

SUPPLEMENT NO. 1 TO THE PROSPECTUS SUPPLEMENT DATED APRIL 29, 2025 (TO THE
BASE PROSPECTUS DATED MAY 3, 2024)



BNP PARIBAS

BNP PARIBAS
(as Issuer)

U.S.\$ 3(a)(2), 144A and Reg. S Notes and 3(a)(2), 144A and Reg. S Warrants

BNP PARIBAS, NEW YORK BRANCH
(as Guarantor)

U.S.\$ 3(a)(2) Notes and 3(a)(2) Warrants

Supplement No. 1

This supplement (the “**Supplement**”) should be read in conjunction with the prospectus supplement dated April 29, 2025 (to the base prospectus dated May 3, 2025) (the “**Prospectus Supplement**”), prepared in connection with the U.S.\$ Medium-Term Note and Warrant Program of BNP Paribas. All capitalized terms not defined herein shall have the meanings given to them in the Prospectus Supplement.

The provisions of the Supplement supersede those of the Prospectus Supplement to the extent expressly provided for herein or in the event and to the extent of any inconsistency.

Supplement dated August 4, 2025

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RISK FACTORS

The risk factor numbered 6.1.4 in section “Risks related to the Notes – Risks related to the status, structure or features of a specific category of Notes – Risks related to the ranking and regulatory qualification of a particular issue of Notes” in the Prospectus Supplement is deleted and replaced in its entirety as follows:

6.1.4. The Senior Preferred Notes may become junior to deposit obligations under proposed European legislation.

In June 2025, the Council and Parliament of the EU announced that they had reached a political agreement on a legislative package proposed by the European Commission in April 2023 (which, among other things, proposed amendments to the BRRD, the SRMR and the Deposit Guarantee Scheme Directive). The Council and Parliament of the EU must now finalize the legal text and formally adopt this new framework before entering into force. If the legislative package is implemented as agreed between the Council and Parliament of the EU, Senior Preferred Obligations (such as Senior Preferred Notes) will no longer rank *pari passu* with any deposits of the Issuer, instead ranking junior in right of payment to the claims of all depositors. As such, there could be an increased risk of an investor in Senior Preferred Obligations (such as Senior Preferred Notes) losing all or some of its investment.

The section “Risks related to the Notes – Risks related to the status, structure or features of a specific category of Notes – Risks related to an investment in Green Bonds” in the Prospectus Supplement is deleted and replaced in its entirety as follows:

6.5. Risks related to an investment in Green Bonds and Blue Bonds

The applicable supplement may provide that it will be the Issuer’s intention to apply the proceeds of an issuance of the relevant Notes to finance or refinance Eligible Green Assets and/or Eligible Blue Assets as defined in and further described in the BNP Paribas Green Bond Framework, as amended, and supplemented from time to time (the “**Green Bond Framework**”), which is available on the Issuer’s website [BNP Paribas Green Bond Framework May 2025](#)). The term “**Green Bonds**” and “**Blue Bonds**” as used in this risk factor means any Notes to be issued by the Issuer under the Program in accordance with the Green Bond Framework. Green and Blue Bonds will be subject to bail-in, loss absorption and resolution measures provided by the BRRD in the same way as any other Notes issued under the Program. See “—*Risks Related to the Notes—Risks related to an insolvency or resolution of the Issuer—The Notes and the Notes Guarantee may be subject to write-down, variation, suspension or conversion into equity either in the context of, or outside of, a resolution procedure applicable to the Issuer*”.

6.5.1. The Green and Blue Bonds may not be a suitable investment for all investors seeking exposure to green assets and/or blue assets

While it is the intention of the Issuer to apply an amount equivalent to the net proceeds of any Green Bonds to Eligible Green Assets or to the net proceeds of any Blue Bonds to Eligible Blue Assets in, or substantially in, the manner described in the applicable supplement and in the Green Bond Framework, there can be no assurance that there will be sufficient Eligible Green Assets and/or Eligible Blue Assets in which the Issuer may invest. Similarly, the relevant project(s) or use(s) which are the subject of, or related to, any Eligible Green Assets and/or Eligible Blue Assets may not be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule or within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer, including for reasons beyond the Issuer’s control. Moreover, such proceeds may not be totally or partially disbursed for such Eligible Green Assets and/or Eligible Blue Assets, and the relevant project(s) which are the subject of, or related to, any Eligible Green Assets and/or Eligible Blue Assets may not be completed. Any such event or failure by the Issuer to apply the proceeds as intended will not constitute a breach or an event of default (however defined) under the Green and Blue Bonds. This may therefore have a material adverse effect on the value of the Green and Blue Bonds as well as the value of any other securities intended to finance and/or refinance Eligible Green Assets and/or Eligible Blue Bonds and/or could also result in adverse consequences for investors with portfolio mandates or otherwise required to invest in securities to be used for such purpose.

The use of such net proceeds for any Eligible Green Assets and/or Eligible Blue Assets may not satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws, investment policy, taxonomies, standards or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Assets and/or Eligible Blue Assets. For example, no assurance is or can be given by the Issuer or any other person that the Eligible Green Assets and/or Eligible Blue Assets will meet requirements under Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, as supplemented (the so called “**EU Taxonomy**”).

