements announced by the EBA, the designation of the Issuer as a systemically important financial institution by the FSB, the French banking law, the E.U. Liikanen proposal and the Federal Reserve's proposed framework for the regulation of foreign banks.

7. Profit forecasts or profit estimates

No profit forecasts or estimates have been made in the Base Prospectus.

8. Management of the Issuer

Board of Directors

Pursuant to the by-laws of the Issuer, the business affairs of the Issuer are administered by the Board of Directors, which is composed of a total of not less than nine nor more than 18 directors (excluding directors elected by employees). The Board of Directors currently comprises 14 directors, plus two additional directors elected, in accordance with the terms of the by-laws, by employees of the Issuer. In accordance with French law, the directors of the Issuer may be removed at any time, with or without cause. Each director is elected or appointed for a term of three years. The Board of Directors elects a chairman from among its members and also establishes the term of the appointment of the chairman that may not exceed the period or remaining period, as the case may be, of the chairman's appointment as a member of the Board of Directors.

The aggregate compensation paid to members of the Board of Directors, in their capacity as such, during the year ended December 31, 2012 was €814,997.

The following table sets forth the names of the members of the Board of Directors as of June 3, 2013, their current function at the Issuer, their business address and their principal business activities³⁹ outside of the Issuer as at December 31, 2012:

Name	Function	Business Address	Principal Outside Activities
Baudouin Prot	Chairman of the	3, rue d'Antin	Director of: Pinault-Printemps-Redoute,

³⁹ The directorships shown in italics are not governed by provisions of the French Commercial Code (*Code de Commerce*) concerning multiple directorships.

	Board of Directors, BNP Paribas S.A.	75002 Paris, France	Veolia Environnement, Lafarge, <i>Pargesa Holding SA (Switzerland)</i> , <i>Institute for International Finance (IIF)</i> Chairman of: International Monetary Conference (IMC) Member of: <i>International Advisory Panel of the Monetary Authority of Singapore (MAS)</i> , <i>International Business Leaders' Advisory Council (IBLAC) of the city of Shanghai</i>
Michel Pébereau	<i>Honorary Chairman,</i> BNP Paribas S.A.	3, rue d'Antin, 75002 Paris, France	Director of: AXA, Compagnie de Saint-Gobain, Total, <i>BNP Paribas (Switzerland) SA</i> , <i>Eads N.V. (Netherlands)</i> , <i>Pargesa Holding SA (Switzerland)</i> Member of the Supervisory Board of: <i>Banque Marocaine pour le Commerce et l'Industrie (Morocco)</i> Non-voting Director of: <i>Société Anonyme des Galeries Lafayette</i> Chairman of: <i>Management Board of Institut d'Études Politiques de Paris</i> , <i>Fondation BNP Paribas</i> Honorary Chairman of: <i>Crédit Commercial de France</i> , <i>Supervisory Board of Institut Aspen</i> , <i>Institut de l'entreprise</i> Member of: <i>Académie des sciences morales et politiques</i> , <i>Executive Committee of Mouvement des Entreprises de France</i> , <i>Steering Committee of Institut de l'entreprise</i> , <i>Fondation Nationale des Sciences Politiques</i> , <i>Fondation ARC</i>
Jean-Laurent Bonnafé	Director and Chief Executive Officer, BNP Paribas S.A.	3, rue d'Antin, 75002 Paris, France	Director of: Carrefour, <i>Banca Nazionale del Lavoro (Italy)</i> , <i>BNP Paribas Fortis (Belgium)</i> , <i>Erbé S.A. (Belgium)</i>
Pierre-André de Chalendar	Chairman and Chief Executive Officer, Compagnie de Saint-Gobain	Les Miroirs 92096 La Défense Cedex France	Chairman of: <i>Verallia</i> Director of: Veolia Environnement, Saint-Gobain Corporation, <i>GIE SGPM Recherches</i>
Christophe de Margerie ⁴⁰	Chairman and Chief Executive Officer, Total	2, place Jean Millier – La Defense 6 92078 Paris La Defense Cedex France	Director of: Shtokman Development AG (Switzerland) Chairman of: Total E&P Indonésie Member of: Supervisory Board of Vivendi Manager of: CDM Patrimonial SARL
Marion Guillou ⁴¹	Chairman, Agreenium	1, Avenue du Général-De-Gaulle 92074 Paris La Défense Cedex France	Director of: Veolia Environment, Sciences-Po Foundation, Imerys, Apave, CGIAR Chairman of: Board of Directors of École Polytechnique, JPI FACCE (Joint initiative of research on agriculture and climate)

