

Prospectus dated 18 March 2014



**BNP PARIBAS**

**BNP PARIBAS**

*(incorporated in France)*

**Series No: 16590**

**Tranche: 1**

**Issue of €1,500,000,000 Fixed to Fixed Reset Rate**

**Subordinated Tier 2 Notes due 20 March 2026**

**Under the €90,000,000,000**

**EURO MEDIUM TERM NOTE PROGRAMME**

The €1,500,000,000 Fixed to Fixed Reset Rate Subordinated Tier 2 Notes (the "**Notes**") will be issued by BNP Paribas ("**BNPP**", the "**Issuer**" or the "**Bank**") on 20 March 2014 (the "**Issue Date**") under its €90,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). The principal of the Notes will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer, as described in Condition 4 (*Status of the Notes*) in "Terms and Conditions of the Notes". The relative Coupons will not be subordinated.

The Notes are subordinated notes of the Issuer issued pursuant to the provisions of Article L. 228-97 of the French *Code de Commerce*.

The Notes shall bear interest at the applicable Rate of Interest from (and including) the Issue Date and interest shall be payable annually in arrear on 20 March in each year commencing on 20 March 2015. The amount of interest per Calculation Amount payable on each interest payment date in relation to an Interest Period falling in the period from (and including) the Issue Date to (but excluding) 20 March 2021 (the "**Reset Date**") will be EUR 28.75. The rate of interest for each Interest Period occurring after the Reset Date will be equal to the Reset Rate of Interest, as determined by the Calculation Agent, as described in "Terms and Conditions of the Notes".

This document (the "**Prospectus**") constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**") as amended.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed on 20 March 2026 (the "**Maturity Date**") at their principal amount. The Issuer may, subject to the prior approval of the *Secrétariat général de l'Autorité de contrôle prudentiel et de résolution*, redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued to the date fixed for redemption on the Optional Redemption Date (Call) or upon the occurrence of a Capital Event, a Withholding Tax Event, a Tax Deduction Event or a Gross-Up Event (each term as defined in "Terms and Conditions of the Notes").

The Notes are governed by English law except Condition 4 (Status of the Notes) which is governed by French law. The Notes will be in bearer form and in the denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. The Notes will initially be represented by a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or about the Issue Date with a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**"), without interest coupons, on or after 29 April 2014, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances - see "Overview of Provisions relating to the Notes while represented by the Global Notes".

Application has been made to the *Autorité des marchés financiers* (the "**AMF**") in France for approval of this Prospectus in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive on the prospectus to be published when securities are offered to the public or admitted to trading in France.

Application has been made for the Notes to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC. Such admission to trading is expected to occur as of the Issue Date or as soon as practicable thereafter.

The Notes have been rated A- by Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**"), Baa3 by Moody's Investors Service Ltd. ("**Moody's**") and A by Fitch France S.A.S. ("**Fitch France**"). The Issuer's long-term credit ratings are A+ with a negative outlook (Standard & Poor's), A2 with a stable outlook (Moody's) and A+ with a stable outlook (Fitch France). Each of Standard & Poor's, Moody's and Fitch France is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of Standard & Poor's, Moody's and Fitch France is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time.

Copies of this Prospectus will be available (a) free of charge from the head office of the Issuer at the address given at the end of this Prospectus and (b) on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)).

*An investment in the Notes involves certain risks. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. For a discussion of these risks see "Risk Factors" below.*

***Global Coordinator and Structuring Advisor***

**BNP PARIBAS**

***Joint Lead Manager and Sole Bookrunner***

**BNP Paribas UK Limited**

**Joint Lead Managers**

**Danske Bank**

**ING**

**Natixis**

**Standard Chartered Bank**

**UBS**

*This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference as described in "Documents Incorporated by Reference" below. This Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus.*

*The Managers (as defined in "Subscription and Sale" below) have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes. The Managers accept no liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes.*

*No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any further information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Managers.*

*In connection with the issue and sale of Notes, neither the Issuer nor its affiliates will, unless agreed to the contrary in writing, act as a financial adviser to any Noteholder.*