Any opinion or certification of any third parties (whether or not solicited by the Issuer) which may be made available in connection with the issue and offering of any Green and Blue Bonds, including with respect to the extent to which Eligible Green Assets and/or Eligible Blue Assets may fulfil any environmental, sustainability, social and/or other criteria, may not be suitable or reliable for any purpose whatsoever. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of the Green Bond Framework. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer and any of its affiliates or any other person to buy, sell or hold any Green and Blue Bonds. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green and Blue Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The withdrawal or suspension of such opinions or certifications, or any opinion or certification being superseded by an opinion or certification stating that the Issuer has not complied, in whole or in part, with any matters on which the original opinion or certification had opined or certified, may have an adverse impact on the value of the Green and Blue Bonds and the value of any other securities which are intended to finance and/or refinance Eligible Green Assets and/or Eligible Blue Assets and/or could also result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

The Green and Blue Bonds may be listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other similarly labelled segment of any stock exchange or securities market, or be included in any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled index. Such listing or admission, or inclusion in such index may not satisfy any present or future investor expectations or requirements, any investor bylaws, guidelines or governing rules or any present or future applicable law or regulations, in particular with regard to any direct or indirect environmental, sustainable or social impact of any project or use that is the subject of or related to any climate projects. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and that the criteria for inclusion in such index may vary from one index to another. Any such listing or admission to trading, or inclusion in any such index, may not be obtained in respect of Green and Blue Bonds or, if obtained, that any such listing or admission to trading, or inclusion in such index, may not be maintained during the life of Green and Blue Bonds. Any event resulting in any Green and Blue Bonds no longer being listed or admitted to trading on any stock exchange or securities market, or included in any index may have an adverse impact on the value of the Green and Blue Bonds and the value of any other securities which are intended to finance and/or refinance Eligible Green Assets and/or Eligible Blue Assets and/or could also result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

USE OF PROCEEDS

The section “Summary – Use of Proceeds” in the Prospectus Supplement is deleted and replaced in its entirety as follows:

Use of Proceeds

Unless otherwise indicated in the applicable prospectus supplement, product supplement and/or pricing supplement, the Bank’s head office or any of its branches or subsidiaries will use the net proceeds received from any offering of the Securities for general corporate purposes.

The Bank or one or more of its affiliates may use a portion of the proceeds from the sale of credit-, equity-, index-, fund-of-funds- and fund-linked Securities to hedge its exposure, including transactions with affiliated counterparties, to payments that it may have to make on such credit-, equity-, index-, fund-of-funds- and fund-linked Securities as described in the applicable supplement.

The section “Use of Proceeds and Hedging” in the Prospectus Supplement is deleted and replaced in its entirety as follows:

USE OF PROCEEDS AND HEDGING

The Bank’s head office or any of its branches or subsidiaries will use the net proceeds it receives from the sale of the Securities for general corporate purposes or as otherwise specified in the applicable prospectus supplement, product supplement and/or pricing supplement.

The Issuer or one or more of its affiliates may enter into swap agreements or other derivative or similar transactions with BNPP Securities and/or one or more of its affiliates in connection with the sale of the Securities. BNPP Securities and/or one or more of its affiliates may earn income as a result of payments pursuant to the swap agreements or other derivative or similar transactions entered into with the Issuer or one or more of its affiliates, or related hedge transactions.

In the case of Linked Notes, BNPP Securities expects that it or one or more of its affiliates, in connection with hedging its obligations under swap agreements or other derivative or similar transactions entered into with the Issuer or one or more of its affiliates, will purchase, sell, maintain or continually adjust positions in the underlying asset (“**Underlying Asset**”) or any individual components included in such Underlying Asset, or take positions in any other available securities or instruments that they may wish to use in connection with such hedging. BNPP Securities or one or more of its affiliates may also purchase, sell, maintain or continually adjust positions in options, futures, forwards, swaps or other derivative or similar instruments relating to the Underlying Asset or any individual components included in the Underlying Asset. These hedging transactions may be entered into, adjusted and terminated from time to time. These hedging transactions may involve counterparties that are affiliated with BNPP Securities. BNPP Securities expects that it or one or more of its affiliates will increase or decrease any hedging position over time using techniques that help evaluate the size of any hedge based upon a variety of factors affecting the level of the Underlying Asset. These factors may include the history of changes in the level of the Underlying Asset and the time remaining to maturity. These additional hedging activities may occur from time to time before the Notes mature and will depend on market conditions, the level of the Underlying Asset and any individual components included in the Underlying Index or other similar market indices.

If BNPP Securities or one or more of its affiliates has hedge positions in the Underlying Asset, or any individual components included in the Underlying Asset, or in options, futures, forwards, swaps or other derivative or similar instruments related to the foregoing, BNPP Securities or one or more of its affiliates may liquidate all or a portion of these positions at or about the time of the maturity of the applicable Notes. The aggregate amount and type of such positions are likely to vary over time depending on future market conditions and other factors. The Issuer cannot guarantee that BNPP Securities or one or more of its affiliates’ hedging activities will not affect the prices of such options, futures, forwards, swaps, options on the foregoing, other derivative or similar instruments, the level of the Underlying Asset or any individual components included in the Underlying Asset.

CAPITALIZATION

The following table sets forth the consolidated capitalization and medium to long-term indebtedness (i.e., of which the unexpired term to maturity is more than one year) of the Group as at June 30, 2025, and December 31, 2024, using the Group's prudential scope of consolidation.