⁴⁰ During the Bank's Annual General Meeting on May 15, 2013, Mr. de Margerie was elected to the Board of Directors of BNP Paribas. His term ends in 2016.

⁴¹ During the Bank's Annual General Meeting on May 15, 2013, Ms. Guillou was elected to the Board of Directors of BNP Paribas on May 15, 2013. Her term ends in 2016.

			change), Member of: National Council of the Legion of Honour, Supervisory Board of Areva as a Representative of the State
Denis Kessler	Chairman and Chief Executive Officer, SCOR SE	1, avenue du Général-de-Gaulle 92074 Paris La Défense Cedex France	Director of: Bolloré, Dassault Aviation, Fonds Stratégique d'Investissement, <i>Invesco Ltd (United States)</i> Member of the Supervisory Board of: <i>Yam Invest N.V. (Netherlands)</i> Member of: <i>Commission Économique de la Nation, Board of Directors of Association de Genève, Board of Directors of Association du Siècle, Global Reinsurance Forum, Reinsurance Advisory Board, Laboratoire d'Excellence Finance et Croissance Durable (LABEX FCD)</i>
Jean-François Lepetit	Director of companies	30, boulevard Diderot, 75572 Paris Cedex 12 France	Director of: Smart Trade Technologies SA, Shan SA Member of: <i>Board of the Qatar Financial Center Regulatory Authority (QFCRA), Doha (Qatar), Conseil de régulation financière et du risque systémique (COREFRIS)</i>
Nicole Misson	<i>Customer Advisor, BNP Paribas S.A.</i>	22, rue de Clignancourt 75018 Paris France	<i>Judge at the Paris Employment Tribunal, Management Section,</i> Member of the Commission Paritaire de la Banque (Association Française des Banques – Recourse Commission)
Thierry Mouchard	<i>Administrative Assistant, Customer Transactions Department, BNP Paribas S.A.</i>	41, boulevard du Maréchal Foch 49000 Angers France	None.
Laurence Parisot	Vice-Chairman of the Board of Directors, IFOP SA	6/8, rue Eugène-Oudiné 75013 Paris, France	Chairman of: <i>Mouvement des Entreprises de France (MEDEF)</i> Director of: Coface SA Member of the Supervisory Board of: <i>Compagnie Générale des Établissements Michelin (SCA)</i>
Hélène Ploix	<i>Chairmain, Pechel Industries SAS, Pechel Industries Partenaires SAS and FSH SAS</i>	162, rue du Faubourg Saint Honoré 75008 Paris, France	Director of: <i>Lafarge, Ferring SA (Switzerland), Sofina (Belgium), Genesis Emerging Markets Fund Limited (Guernsey)</i> Permanent Representative of: Pechel Industries Partenaires SAS: Ypso Holding (Luxembourg), Goëmar Holding (Luxembourg), Store Electronic Systems (France) Member of the Supervisory Board of: Publicis Groupe, Goëmar Développement, Laboratoires Goëmar Manager of: <i>Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile</i>