*Neither this Prospectus nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as recommendations by the Issuer or any of the Managers that any recipient of this Prospectus or any other information supplied in connection with the Notes should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase the Notes.*

*The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date of this Prospectus or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes. Prospective investors should review, inter alia, the most recently published audited annual consolidated financial statements, unaudited semi-annual interim consolidated financial statements and quarterly financial results of the Issuer, when deciding whether or not to purchase the Notes.*

*This Prospectus does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such offer or a solicitation by anyone not authorised so to act.*

*The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of the Notes in the European Economic Area ("**EEA**") (and certain member states thereof) and the United States (see "Subscription and Sale" below).*

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or jurisdiction of the United States, and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act ("**Regulation S**") (see "Subscription and Sale" below).*

*This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus in relation to the*

offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Manager have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.

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

**IN CONNECTION WITH THE ISSUE OF THE NOTES, BNP PARIBAS UK LIMITED AS STABILISING MANAGER (THE "STABILISING MANAGER") (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF THIRTY (30) DAYS AFTER THE ISSUE DATE OF THE NOTES AND SIXTY (60) DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

In this Prospectus, references to "euro", "EURO", "Euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union and as amended by the Treaty of Amsterdam.

#### **FORWARD-LOOKING STATEMENTS**

The 2012 Registration Document and the 2013 French Registration Document (as defined below) contain forward-looking statements. BNP Paribas and the BNP Paribas Group (being BNP Paribas together with its consolidated subsidiaries, the "**Group**") may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Issuer's and/or Group's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Issuer and the Group undertake no obligation to update publicly any of them in light of new information or future events.

#### **PRESENTATION OF FINANCIAL INFORMATION**

Most of the financial data presented or incorporated by reference in this Prospectus is presented in euros.

BNP Paribas consolidated financial statements for the years ended 31 December 2013 and 31 December 2012 have been prepared in accordance with international financial reporting standards ("IFRS") as adopted by the European Union. The Group's fiscal year ends on 31 December and references in the 2013 French Registration Document and 2012 Registration Document (both as defined below) to any specific fiscal year are to the twelve-month period ended 31 December of such year.

Due to rounding, the numbers presented or incorporated by reference throughout this Prospectus, the 2013 French Registration Document or the 2012 Registration Document (both as defined below) may not add up precisely, and percentages may not reflect precisely absolute figures.

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## RISK FACTORS

**Prospective purchasers of Notes should carefully consider the following information in conjunction with the other information contained in this Prospectus (including the documents incorporated by reference see "Documents Incorporated by Reference" below) before purchasing Notes.**

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in the 2013 French Registration Document incorporated by reference herein a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

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

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

Terms used in this section and not otherwise defined have the meanings given to them in the Terms and Conditions of the Notes.

### **Risks Relating to the Issuer and its Industry**

See the Chapter 5 ("Risks and Capital Adequacy") contained on pages 227 to 336 of the 2013 French Registration Document (as defined below) which is incorporated by reference in this Prospectus.

#### ***Macro-economic environment***

Market and macroeconomic conditions affect the Bank's results. The nature of the Bank's business makes it particularly sensitive to market and macroeconomic conditions in Europe, which have been difficult and volatile in recent years.

In 2013, the global economy began to move towards equilibrium, with several emerging countries slowing down and a slight recovery in the developed countries. In 2013, global economic conditions remained generally stable as compared to 2012. IMF and OECD economic forecasts<sup>1</sup> for 2014 generally indicate a renewal of moderate growth in developed economies albeit less strong and uniform in the Euro-Zone. Their analysts consider that uncertainties remain regarding the strength of the recovery, particularly in light of the U. S. Federal Reserve's announcement in December 2013 that it would gradually reduce ("taper") its stimulus program, and in the Euro-zone, where a risk of deflation exists.

Within the Euro-zone, sovereign credit spreads continued to decrease in 2013 following the decrease recorded in 2012 from the previous historically high levels. The financial condition of certain sovereigns has markedly improved but there remains uncertainty as to the solvency of some others.