The “prudential scope of consolidation”, as defined in EU Regulation No. 575/2013 on capital requirements for credit institutions and investment firms, is used by the Group in the preparation of its “Pillar 3” disclosure set out in Chapter 5 of the BNPP 2024 Universal Registration Document. It differs from the “accounting scope of consolidation” used by the Group in the preparation of its consolidated financial statements under IFRS as adopted by the European Union. The principal differences between the two scopes of consolidation are summarized in Note 1 to the table below.

Except as set forth in this section, there has been no material change in the capitalization of the Group since June 30, 2025, it being noted that the Group issues medium- to long-term debt on a continual basis as part of its funding plan.

For the avoidance of doubt, the figures in the table below are derived from the Group's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2025 and the Group's audited consolidated financial statements as of and for the year ended December 31, 2024 (which do not include prudential deductions) and are used for the purposes of the Group's prudential capital calculations.

<i>(in millions of euros)</i>	As of June 30, 2025 <u>(unaudited)</u>	As of December 31, 2024¹
Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)²		
Senior Preferred Debt.....	108,120	103,614
Senior Non Preferred Debt.....	68,821	67,032
Subordinated Debt ³	30,112	28,271
Preferred shares and equivalent instruments ⁴	11,960	12,129
Issued capital ⁵	2,262	2,262
Additional paid-in capital	16,931	17,871
Retained earnings (net of proposed dividends)	95,614	91,890
Unrealized or deferred gains and losses attributable to Shareholders	(4,531)	(2,505)
Total Shareholders' Equity and Equivalents (net of proposed dividends)	110,276	109,518
Minority interests (net of proposed dividends) ⁴	5,453	5,354
Total Capitalization and Medium-to-Long Term Indebtedness.....	334,742	325,918

(1) Presented under the prudential scope of consolidation. The principal differences from the accounting scope of consolidation are the following: (i) insurance companies (primarily BNP Paribas Cardif and its subsidiaries) that are fully consolidated within the accounting scope are consolidated under the equity method in the prudential scope; and (ii) jointly controlled entities (mainly UCI Group entities) are consolidated under the equity method in the accounting scope and under the proportional consolidation method in the prudential scope.

(2) All medium- and long-term senior preferred debt of the Issuer ranks equally with deposits and senior to the category of senior non preferred debt first issued by the Issuer in January 2017. The subordinated debt of the Issuer is subordinated to all of its senior debt (including both senior preferred and senior non preferred debt). The Issuer and its subsidiaries issue medium- to long-term debt on a continuous basis, particularly through offers to the public exempted from the obligation to publish a prospectus (ex-private placements) in France and abroad.

Euro against foreign currency as at June 30, 2025, CAD = 1.604, GBP = 0.858, CHF = 0.934, HKD = 9.242, JPY = 169.803, USD = 1.177.

Euro against foreign currency as at December 31, 2024, CAD = 1.489, GBP = 0.828, CHF = 0.940, HKD = 8.039, JPY = 162.916, USD = 1.035.

(3) At June 30, 2025, subordinated debt included in particular (i) EUR 23.8 billion of redeemable subordinated debt at amortized cost (primarily loss-absorbing debt instruments qualifying as tier 2 capital); (ii) EUR 259 million of undated floating-rate subordinated notes (TSDIs) issued in 1984-1985 and EUR 4,669 million of contingent convertible additional tier 1 securities issued in August 2023, February 2024 and September 2024 and classified as a financial liability in IFRS and as an additional tier 1 instrument in own funds; (iii) EUR 226 million of undated participating subordinated notes issued by BNP SA in 1984; and (iv) EUR 775 million of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by Fortis Bank SA/NV (now acting in Belgium under the commercial name BNP Paribas Fortis) that are undated but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion, subject also to certain automatic exchange conditions. In addition, JPY 6,000 million of subordinated debt (qualifying as tier 2 capital) issued by BNP Paribas SA on September 3, 2020 is expected to be redeemed on September 3, 2025.

(4) Consists of numerous issuances by BNP Paribas in various currencies (i) over the 2005-2009 period, of undated deeply subordinated non-cumulative notes and (ii) since 2015, of perpetual fixed rate resettable additional tier 1 notes that qualify (or qualified at issuance) as additional tier 1 capital. The details of the debt instruments recognized as capital, as well as their characteristics, as required by Implementing Regulation No. 1423/2013, are available in the BNP Paribas Debt section of the Issuer's investor relations website at <https://invest.bnpparibas/en>. In addition, USD 1,500 million of deeply subordinated debt (qualifying as additional tier 1 capital) issued by BNP Paribas SA on August 19, 2015 is expected to be redeemed on August 19, 2025.

(5) At June 30, 2025, the Issuer's share capital stood at EUR 2,261,621,342, divided into 1,130,810,671 shares with a par value of EUR 2 each.

TERMS AND CONDITIONS OF THE NOTES

For the avoidance of doubt, other than as indicated in this section, the other Conditions in the Prospectus Supplement shall remain unchanged.