			Member of: <i>Institut Français des Administrateurs (IFA), Organisation Météorologique Mondiale (OMM)</i>
Michel Tilmant	<i>Manager, Strafin sprl (Belgium)</i>	Rue du Moulin 10 B – 1310 La Hulpe Belgium	Chairman of: <i>Guardian Holdings Limited (Jersey), Guardian Acquisitions Limited (United Kingdom)</i> Director of: <i>Sofina SA (Belgium), Groupe Lhoist SA (Belgium), Foyer Assurances SA (Luxembourg), CapitalatWork Foyer Group SA (Luxembourg), Université Catholique de Louvain (Belgium), Royal Automobile Club of Belgium (Belgium)</i> Senior Advisor: <i>Cinven Ltd (United Kingdom)</i>
Emiel Van Broekhoven	<i>Economist, Honorary Professor, University of Antwerp (Belgium)</i>	Zand 7 – 9 B – 2000 Antwerp Belgium	None.
Fields Wicker-Miurin	<i>Co-Founder and Partner, Leaders’ Quest (United Kingdom)</i>	3 - 5 Richmond Hill Richmond, Surrey TW10 6RE United Kingdom	Director of: <i>CDC Group Plc, Ballarpur International Graphic Paper Holdings</i> Member of: <i>Board of Battex School of Leadership – University of Virginia (United States)</i>

Conflicts of Interests

To the knowledge of the Issuer, none of the members of the Board of Directors of the Issuer has any conflicts of interest between any of their duties to the Issuer and such members’ private interests or other duties.

Committees of the Board of Directors

The Board of Directors of the Issuer has established several committees in order to facilitate its work. These committees — the Financial Statements Committee, the Internal Control, Risk Management and Compliance Committee, the Compensation Committee and the Corporate Governance and Nominations Committee — are described below.

Financial Statements Committee

This Committee’s duties involve, among other things, (i) reviewing and analyzing, in the presence of the auditors, the quarterly, semi-annual and annual financial statements to be published by the Issuer, (ii) reviewing all matters related to the financial statements, including the choices of accounting principles and policies, provisions, management accounting data, accounting standards, capital adequacy requirements, profitability indicators, and all other accounting matters that raise methodological issues, and (iii) managing relations with the auditors. Its current members are Denis Kessler, Fields Wicker-Miurin, Thierry Mouchard, Emiel van Broekhoven and Christophe de Margerie.

Internal Control, Risk Management and Compliance Committee

This Committee’s duties involve, among other things, (i) reviewing the reports on internal control and on risk measurement and monitoring systems, as well as reports prepared by the General

Inspection department and their main findings, and correspondence with the French banking regulator (*Commission bancaire*), (ii) reviewing the BNPP Group’s overall risk policy, based on risk and profitability indicators made available to the Committee in accordance with the applicable regulations, as well as any specific related issues, (iii) holding discussions, occasionally outside the presence of executive management, with the heads of the General Inspection and Internal Audit departments, Ethics and Group Risk Management, (iv) reviewing the BNPP Group’s compliance policy relating to reputation risk and professional ethics, and (v) presenting to the Board of Directors the Committee’s assessment of the BNPP Group’s methods and procedures. Its current members are Jean-François Lepetit (Chairman), Michel Tilmant, Nicole Misson and H  l  ne Ploix.

Compensation Committee

Among its duties, this Committee is charged with studying all issues related to the personal status of corporate officers, including compensation, pension benefits, stock options and retirement or severance provisions; reviewing the terms and amount of stock option plans, and the list of grantees; and preparing employee stock option plans. The Committee, in conjunction with the Chairman, is also qualified to assist the Chief Executive Officer on any issue related to executive management compensation referred by him to the Committee. The Committee’s current members are Jean-Fran  ois Lepetit, H  l  ne Ploix, Pierre-Andr   de Chalendar and Nicole Misson.

Corporate Governance and Nominations Committee

Among its duties, this Committee is charged with addressing all issues related to corporate governance. It assists the Board of Directors in assessing the performance of the Board and of its Chairman; acting jointly with the Chairman of the Board, it assists in assessing the performances of the Chief Executive Officer and Chief Operating Officers. It proposes recommendations for the post of Chairman of the Board for consideration by the Board of Directors. Acting jointly with the Chairman of the Board, the Committee also proposes recommendations for the post of Chief Executive Officer for consideration by the Board of Directors, and acting on the recommendation of the Chief Executive Officer, it proposes candidates for Chief Operating Officer. Acting jointly with the Chairman of the Board, the Committee advises the Board on resolutions to be submitted to the shareholders concerning the election of directors and non-voting directors. It makes recommendations to the Board on the appointment of Committee chairpersons when their terms of office are up for renewal. It also evaluates the independence of directors and makes its findings known to the Board. The Committee’s current members are Michel P  bureau (Chairman), Laurence Parisot and Marion Guillou.