#### ***Laws and Regulations applicable to Financial Institutions***

Laws and regulations applicable to financial institutions that have an impact on the Bank have significantly evolved in the wake of the global financial crisis. The measures that have been proposed and/or adopted in recent years include more stringent capital and liquidity requirements (particularly for large global banking groups such as the Bank), taxes on financial transactions, restrictions and taxes on employee compensation, limits on the types of activities that commercial banks can undertake and ring-fencing or even prohibition of certain activities considered as speculative within separate subsidiaries, restrictions on certain types of financial products, increased internal control and reporting requirements, more stringent conduct of business rules, mandatory clearing and reporting of derivative transactions, requirements to mitigate risks in relation to over-the-counter derivative

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<sup>1</sup> See in particular : IMF – World Economic Outlook Update – January 2014 and G20 Note on Global Prospects and Policy Challenges – February 2014; OECD – The Global Economic Outlook – November 2013.

transactions and the creation of new and strengthened regulatory bodies. The measures that were recently adopted, or in some cases proposed and still under discussion, that have or are likely to affect the Bank, include in particular the French Ordinance of June 27, 2013 relating to credit institutions and financing companies ("*Sociétés de financement*"), which came into force on January 1, 2014 and the French banking law of July 26, 2013 on the separation and regulation of banking activities and the Ordinance of February 20, 2014 for the adaptation of French law to EU law with respect to financial matters; the EU Directive and Regulation on prudential requirements "CRD IV" dated June 26, 2013 and many of whose provisions have been applicable since January 1, 2014; the proposals of technical regulatory and execution rules relating to the Directive and Regulation CRD IV published by the EBA; the designation of the Bank as a systemically important financial institution by the FSB; the public consultation for the reform of the structure of the EU banking sector of 2013 and the European Commission's proposed regulation on structural measures designed to improve the strength of EU credit institutions of January 29, 2014; the proposal for a regulation on indices used as benchmarks in financial instruments and financial contracts; the European single supervisory mechanism; the European proposal for a single resolution mechanism and the proposal for a European Directive on bank recovery and resolution; the final rule for the regulation of foreign banks imposing certain liquidity, capital and other prudential requirements adopted by the U.S. Federal Reserve; the proposal of the U.S. Federal Reserve relating to liquidity ratios of large banks; and the "Volcker" Rule imposing certain restrictions on investments in or sponsorship of hedge funds and private equity funds and proprietary trading activities (of U.S. banks and to some extent non-U.S. banks) that was recently adopted by the U.S. regulatory authorities. More generally, regulators and legislators in any country may, at any time, implement new or different measures that could have a significant impact on the financial system in general or the Bank in particular.

### ***Risks Related to the Bank and its Industry***

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

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

Moreover, a resurgence of a sovereign debt crisis in certain countries remains possible. For example, European markets have experienced significant disruptions in recent years as a result of concerns regarding the ability of certain countries in the Euro-zone to refinance their debt obligations. At several points in recent years these disruptions caused tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union. The Bank holds and in the future may hold substantial portfolios of sovereign obligations issued by the governments of, and has and may in the future have substantial amounts of loans outstanding to borrowers in, certain of the countries that have been most significantly affected by the crisis in recent years. The Bank also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis had, and could again in the future have, an indirect impact on financial markets



and, increasingly, economies, in Europe and worldwide, and more generally on the environment in which the Bank operates.

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

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

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

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

In 2013 and at the beginning of 2014, France made significant changes to its legal and regulatory framework applicable to banking institutions. The French banking law of July 26, 2013 on the separation and regulation of banking activities provides in particular for a separation between economic financing activities and so-called "speculative" activities that must now be conducted by ring-fenced subsidiaries that must comply with specific capital and liquidity requirements on a stand-alone basis. The new banking law also modifies the mechanism for preventing and resolving banking crises, which will now be supervised by the French banking regulator ("*Autorité de Contrôle Prudentiel et de Résolution*") whose powers have been expanded. In the event of a failure, the law provides for mechanisms such as the powers to require banks to adopt structural changes, issue new securities, cancel existing equity or subordinated debt securities and convert subordinated debt into equity, and to require the intervention of the French Deposit Guarantee and Resolution Fund ("*Fonds de Garantie des Dépôts et de Résolution*") in order to, more generally, ensure that any losses are borne in priority by banks' shareholders and subordinated creditors (such mechanism is referred to as the "Bail-in" procedure). The Ordinance of February 20, 2014 provides in particular for the strengthening of the governance rules within banking institutions, a reinforced and harmonized at the EU level sanctions regime, an extended scope of prudential surveillance with in particular additional prudential