Paragraph (d) of Condition 5 (Redemption and Purchase), is deleted and replaced in its entirety as follows:

5. Redemption and Purchase

(d) *Redemption for Taxation Reasons*

(i) *Redemption upon the Occurrence of a Withholding Tax Event*

If as a result of any change in, or in the official interpretation or administration of, any laws or regulations of a Relevant Taxing Jurisdiction or any other authority thereof or therein the Issuer or the Guarantor would be required to pay additional amounts in respect of the Notes or Notes Guarantees, as provided in Condition 6 (*Taxation*) (a “**Withholding Tax Event**”), then the Issuer may, at its option, redeem the then outstanding Notes in whole (but not in part) at any time specified in the notice of redemption (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) at the Early Redemption Amount, together with any accrued interest (in accordance with Condition 5(p) (*Early Redemption Amounts*)), subject (x) in the case of Subordinated Notes, to Condition 5(j) (*Conditions to Redemption or Purchase of Subordinated Notes*), (y) in the case of Senior Notes, to Condition 5(k) (*Conditions to Redemption or Purchase of Senior Notes*) and (z) to having given not less than fifteen (15) but not more than forty-five (45) calendar days’ prior notice (or such other notice period as may be specified in the applicable supplement) to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable); provided that the date fixed for redemption shall be no earlier than the latest practicable date upon which the Issuer or the Guarantor, as the case may be, could make payment without withholding for such taxes.

(ii) *Redemption upon the Occurrence of a Gross-Up Event*

If the Issuer or the Guarantor would, on the next due date for payment of interest in respect of the Notes or Notes Guarantees, be prevented by the law of a Relevant Taxing Jurisdiction from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 6 (*Taxation*) (a “**Gross-up Event**”), then the Issuer may, at its option, redeem the then outstanding Notes in whole (but not in part) at any time specified in the notice of redemption (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) at the Early Redemption Amount, together with any accrued interest (in accordance with Condition 5(p) (*Early Redemption Amounts*)), subject (x) in the case of Subordinated Notes, to Condition 5(j) (*Conditions to Redemption or Purchase of Subordinated Notes*), (y) in the case of Senior Notes, to Condition 5(k) (*Conditions to Redemption or Purchase of Senior Notes*) and (z) to having given not less than fifteen (15) but not more than forty-five (45) calendar days’ prior notice (or such other notice period as may be specified in the applicable supplement) to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable); provided that the date fixed for redemption shall be no earlier than the latest practicable date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount of interest payable in respect of the Notes.

(iii) *Redemption of Subordinated Notes upon the Occurrence of a Tax Deduction Event*

If by reason of any change in the laws or regulations of a Relevant Taxing Jurisdiction, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after the issue date of the Subordinated Notes, the tax regime applicable to any interest payment under the Subordinated Notes is modified and such modification results in the amount of the interest payable by the Issuer under the Subordinated Notes that is tax-deductible by the Issuer for corporate income tax purposes of a Relevant Taxing Jurisdiction being reduced (a “**Tax Deduction Event**”), then the Issuer may, at its option,

redeem the then outstanding Subordinated Notes in whole (but not in part) at any time specified in the notice of redemption at the Early Redemption Amount, together with any accrued interest (in accordance with Condition 5(p) (*Early Redemption Amounts*)), subject (x) to Condition 5(j) (*Conditions to Redemption or Purchase of Subordinated Notes*) and (y) to having given not less than fifteen (15) but not more than forty-five (45) calendar days' prior notice (or such other notice period as may be specified in the applicable supplement) to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable); provided that the date fixed for redemption shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for corporate income tax purposes of the Relevant Taxing Jurisdiction to the same extent as it was on the issue date of the Subordinated Notes.

Paragraph (a) of Condition 6 (Taxation) in the section "Terms and Conditions of the Notes" of the Prospectus Supplement is deleted and replaced in its entirety as follows:

6. Taxation

(a) Additional Amounts

If French law, or, with respect to U.S. Interest Notes only, the laws of the United States (each of France and the United States, as applicable, a "Relevant Taxing Jurisdiction") should require that any payments of interest in respect of the Senior Preferred Notes, the Senior Non Preferred Notes (or the Notes Guarantee or Senior Guarantee) or the Subordinated Notes, be subject to withholding with respect to any taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Note, after deduction of such taxes or duties, will receive the full amount of interest in respect of the Senior Preferred Notes, the Senior Non Preferred Notes (or the Notes Guarantee) or the Subordinated Notes as would have been received by them had no such taxes or duties been required; provided, however, that the Issuer may, in that event, redeem all of the Notes then outstanding as to which such requirement to pay additional amounts applies in accordance with Condition 5(d) (*Redemption for Taxation Reasons*), and provided further that no such additional amounts shall be payable with respect to any Note:

- (i) to or on behalf of a holder who is subject to such taxes or duties in respect of such Note by reason of his being connected with the Relevant Taxing Jurisdiction otherwise than by reason only of the holding of such Note; or
- (ii) presented for payment more than thirty (30) days after the relevant date, except to the extent that the holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of thirty (30) days; or
- (iii) for any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner (or any financial institution through which the holder or beneficial owner holds the Note or through which payment on the Note is made) to enter into or to comply with any applicable certification, documentation, information or other reporting requirement or agreement concerning accounts maintained by the holder, beneficial owner (or any such financial institution) or concerning ownership of the holder or beneficial owner (or any such financial institution), or any substantially similar requirement or agreement (including the submission of an Internal Revenue Service Form W-9 or applicable Form W-8 (with any required attachments)); or
- (iv) where the payment of interest on such Senior Preferred Note, Senior Non Preferred Note or Subordinated Note is made to any Noteholder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that the beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of the Note; or

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

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

(vii) with respect to U.S. Interest Notes only, for any taxes imposed by reason of the holder’s past or present status as the actual or constructive owner of 10% or more of the total combined voting power of all classes of equity entitled to vote of the Bank or as a direct or indirect subsidiary of the Bank; or