Executive Committee

The Executive Committee of BNP Paribas is a management committee composed of senior executive officers, one of whom (as indicated below) is also a Board member. The Executive Committee currently consists of the following members:

<u>Name</u>	<u>Position</u>
Jean-Laurent Bonnaf��	Chief Executive Officer and Director
Philippe Bordenave ⁴²	Chief Operating Officer
Georges Chodron de Courcel ⁴³	Chief Operating Officer
Fran��ois Villeroy de Galhau ⁴⁴	Chief Operating Officer

⁴² Mr. Bordenave does not have any significant outside activities.

⁴³ Mr. Chodron de Courcel’s principal outside activities include the following: Director of Alstom; Director of Bouygues; Director of Soci  t   Fonci  re, Financi  re et de Participations SA; Director of Nexans; Director of Compagnie Nationale    Portefeuille; Director of Erb   SA; Director of Groupe Bruxelles Lambert; Director of SCOR Holding (Switzerland) AG; Director of SCOR Global Life R  ckversicherung Schweiz AG; Director of SCOR Switzerland AG; Director of Verner Investissements SAS; Member of the Supervisory Board of Lagard  re SCA; and Non-Voting Director of SCOR SE.

<u>Name</u>	<u>Position</u>
Jacques d'Estais	Deputy Chief Operating Officer and Head of Investment Solutions, Personal Finance and International Retail Banking
Alain Papiasse	Deputy Chief Operating Officer and Head of Corporate and Investment Banking
Jean Clamon	Managing Director and Head of Compliance and Internal Control
Marie-Claire Capobianco	Head of French Retail Banking
Stefaan Decraene	Head of International Retail Banking
Fabio Gallia	Head of BNP Paribas Italy
Yann Gérardin	Head of Global Equities and Commodity Derivatives
Maxime Jadot	Chief Executive Officer of BNP Paribas Fortis
Frédéric Janbon	Head of Fixed Income
Michel Konczaty	Head of Group Risk Management
Thierry Laborde	Head of BNP Paribas Personal Finance
Eric Lombard	Chief Executive Officer of BNP Paribas Cardif
Yves Martrenchar	Head of Group Human Resources
Eric Raynaud	Head of Asia-Pacific Region

9. *Major shareholders of the Issuer*

As of 30 June 2013, the SFPI (*Société Fédérale de Participation et d'Investissement*) a public-interest *société anonyme* (public limited company) acting on behalf of the Belgian government held 10.3% of the Issuer's share capital, the Grand Duchy of Luxembourg held 1.0% of the Issuer's share capital and AXA held 2.9% of the Issuer's share capital.

On August 5, 2010, and after authorization by the AXA Board of Directors on August 3, 2010, the AXA Group and the BNP Paribas Group entered into an agreement that replaces a prior agreement between them dated December 15, 2005. The 2010 agreement maintains the option for each party to repurchase its shares in the event of a hostile change of control of the other party. In force for a period of three years starting from August 5, 2010, this agreement is renewable automatically for successive periods of one year thereafter, unless one of the two parties decides to terminate the agreement earlier, in which case the terminating party is required to give three months notice prior to the next renewal date. The agreement was made public by the AMF on August 9, 2010.

As of December 31, 2012, to the knowledge of the Board of Directors of the Issuer, no shareholder other than SFPI owns more than 5% of the Issuer's share capital or voting rights.

10. *Capitalisation of the BNP Paribas Group*

The following table sets forth the consolidated capitalization of the BNP Paribas Group as of March 31, 2013 and December 31, 2012.

Except as set forth in this section, there has been no material change in the capitalization of the Group since March 31, 2013.