requirements, a harmonization of the rules relating to the approval of credit institutions within the European Union, and an update of the rules relating to the consolidated surveillance and the exchange of information. At the European level, the European Union adopted, in October 2013, a single banking supervisory mechanism under the supervision of the European Central Bank, and a proposal for a European Directive on bank recovery and resolution that provides for a bail-in mechanism is currently being discussed. The Council of the European Union also announced on December 18, 2013 an agreement relating to the single resolution mechanism, which provides for the establishment of a single resolution authority and negotiations for the future establishment of a common resolution fund financed by banks at the national level. Finally, the European Commission's proposed regulation on structural measures designed to improve the strength of EU credit institutions of January 29, 2014 would prohibit certain proprietary trading activities by certain large European credit institutions and require them to conduct certain high-risk trading activities only through subsidiaries.

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

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

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

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

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

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

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

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

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

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

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

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

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

banking businesses. Independently of market changes, below-market performance by the Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Bank receives from its asset management business.

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

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

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

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

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

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

The Bank's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, may have led to market-wide liquidity problems and could lead to further losses or defaults. The Bank has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose the Bank to insolvency risk in the event of default of a group of the Bank's counterparties or clients. This risk could be exacerbated if the collateral held by the Bank cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Bank.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the Bank, have announced losses or exposure to losses in substantial amounts. Potentially significant additional potential exposure is also possible in the form of litigation and claims in the context of the bankruptcy proceedings of Bernard Madoff Investment Services (BMIS) (a number of which are pending against the Bank), and other potential claims relating to counterparty or client investments made, directly or indirectly, in BMIS or other entities controlled by Bernard Madoff, or to the receipt of investment proceeds from BMIS.

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

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

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

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

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

Moreover, the mandatory transition on February 1, 2014 to the Single Euro Payment Area ("SEPA") could cause technical difficulties for wire orders submitted by the Bank's clients and processed by the Bank.

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

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

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

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

recent years strengthened economic sanctions administered by the Office of Foreign Assets Control of the U.S. Department of Treasury (“OFAC”) as well as the related legal and regulatory requirements.

In this respect, following discussions with the U.S. Department of Justice and the New York County District Attorney’s Office, among other U.S. regulators and law enforcement and other governmental authorities, the Bank conducted over several years an internal retrospective review of certain U.S. dollar payments involving countries, persons and entities that could have been subject to economic sanctions under U.S. law in order to determine whether the Bank had, in the conduct of its business, complied with such laws. The Bank has presented the findings of this review to the U.S. authorities and commenced subsequent discussions with them. (See Note 3g to the Bank’s financial statements as of and for the year ended December 31, 2013 for more information in this respect, including as to the \$1.1 billion (€0.8 billion) provision recorded in such financial statements in relation to this matter.) No assurance can be given that the actual financial consequences to, or fines and penalties imposed on, the Bank in respect of this matter will not be different, possibly very different, from the amount of such provision or that such financial consequences, fines and/or penalties will not have a material adverse effect on the Bank’s business, results of operations and financial condition.

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

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

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

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

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

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

*The Bank's hedging strategies may not prevent losses.*

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

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

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

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

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

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

institutions could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Bank.

### **Risk Factors Relating to the Notes**

In addition to the risks relating to the Issuer (including the default risk) that may affect the Issuer's ability to fulfil its obligations under the Notes there are certain factors which are material for the purpose of assessing the risks associated with an investment in the Notes.

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

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

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

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

*Holders of subordinated Notes generally face an enhanced performance risk compared to holders of senior notes as well as an enhanced risk of loss in the event of the Issuer's insolvency.*

The Issuer's obligations under the principal of the Notes are direct, unconditional, unsecured and subordinated and will rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of the Issuer, as more fully described in the "Terms and Conditions of the Notes." The relative Coupons will not be subordinated.