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

Payments will be subject in all cases to any withholding or deduction required pursuant to Section 871(m) of the Code. In addition, in determining the amount of withholding or deduction required pursuant to Section 871(m) of the Code imposed with respect to any amounts to be paid on the Note, the Issuer shall be entitled to withhold on any “dividend equivalent” payment (as defined for purposes of Section 871(m) of the Code) at a rate of 30 per cent. Payments on the Note that reference U.S. securities or an index that includes U.S. securities may be calculated by reference to the net dividends payable on such U.S. securities or net total returns of the U.S. components of such index. In calculating the relevant payment amount, the Issuer may withhold and the holder will be deemed to have received 30 per cent. of any “dividend equivalent” payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities or U.S. dividend paying index components, as the case may be. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

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

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

References herein to interest in respect of the Senior Preferred Notes, Senior Non Preferred Notes (or the Notes Guarantee) and the Subordinated Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 6 (*Taxation*).

The following definition shall be added to Condition 18 (Definitions in these Terms and Conditions) in the section “Terms and Conditions of the Notes” of the Prospectus Supplement:

18. Definitions in these Terms and Conditions

- (x) “**U.S. Interest Notes**” means Notes the net proceeds of which have been on-lent by the Issuer to one or more of its U.S. branches or permanent establishments and are properly reflected as a liability on the books and records of the Issuer’s U.S. trade or business as defined for U.S. federal income tax purposes (as specified in the applicable supplement). Notes other than U.S. Interest Notes are referred to as “**Foreign Interest Notes**”.

TAXATION

The section “Taxation – United States Federal Income Taxation” in the Prospectus Supplement is deleted and replaced in its entirety as follows:

United States Federal Income Taxation

The following is a summary of certain U.S. federal income tax considerations that may be relevant to the holder of a Note. This summary does not address any tax considerations related to the Warrants. Any supplement relating to any such Warrants may include a discussion of certain U.S. federal income tax considerations relating to such instruments. This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. This summary deals only with holders that will hold Notes as capital assets, and does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, insurance companies, entities taxed as partnerships or partners therein, dealers in securities or currencies, traders in securities electing to mark to market, nonresident alien individuals present in the United States for more than 182 days in a taxable year, persons that will hold Notes as a position in a “straddle” or conversion transaction or as part of a “synthetic security” or other integrated financial transaction, or persons that have a “functional currency” other than the U.S. dollar. Further, this summary does not address any alternative minimum tax, the Medicare tax on net investment income, the special timing rules prescribed under section 451(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or other aspects of U.S. federal income or state and local taxation that may be relevant to a holder in light of such holder’s particular circumstances. Holders should consult their own tax advisors in determining the tax consequences to them of holding Notes, including the application to their particular situation of the U.S. federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

For purposes of this discussion, a “United States holder” is a holder of a Note that is an individual who is a citizen or resident of the United States or a domestic U.S. corporation or an entity that otherwise is subject to U.S. federal income taxation on a net income basis in respect of a Note. A “non-United States holder” is a holder of a Note that is not a United States holder.

Scope. Depending on the relevant economic terms of the Notes, including whether holders of the Notes have principal protection, the Notes may be characterized for U.S. federal income tax purposes as indebtedness, forward contracts or other financial derivatives, or possibly (in the case of Physical Delivery Notes) as interests in the Underlying Assets of any linked payments on the Notes or (in the case of Undated Deeply Subordinated Notes) as equity of BNP Paribas. In general, we expect that any Note that promises (subject to provisions giving effect to the Bail-In Tool) to repay principal in an amount at least equal to its issue price should be treated as indebtedness for U.S. federal income tax purposes. The following discussion addresses the consequences to holders of Notes that are characterized for U.S. federal income tax purposes as (i) indebtedness of the Issuer, (ii) a grant by the holder of an option on a forward contract with respect to Underlying Assets (for purposes of this discussion, a “**Reverse Convertible Note**”) or (iii) a cash-settled forward contract with respect to Underlying Assets (a “**Forward Contract Note**”). Additionally, the discussion below regarding Notes the net proceeds of which have been on-lent by the Issuer to one or more of its U.S. branches or permanent establishments and are properly reflected as a liability on the books and records of the Issuer’s U.S. trade or business as defined for U.S. federal income tax purposes (the “**U.S. Interest Notes**”) is limited to Notes that are characterized for U.S. federal income tax purposes as indebtedness. Any special U.S. federal income tax considerations relevant to a particular issue of Notes, including any Linked Notes, Physical Delivery Notes and Subordinated Notes that are not characterized as indebtedness for U.S. federal income tax purposes, will be provided in the applicable pricing supplement.

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

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

United States Holders

Consequences of Notes Characterized as Debt

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

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

Payments of interest (including OID, as defined below) on the Notes generally will be foreign source for U.S. federal income tax purposes. However, the Issuer will treat the interest on U.S. Interest Notes as U.S. source. Prospective United States holders should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income.