<i>(in millions of euros)</i>	<u>As of</u> <u>March 31, 2013</u>	<u>As of</u> <u>December 31, 2012</u>
Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)		
Debt securities at fair value through profit or loss	36,052	34,334
Other debt securities	72,537	72,704
Subordinated debt	9,810	10,978
Total Medium- and Long-Term Debt	118,399	118,016

⁴⁴ Mr. Villeroy de Galhau's principal outside activities include the following: Member of Supervisory Board of Bayard Presse; and Member of Supervisory Board of Villeroy-Boch AG.

Shareholders' Equity and Equivalents		
Issued capital	2,489	2,485
Additional paid-in capital	24,347	24,229
Preferred shares and equivalent instruments	7,241	7,241
Retained earnings	47,637	46,843
Unrealized or deferred gains and losses attributable to Shareholders	3,505	3,231
Undated participating subordinated notes	222	222
Undated subordinated FRNs	2,663	2,628
Total Shareholders' Equity	88,104	86,879
Minority interests	7,758	8,394
Total Capitalization	214,261	213,289

TAXATION

The statements herein regarding taxation are based on the laws in force in Hungary, France and the United States as of the date of this Base Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax adviser as to each of the EU Directive on the Taxation of Savings Income, the Hungarian, the French and the U.S. tax consequences as applicable of any investment in or ownership and disposal of the Notes.

Hungary

The following is a general discussion of certain Hungarian tax consequences relating to the acquisition and ownership of Notes. It does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. It is based on laws currently in force in Hungary and applicable on the date of this Base Prospectus, but subject to change, possibly with retrospective effect. The acquisition of Notes by non-Hungarian holders, or the payment of interest under Notes may trigger additional tax payments in the country of residence of the relevant holder, which is not covered by this summary, but where the provisions of the treaties on the avoidance of double taxation should be taken into consideration. Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of Hungary and each country of which they are residents.

Withholding tax (foreign resident individual holders)

The payments of interest on and capital gains realised upon the redemption or sale of publicly offered and traded Notes (**Interest Income**) is taxed at 16 per cent. Notes listed on a regulated market of an EEA member state are considered publicly offered and traded Notes.

The proceeds paid on privately placed Notes which are not listed on a regulated market of an EEA member state is considered as other income (**Other Income**) which is part of the individual's aggregated tax base and is taxed at a rate of 16 per cent. (and may be subject to a health care contribution of 27 per cent., as well). The capital gains realised on the sale or redemption of such Notes is considered, as a general rule, capital gains income (**Capital Gains Income**). The tax rate applicable to Capital Gains Income is 16 per cent., while health care contribution of 14 per cent. (capped at 450,000 Hungarian Forint (**HUF**)) may also be payable on the basis of Capital Gains Income.

Foreign resident individual holders are subject to tax in Hungary only if they realise Interest Income from Hungarian sources or income that is otherwise taxable in Hungary if the international treaty or reciprocity so requires. Interest Income should be treated as having a Hungarian source where:

- (a) the relevant Issuer is resident in Hungary for tax purposes;
- (b) the relevant Issuer has a permanent establishment in Hungary and Interest Income realised of the basis of the Notes issued by it is paid by the Hungarian permanent establishment of the relevant Issuer; or
- (c) the foreign resident individual holder has a permanent establishment in Hungary to which the Interest Income is attributable.

The tax on payments of the Interest Income is to be withheld by the "Payor" (*kifizető*) (as defined below).

Pursuant to Act XCII of 2003 on the Rules of Taxation (**ART**) a **Payor** means a Hungarian resident legal person, organisation or private entrepreneur who provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution). In respect of interest, Payor shall mean the borrower of a loan or the issuer of a note, including the investment service provider or credit institution providing the interest instead of it. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, Payor shall mean such stockbroker. The Hungarian permanent establishment of a foreign resident entity is also considered as a Payor.

Interest, as defined by Schedule 7 of the ART (which implements the provisions of the Savings Directive), realised on Notes by citizens of any other member state of the EEA is not subject to Hungarian tax where a paying agent based in Hungary provides data to the Hungarian state tax authority on the basis of Schedule 7 of the ART.