In the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Noteholders to payment under the principal of the Notes will be subordinated to the full payment of the unsubordinated creditors (including depositors) of the Issuer and, subject to such payment in full, such Noteholders will be paid in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*), if and to the extent that there is still cash available for those payments.

There is a substantial risk that investors in subordinated notes such as the Notes will lose all or some of their investment should the Issuer become insolvent. Thus, Noteholders face an enhanced performance risk compared to holders of senior notes.

In the event of incomplete payment of unsubordinated creditors and subordinated creditors ranking ahead of the claims of the Noteholders, the obligations of the Issuer in connection with the principal of the Notes will be terminated. The Noteholders shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.



*Redemption at the option of the Issuer.*

The Issuer may, subject to the prior approval of the *Secrétariat général de l'Autorité de contrôle prudentiel et de résolution*, redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued to the date fixed for redemption upon the occurrence of a Capital Event, a Withholding Tax Event, a Tax Deduction Event, a Gross-Up Event or on the Optional Redemption Date (Call) (as defined in "Terms and Conditions of the Notes").

If any such event occurs, this may limit the market value of the Notes and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

The yield received upon redemption may be lower than expected (in particular if the market interest rates decrease), and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, the Noteholder may not receive the total amount of the capital invested. In addition, investors who choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Any early redemption of the Notes (including through an Issuer call option) can only be made with the prior written consent of the *Secrétariat général de l'Autorité de contrôle prudentiel et de résolution* in France ("**ACPR**"). Further, Article 78 of the CRR (as defined below) provides that any redemption of tier 1 or tier 2 instruments, including the Notes, is subject to the prior consent of the relevant competent authority (i.e. the ACPR) which would be conditional on (i) the replacement of regulatory capital with own funds instruments of equal or higher quality, in the same amount and at terms that are sustainable for the income capacity of the Issuer, or (ii) without a replacement of regulatory capital, on the Issuer demonstrating that its own funds would, following the redemption in question, exceed the minimum regulatory capital requirements.

*Loss absorption at the point of non-viability of the Issuer and resolution.*

On 18 December 2013, the Council of the European Union published a draft of a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms known as the Recovery and Resolution Directive (the "**RRD**"). The stated aim of the draft RRD is to provide relevant authorities with tools and powers to address banking crises pre-emptively in order to safeguard financial stability and before any of the insolvency or liquidation procedure referred to above are initiated.

The draft RRD represents the proposed implementation in the European Economic Area of the non-viability requirements set out in the press release dated 13 January 2011 of the Basel Committee on Banking Supervision (the "**Basel Committee**") entitled "Minimum requirements to ensure loss absorbency at the point of non-viability" (the "**Basel III Non-Viability Requirements**"). The Basel III Non-Viability Requirements represent part of the broader package of guidance issued by the Basel Committee on 16 December 2010 and 13 January 2011 in relation to new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions ("**Basel III**").

The powers provided to resolution authorities in the draft RRD include write down powers to ensure relevant capital instruments (including tier 2 capital instruments such as the Notes) fully absorb losses at the point of non-viability of the issuing institution, as well as a bail-in tool comprising a more general power for resolution authorities to write down the claims of unsecured creditors of a failing institution and to convert unsecured debt claims to equity. Accordingly, the draft RRD contemplates that resolution authorities may require the permanent write down in full of such capital instruments or their conversion into common equity tier 1 instruments at the point of non-viability (such resulting common equity tier 1 instruments may also be subject to any application of the bail-in tool) and before any other resolution action is taken (the "**RRD Loss Absorption Requirement**").

For the purposes of the RRD Loss Absorption Requirement, the point of non-viability under the draft RRD is the point at which the relevant authority (i.e. the ACPR) determines that:

- (a) the institution is failing or likely to fail, which includes situations where:
  - (i) the institution has incurred/will incur in a near future losses depleting all or substantially all its own funds;

- (ii) the assets are/will be in a near future less than its liabilities;
  - (iii) the institution is/will be in a near future unable to pay its obligations; and/or
  - (iv) the institutions requires public financial support;
- (b) there is no reasonable prospect that a private action would prevent the failure; or
- (c) a resolution action is necessary in the public interest.