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

Upon the sale, exchange or retirement of a Note, a United States holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as such) and the United States holder’s tax basis in such Note. If a United States holder receives property (other than cash) in respect of the sale, exchange or retirement of a Note, the amount realized will be the fair market value of such property at the time of such sale, exchange or retirement. If a United States holder

receives a currency other than the U.S. dollar in respect of the sale, exchange or retirement of a Note, the amount realized will be the U.S. dollar value of the Specified Currency received, calculated at the exchange rate in effect on the date the instrument is disposed of or retired. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis United States holder, and if it so elects, an accrual basis United States holder will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. The election available to accrual basis United States holders in respect of the purchase and sale of Foreign Currency Notes traded on an established securities market, discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

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

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

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

In general, each United States holder of an Original Issue Discount Note, whether such holder uses the cash or the accrual method of tax accounting, will be required to include in ordinary gross income the sum of the “daily portions” of OID on the Note for all days during the taxable year that the United States holder owns the Note. The daily portions of OID on an Original Issue Discount Note are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be any length and may vary in length over the term of an Original Issue Discount Note, provided that no accrual period is longer than one (1) year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of an initial holder, the amount of OID on an Original Issue Discount Note allocable to each accrual period is determined by (a) multiplying the “adjusted issue price” (as defined below) of the Original Issue Discount Note at the beginning of the accrual period by the yield to maturity of such Original Issue Discount Note (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of qualified stated interest (as defined below) allocable to that accrual period. If the total amount of OID on a Note calculated pursuant to the preceding sentence is less than the product of (a) 0.25% of the Note’s “stated redemption price at maturity” (generally, the sum of all payments on the Note other than payments of qualified stated interest) and (b) the number of complete years to the Note’s maturity (the “*de minimis* threshold”), the Note will be treated as having no OID. The yield to maturity of a Note is the discount rate that causes the present value of all payments on the Note as of its original issue date to equal the issue price of such Note. The “adjusted issue price” of an Original Issue Discount Note at the beginning of any accrual period will generally be the sum of its issue price (generally including accrued interest, if any) and the amount of OID allocable to all prior accrual periods, reduced by the amount of all payments other than payments of qualified stated interest (if any) made with respect to such Note in all prior accrual periods. The term “qualified stated interest” generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually during the entire term of an Original Issue Discount Note at a single fixed rate of interest or, subject to certain conditions, based on one or more interest indices. As a result of this “constant yield” method of including OID in income, the amounts includible in income by a United States holder in respect of an Original Issue Discount Note denominated in U.S. dollars generally are lesser in the early years and greater in the later years than the amounts that would be includible on a straight-line basis.

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

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

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

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

Floating Rate Notes generally will be treated as “variable rate debt instruments” under the OID Regulations. Accordingly, the stated interest on a Floating Rate Note generally will be treated as “qualified stated interest” and such a Note will not have OID solely as a result of the fact that it provides for interest at a variable rate. If a Floating Rate Note qualifying as a “variable rate debt instrument” is an Original Issue Discount Note, for purposes of determining the amount of OID allocable to each accrual period under the rules above, the Note’s “yield to maturity” and “qualified stated interest” will generally be determined as though the Note bore interest in all periods at a fixed rate determined at the time of issuance of the Note. Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index. If a Floating Rate Note does not qualify as a “variable rate debt instrument,” such Note will be subject to special rules (the “**Contingent Payment Regulations**”) that govern the tax treatment of debt obligations that provide for contingent payments. See “*United States Holders—Consequences of Notes Characterized As Debt—Linked Debt Notes and Other Notes Providing for Contingent Payments*”. A description of the tax considerations relevant to United States holders of any such Notes will be provided in the applicable pricing supplement.

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

with respect to such Notes since the tax consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the purchased Notes.

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

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

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

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

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

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

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

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

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

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

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

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

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

Based on the comparable yield and the issue price of the Linked Debt Notes, a United States holder of a Linked Debt Note (regardless of accounting method) will be required to accrue as OID the sum of the daily portions of interest on the Linked Debt Note for each day in the taxable year on which the holder held the Linked Debt Note,

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

A United States holder will be required to recognize interest income equal to the amount of any positive adjustment (*i.e.*, the excess of actual payments over projected payments) in respect of a Linked Debt Note for a taxable year. A negative adjustment (*i.e.*, the excess of projected payments over actual payments) in respect of a Linked Debt Note for a taxable year (i) will first reduce the amount of interest in respect of the Linked Debt Note that a United States holder would otherwise be required to include in income in the taxable year and (ii) to the extent that the negative adjustment exceeds the amount described in (i), will give rise to an ordinary loss, up to the amount by which the holder's total interest inclusions on the debt instrument in prior taxable years exceed the total amount of the holder's net negative adjustments treated as ordinary loss on the debt instrument in prior taxable years. Any negative adjustment in excess of the amounts described above in (i) and (ii) will be carried forward to offset future interest income in respect of the Linked Debt Note or to reduce the amount realized on a sale, exchange or retirement of the Linked Debt Note.

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

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

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

The tax consequences to a United States holder of a Short-Term Note that provides for contingent payments are not clear. Under the special rules applicable to Short-Term Notes, a United States holder using an accrual method of accounting generally is required to accrue original issue discount with respect to a Note, as described above. However, the rules applicable to Short-Term Notes do not address how to accrue income with respect to a future contingent payment. Moreover, the Contingent Payment Regulations that require United States holders to accrue interest income regardless of their method of accounting do not apply to Short-Term Notes. Taxpayers using an accrual

method of accounting generally are not required to include amounts in income until all the events have occurred that fix the right to receive the income and the amount of the income can be determined with reasonable accuracy. Accordingly, although no assurances can be provided in this regard, it appears that in the case of contingent payment Short-Term Notes, a United States holder using the accrual method of accounting should not be required to include amounts in income prior to the date on which the amount of such payment becomes fixed, while a United States holder using the cash method of accounting generally should include such amounts in income at the time that such payment is received.