A foreign resident individual holder who does not have a permanent establishment in Hungary is not subject to tax in Hungary if he realises Capital Gains Income from Hungary since such income is not considered as Hungarian source income.

Please note that the provisions of applicable double tax conventions, if any, should be considered when assessing the Hungarian tax liabilities of a foreign resident individual holder.

Withholding tax (foreign resident corporate holders)

Interest on Notes paid to foreign resident corporate holders who do not have a permanent establishment in Hungary by resident legal entities or other persons and any capital gains realised by such foreign resident holders on the sale of the Notes is not subject to tax in Hungary.

The tax liability of a foreign resident corporate holder, which has a permanent establishment in Hungary is limited, in general, to the income from business activities realised through its Hungarian permanent establishment.

Taxation of Hungarian resident individual holders

Act CXVII of 1995 on Personal Income Tax (the **Personal Income Tax Act**) applies to the tax liability of Hungarian and foreign private individuals. The tax liability of Hungarian resident private individuals covers the worldwide income of such persons.

According to the provisions of the Personal Income Tax Act, in the case of individual holders, Interest Income is the income paid as interest and the capital gains realised upon the redemption or the sale of publicly offered and publicly traded debt securities. Notes listed on a regulated market of an EEA member state are considered publicly offered and traded Notes. The withholding tax on Interest Income is currently 16 per cent.

The proceeds paid on privately placed Notes which are not listed on a regulated market of an EEA member state are considered as Other Income which is taxable at a rate up of 16 per cent. (and may be subject to a health care contribution of 27 per cent., as well). The capital gains realised on the sale or redemption of such Notes is considered, as a general rule, Capital Gains Income. The tax rate applicable to Capital Gains Income is 16 per cent., while the rate of health care contribution payable on the basis of Capital Gains Income is 14 per cent. (capped at HUF450,000).

The rules of the Personal Income Tax Act may in certain circumstances impose a requirement upon the "Payor" (*kifizető*) (as defined below) to withhold tax on the interest payments to individual holders.

Pursuant to the ART the definition of a **Payor** covers a Hungarian resident legal person, other organisation, or private entrepreneur that (who) provides taxable income, irrespective of whether such payment is made

directly or through an intermediary (post office, credit institution). In respect of interest, **Payor** shall mean the borrower of a loan or the issuer of a note, including the investment service provider or credit institution providing the interest instead of it. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, **Payor** shall mean such stockbroker. In respect of income that is earned in a foreign country and taxable in Hungary, **Payor** shall mean the "paying agent" (*megbizott*) (legal person, organisation or private entrepreneur) having tax residency in Hungary, except in cases where the role of a financial institution is limited to performing the bank transfer or payment.

Taxation of Hungarian resident corporate holders

Under Act LXXXI of 1996 on Corporate Tax and Dividend Tax (the **Corporation Tax Act**), Hungarian resident taxpayers have a full, all-inclusive tax liability. In general, resident entities are those established under the laws of Hungary (i.e. having a Hungarian registered seat). Foreign persons having their place of management in Hungary are also considered as Hungarian resident taxpayers.

In general, interest and capital gains realised by Hungarian resident corporate holders on Notes will be taxable in the same way as the regular income of the relevant holders. The general corporation tax rate in Hungary is 10 per cent. up to the first HUF 500 million of the taxpayer's annual profit and 19 per cent. for the part above this threshold.

Financial institutions, financial enterprises, insurance companies and investment enterprises may be subject to local business tax and innovation tax on the basis of the proceeds realised on Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The Luxembourg Government has announced its intention to introduce, as of 1 January 2015, automatic exchange of information with respect to the Savings Directive.

The European Commission has proposed certain amendments to the Directive, which may, if implemented amend or broaden the scope of the requirements described above.

The Proposed Financial Transactions Tax

In September 2011, the EU Commission attempted to introduce an EU-wide financial transactions tax. However not all the Member States were in favour of such a tax and so the tax could not be implemented in all Member States. Subsequently, 11 Member States of the EU requested that the Commission develop a proposal for the introduction of a common financial transactions tax (**FTT**) for each of those Member States. The Commission developed such a proposal under the EU's enhanced cooperation procedure which allows 9 or more Member States to implement common legislation. In January 2013 the EU Council of Ministers authorised the Commission to proceed with enhanced cooperation for a common FTT and the Commission has now published a draft Directive containing proposals for the FTT. This FTT is intended to be introduced only in the 11 participating Member States (Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia).

The proposed FTT imposes a charge on financial transactions including purchases and sales of financial instruments; this charge will be levied at not less than 0.1 per cent. of the sale price. The FTT also imposes a charge on the conclusion of, and a purchase and sale of a derivative contract; this charge will be levied at not less than 0.01 per cent. of the nominal amount of the derivative. Physical settlement of a derivative contract is likely to trigger a further charge.

A charge to FTT will arise if at least one party to a financial transaction is established in a participating Member State and a financial institution established in (or is treated as established in) a participating Member State is a party to the transaction, for its own account, for the account of another person, or if the financial institution is acting in the name of a party to the transaction.

In the case of Notes, it is important to be aware that a financial institution, wherever located, will be treated as established in a participating Member State in respect of a financial transaction if it is a party (for its own account or for the account of another person) or is acting in the name of a party, to a financial transaction in respect of a financial instrument issued within that Member State. Given that the Issuer is incorporated in France, which is one of the 11 participating Member States, financial institutions and other persons which are party to financial transactions in respect of the Notes will be treated as established in France and the FTT could be payable in France if the conditions for a charge to arise are satisfied.

There are limited exemptions to the proposed FTT; one important exemption is the "primary market transactions" exemption which should cover the issuing, allotting, underwriting or subscribing for shares, bonds and securitised debt, but not derivative contracts. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

Even though the FTT is to be introduced only in the participating Member States, it can be seen from what is said above that it could impact financial institutions operating inside and outside the 11 participating Member States, and the FTT could be payable in relation to Notes issued under this Base Prospectus if the FTT is introduced and the conditions for a charge to arise are satisfied.

The proposed FTT is still under review and it may therefore change before it is implemented. In particular, in April 2013, the UK Government announced that it is to challenge the legality of the way in which the proposed FTT will apply to financial institutions located in non-participating Member States. This challenge may lead to changes in the scope of the FTT.

It is currently proposed that the FTT should be introduced in the participating Member States on 1 January 2014. Prospective holders of Notes are strongly advised to seek their own professional advice in relation to the FTT.

French Taxation

The descriptions below are intended as a basic summary of certain French tax consequences in relation to the ownership of the Notes under French law. Potential purchasers of the Notes are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, or ownership of, the Notes.

Savings Directive

The EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the **Savings Directive**) was implemented into French law under Article 242 *ter* of the French *Code Général des Impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Withholding tax

The description below is relevant only for Noteholders who do not concurrently hold shares of BNPP.

Payments made by BNPP as Issuer

Following the introduction of the French *loi de finances rectificative pour 2009 n°3* (n° 2009-1674 dated 30 December 2009) (the **Law**), payments of interest and other revenues made by the Issuer with respect to Notes (other than Notes (as described below) which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French *Code Général des Impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside 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**). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code Général des Impôts*.

Furthermore, according to Article 238 A of the French *Code Général des Impôts*, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 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* of the French *Code Général des Impôts*, at a rate of 30 per cent. or 75 per cent. (subject to the more favourable provisions of an applicable tax treaty).

Notwithstanding the foregoing, the Law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code Général des Impôts* nor the Deductibility Exclusion will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20120912 n°990, BOI-RPPM-RCM-30-10-20-50-20120912 n°70, BOI-INT-DG-20-50-20120912 n°550, BOI-ANNX-000364-20120912 n°20 and BOI-ANNX-000366-20120912 n°90, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

- (a) offered by means of a public offer within the meaning of Article L.411-1 of the French *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; or
- (b) 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
- (c) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code Monétaire et Financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Notes held by French tax resident individuals

Pursuant to Article 9 of the 2013 Finance Law (*loi de finances pour 2013*, n° 2012-1509 du 29 décembre 2012) subject to certain limited exceptions, interest and other revenues paid as from 1 January 2013 by a paying agent located in France to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

Transfer tax and other taxes

The treatment regarding transfer taxes and other taxes in relation to any Notes will depend on the features and characterisation of such Notes and should be analysed on a case by case basis. Potential purchasers of Notes are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of the acquisition, holding, redemption or sale of the Notes.