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

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

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

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

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

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

If the purchase price of the Linked Debt Note is less than its adjusted issue price, a positive adjustment will result, increasing the amount of interest (or decreasing the amount of ordinary loss) that a United States holder would otherwise accrue and include in income each year and upon redemption or maturity in accordance with the United States holder's reasonable allocation of the difference to daily portions of interest or to projected payments, as discussed above. If the purchase price is more than the adjusted issue price of the Linked Debt Note, a negative

adjustment will result, decreasing the amount of interest (or increasing the amount of ordinary loss) that a United States holder would otherwise accrue and include in income each year and upon redemption or maturity by the amounts allocated to daily portions of interest or projected payments. Any positive or negative adjustment that a United States holder is required to make if the United States holder purchases the Notes at a price other than the adjusted issue price will increase or decrease, respectively, that United States holder's tax basis in the Notes.

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

Consequences of Reverse Convertible Notes and Forward Contract Notes

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

Consequences of Reverse Convertible Notes

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

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

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

Under the above, agreed-to characterization of the Reverse Convertible Notes, the option premium payments will not be included in the income of a United States holder until the sale or other taxable disposition of the Reverse Convertible Notes or the retirement of the Reverse Convertible Notes for cash. Accordingly, all the premium payments on the Reverse Convertible Notes (except for the last premium payment) generally will not be included in the income

of a United States holder when they are received. Upon the sale or other taxable disposition of the Reverse Convertible Notes or at maturity, as the case may be, the option premium payments will be treated in the manner described below.

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

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

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

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

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

(ii) should be treated as a return on the United States holder's investment in the Reverse Convertible Notes that constitutes income.

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

Consequences of Forward Contract Notes

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

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

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

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

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

Some or all of the net long-term capital gain arising from certain “constructive ownership” transactions may be characterized as ordinary income, in which case an interest charge would be imposed on any such ordinary income. These rules could potentially be applicable to the notes with a term greater than (1) one year in circumstances where the Underlying Assets includes an equity interest in a “pass-thru entity”, as defined under the Code. These rules have no immediate application to forward contracts in respect of the stock of most corporations (or indices on such stock) including any notes where the Underlying Assets represents an equity basket or stock of a specific company, assuming the specific company and each of the companies whose stocks are included in the equity basket is not and will not become at any time during the term of the notes, a passive foreign investment company or other “pass-thru entity” for U.S. federal income tax purposes. The rules, however, grant discretionary authority to the U.S. Treasury Department to expand the scope of “constructive ownership” transactions to include forward contracts in respect of the stock of all corporations. The rules separately also direct the Treasury to promulgate regulations excluding a forward contract that does not convey “substantially all” of the economic return on any underlying asset from the scope of “constructive ownership” transactions. This category may include certain Reverse Convertible Notes and Forward Contract Notes. It is not possible to predict whether such regulations will be promulgated by the U.S. Treasury Department, or the form or effective date that any regulations that may be promulgated might take.

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

Foreign Currency Notes Reportable Transactions

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

Foreign Financial Asset Reporting

Certain United States holders that own “specified foreign financial assets” with an aggregate value in excess of U.S.\$50,000 on the last day of the taxable year or U.S.\$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. United States holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Holders should consult with their own tax advisors regarding the possible application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Non-United States Holders

General

Subject to the discussions under “*Dividend Equivalent Withholding*” and “*Foreign Account Tax Compliance Act*”, non-United States holders of Notes other than U.S. Interest Notes (the “**Foreign Interest Notes**”) will not be

subject to U.S. federal income taxes, including withholding taxes, on payments of interest on the Notes so long as the requirements described under “*Information Reporting and Backup Withholding*” are satisfied.

As discussed above, the Issuer will treat the interest on U.S. Interest Notes as U.S. source. Subject to the discussions under “*Information Reporting and Backup Withholding*” and “*Foreign Account Tax Compliance Act*”, payments of interest on U.S. Interest Notes will not be subject to United States federal withholding tax under the “portfolio interest exemption,” provided that:

- the non-United States holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the Issuer’s voting stock within the meaning of the Code and applicable regulations;
- the non-United States holder is not a controlled foreign corporation that is actually or constructively related to the Issuer through stock ownership;
- the interest is not considered contingent interest under Section 871(h)(4)(A) of the Code and the U.S. Treasury regulations thereunder; and
- either (a) the non-United States holder provides their name and address on an applicable IRS Form W-8, and certifies, under penalties of perjury, that they are not a United States person as defined under the Code or (b) the non-United States holder holds their Notes through certain foreign intermediaries and satisfies the certification requirements of applicable regulations. Special certification rules apply to non-United States holders that are pass-through entities rather than corporations or individuals.

If the non-United States holder cannot satisfy the requirements described above, payments of interest (including any OID) made to the non-United States holder on U.S. Interest Notes will be subject to a 30% United States federal withholding tax, unless the interest is effectively connected with the conduct of a U.S. trade or business or an income tax treaty reduces or eliminates the tax, and, in either case, the non-United States holder provides the applicable withholding agent with a properly executed IRS Form W-8, including, when applicable, Form W-8BEN or Form W-8BEN-E, claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty.

Subject to the discussions under “*Dividend Equivalent Withholding*” and “*Foreign Account Tax Compliance Act*”, the gain realized on any sale or exchange of the Notes by a non-United States holder will not be subject to U.S. federal income tax, including withholding tax, so long as the requirements described under “*Information Reporting and Backup Withholding*” are satisfied.