Pursuant to Article 235 *ter* ZD of the French *Code Général des Impôts*, a financial transaction tax (the **Financial Transaction Tax**) is applied to any acquisition for consideration, resulting in a transfer of ownership, of an equity security (*titre de capital*) as defined by Article L.212-1 A of the French *Code Monétaire et Financier*, or of an assimilated equity security, as defined by Article L.211-41 of the French *Code Monétaire et Financier*, admitted to trading on a recognised stock exchange when the said security is issued by a French company with a market capitalisation of more than 1 billion Euros (the **French Shares**). The Financial Transaction Tax could apply in certain circumstances to the acquisition of certain Notes and/or the acquisition of French Shares in connection with the redemption or settlement of any Notes.

There are a number of exemptions from the Financial Transaction Tax and investors shall revert to their counsel to identify whether they can benefit from them.

The rate of the Financial Transaction Tax is 0.2 per cent. of the acquisition value of the securities.

If the Financial Transaction Tax applies to an acquisition of shares, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1 per cent. to the sale of French shares, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the

term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have announced an intention to enter into an IGA.

If the Issuer becomes a Participating FFI under FATCA, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

The following selling restrictions may be modified by the Issuer and the relevant Mandated Lead Arrangers or dealers (as applicable) of the respective Notes following a change in the relevant law, regulation or directive and in certain other circumstances as may be agreed between the Issuer and the relevant Mandated Lead Arrangers or dealers (as applicable) of the respective Notes. Any such modification will be set out in the Final Terms (if applicable) the subscription agreement in respect of the Tranche of the Notes to which it is related or in a supplement to this Base Prospectus.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

France

Each of the Issuer, the Mandated Lead Arrangers and any appointed dealer has represented that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 of the French *Code monétaire et financier*.

United Kingdom

Each Mandated Lead Arranger has represented and agreed, and each further dealer appointed under the Programme will be required to represent and agree, that:

- (a) 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 Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not if the Issuer was not an authorised person apply to the Issuer; and
- (b) 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.

GENERAL INFORMATION

Authorisation

No authorisation procedures are required of the Issuer by French law for the establishment of the Programme. The issue of Notes by the Issuer under the Programme is authorised pursuant to the Board resolution dated 30 July 2013.

Listing of Notes

The HFSA has approved this document as a base prospectus. Application may be made to the Budapest Stock Exchange for Notes issued under the Programme to be admitted to trading and listed on the Budapest Stock Exchange's regulated market, which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Clearing Systems

The Notes have been accepted for clearance through KELER. The appropriate ISIN for each Tranche of Notes allocated by KELER will be specified in the applicable Final Terms.

The address of KELER is KELER Zrt., H-1075 Budapest, Asbóth u. 9-11. Hungary.

Conditions for determining price

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

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer since 30 June 2013 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2012 (being the end of the last financial period for which audited financial statements have been published).

Litigation

Save as disclosed in note 8.i of the audited consolidated financial statements of BNP Paribas S.A. as at, and for the year ended 31 December 2012 (Contingent liabilities: legal proceeding and arbitration), the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

Material Contracts

The Issuer has not entered into contracts outside the ordinary course of its business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.

Auditors

The auditors of the Issuer are Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars, who have audited the Issuer's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 2011 and 2012. The auditors of the Issuer have no material interest in the Issuer.

ISSUER

BNP Paribas S.A.

acting through its Hungarian Branch

Széchenyi István tér 7-8.
H-1051 Budapest
Hungary

MANDATED LEAD ARRANGERS

BNP Paribas UK Limited

10 Harewood Avenue
NW1 6AA London
UK

OTP Bank Plc

Nádor utca 16.
H-1051 Budapest
Hungary