Dividend Equivalent Withholding

The U.S. Treasury Department and the IRS have published final regulations under Section 871(m) of the Code. Under the regulations, a 30% withholding tax would be imposed on “dividend equivalent” payments. These include payments made pursuant to certain equity-linked instruments (“**specified ELIs**”) that reference a U.S. source dividend payment (which could include a payment on certain Notes, including certain Physical Delivery Notes, Linked Notes, Reverse Convertible Notes or Forward Contract Notes). A payment references a U.S. source dividend payment if it is directly or indirectly contingent upon or determined by reference to, in whole or in part, the payment of a dividend from sources within the United States. If a Note is a specified ELI, a non-United States holder generally would be subject to withholding on certain payments on such a Note, which may include coupon payments, payments of principal at final maturity or proceeds from the sale or disposition of the Note, regardless of whether the payment is by its terms determined by reference to a U.S. source dividend. The Issuer intends to withhold the full 30 per cent. tax on any payment on the Note in respect of any dividend equivalent arising with respect to such Note regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a non-United States holder is eligible for a reduced tax rate under an applicable tax treaty with the United States). The Issuer is unable to apply such an exemption from, or reduction in, such withholding because many central securities depositories do not provide identifying information regarding the beneficial owners of any Note and the Issuer does not expect that the relevant clearing system(s) clearing such Notes will provide such

information. If the beneficial owner of a payment is entitled to a reduced rate of withholding under a tax treaty, this may result in over-withholding and the beneficial owner may not be able to obtain a refund. Furthermore, the Issuer will not be able to assist in any refund claims. A non-United States holder would not be entitled to additional amounts with respect to amounts so withheld. Holders should consult their own tax advisors on how Section 871(m) of the Code and the regulations discussed above may apply to payments they receive in respect of Notes.

Foreign Account Tax Compliance Act

U.S. Interest Notes. Under the U.S. tax rules known as the Foreign Account Tax Compliance Act (“**FATCA**”), a holder of U.S. Interest Notes will generally be subject to 30% U.S. withholding tax on interest payments (including any OID) on the U.S. Interest Notes if the holder is not FATCA compliant, or holds its notes through a foreign financial institution (as defined in the Code) (an “**FFI**”) that is not FATCA compliant. In order to be treated as FATCA compliant, a holder must provide certain documentation (usually an IRS Form W-8BEN or W-8BEN-E) containing information about its identity, its FATCA status, and if required, its direct and indirect U.S. owners. If any taxes were to be deducted or withheld from any payments in respect of the U.S. Interest Notes as a result of a beneficial owner or intermediary’s failure to comply with the foregoing rules, no additional amounts will be paid on the U.S. Interest Notes as a result of the deduction or withholding of such tax. If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under “—*Non-United States Holders—General*”, an applicable withholding agent may credit the withholding under FATCA against, and therefore reduce, such other withholding tax. While withholding under FATCA would also have applied to payments of gross proceeds from the sale or other taxable disposition of the U.S. Interest Notes, proposed regulations (upon which taxpayers may rely until final regulations are issued) eliminate FATCA withholding on payments of gross proceeds entirely. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the U.S. Interest Notes.

Foreign Interest Notes. Withholding under FATCA (including any intergovernmental agreement (“**IGA**”) entered into in connection therewith) may be required on, among other things, (i) certain “**foreign passthru payments**” (a term not yet defined) and (ii) dividend equivalent payments in respect of a Specified Security (as described in “*Non-United States Holders—Dividend Equivalent Withholding*”), in each case, to persons that fail to meet certain certification, reporting or related requirements. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Foreign Interest Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Foreign Interest Notes, are uncertain and may be subject to change. If withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Foreign Interest 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 before the relevant grandfathering date would be “grandfathered” for the purposes of FATCA withholding unless materially modified after such date. The grandfathering date for (A) Foreign Interest Notes that give rise solely to foreign passthru payments is the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the Federal Register, and (B) Foreign Interest Notes that give rise to a dividend equivalent pursuant to Section 871(m) of the Code and the regulations promulgated thereunder is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalent payments. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Foreign Interest Notes, no person will be required to pay additional amounts as a result of the withholding. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Foreign Interest Notes.

Information Reporting and Backup Withholding

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

DOCUMENTS DEEMED TO BE INCORPORATED BY REFERENCE

The following additional documents shall be deemed incorporated by reference in the Prospectus Supplement and shall constitute Documents Incorporated by Reference (as such term is defined in the Prospectus Supplement):

- the English version of the second amendment to the universal registration document and annual financial report as at December 31, 2024 (*deuxième amendement au document d'enregistrement universel au 31 décembre 2024*), published by the Bank and filed with the AMF on August 1, 2025 under number D.25-0122-A02; and
- the English version of the press release entitled “2025 EBA stress test results confirm BNP Paribas’ strong shock absorption capacity and structural resilience” dated as of August 1, 2025.

Notwithstanding the foregoing, the following statements shall not be deemed incorporated herein or in the Prospectus Supplement:

- any section entitled “Person Responsible”, “Articles of Association” or “Tables of Concordance” in the foregoing documents;
- any reference to a completion letter (*lettre de fin de travaux*) included in the foregoing documents; and
- any quantitative financial forecasts, projections, estimates, targets or objectives included in the foregoing documents.



BNP PARIBAS