Except for an additional bail-in tool (which comprises a more general power for resolution authorities to write down or convert into equity the claims of unsecured creditors of a failing institution, including senior debt, which will apply in January 2016 at the latest), the draft RRD contemplates that its provisions (including the RRD Loss Absorption Requirement with respect to capital instruments) will be applied in Member States in January 2015.

The Basel Committee contemplated implementation of the Basel III reforms as of 1 January 2013. Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**") and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("**CRR**"), which were published in the Official Journal of the European Union on 27 June, 2013, have been implemented on 1 January 2014. CRR contemplates that the Basel III Non-Viability Requirements will be implemented in the European Economic Area by way of the draft RRD and the RRD Loss Absorption Requirement. If such statutory loss absorption at the point of non-viability is not implemented by 31 December 2015 then CRR indicates that the European Commission shall review and report on whether provision for such a requirement should be contained in CRR and, in light of that review, come forward with appropriate legislative proposals.

It is currently unclear whether the RRD Loss Absorption Requirement will apply on implementation to capital instruments (such as the Notes) that are already in issue or whether certain grandfathering rules will apply. If and to the extent that the draft RRD is implemented retrospectively so as to apply to the Notes, the Notes will be subject to the provisions of the RRD (including the RRD Loss Absorption Requirement).

Subject to such implementation, the Notes may, therefore, be subject to write down or loss absorption at the point of non-viability or otherwise on any bail-in, which may result in Noteholders losing some or all of their investment. The exercise of any such power or any suggestion of such exercise could, therefore, materially adversely affect the value of the Notes.

The RRD is expected to be finalised in the first half of 2014 and implemented from 1 January 2015 (except for the bail-in tool, which under the draft RRD will be implemented from 1 January 2016, previously 1 January 2018).

The draft RRD is not in final form and changes may be made to it in the course of the legislative process. Accordingly, it is not yet possible to assess the full impact of the draft RRD.

On 27 July 2013, a French banking law was enacted (*Loi de séparation et de régulation des activités bancaires*) that, among other things, sets up a resolution regime applicable to French banks. This law gives resolution powers to a new Resolution Board of the ACPR.

In particular, the ACPR may implement the bail-in tool, namely cancel or write-off shareholders' equity and thereafter cancel, write-off or convert into equity subordinated instruments (such as the Notes), but not unsecured debt, in accordance with their seniority. The ACPR will also be entitled to (i) transfer all or part of the bank's assets and activities, including to a bridge bank, (ii) force a bank to issue new equity, (iii) temporarily suspend payments to creditors and (iv) terminate executives or appoint a temporary administrator (*administrateur provisoire*). Conversion ratios and transfer prices are decided upon by the ACPR on the basis of a "fair and realistic" assessment.

The ACPR must use its powers "in a proportionate manner" to achieve the following objectives: (i) to preserve financial stability, (ii) to ensure the continuity of banking activities, services and transactions of financial institutions, the failure of which would have systemic implications for the French economy, (iii) to protect deposits and (iv) to avoid, or limit to the fullest extent possible, any public bail-out. In using its powers, the ACPR must apply the "creditor worse off" principle according to which no

creditor should incur greater losses than it would have incurred if the institution had been wound up under normal insolvency proceedings set out in the French *Code de commerce*.

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

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

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

There is uncertainty as to whether gross-up obligations in general, including those under the Terms and Conditions of the Notes, are enforceable under French law. If any payment obligations under the Notes, including the obligations to pay additional amounts under Condition 8, are held illegal or unenforceable under French law, the Issuer will have the right, but not the obligation, to redeem the Notes. Accordingly, if the Issuer does not redeem the Notes upon the occurrence of a Gross-Up Event as described in Condition 6.5 (*Optional Redemption upon the occurrence of a Gross-Up Event*), Noteholders may receive less than the full amount due under the Notes, and the market value of the Notes will be adversely affected.

*There are no events of default under the Notes.*

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

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

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

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

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes. It is not possible to predict the price at which the Notes will trade in the secondary market. A decrease in the liquidity of an issue of the Notes may cause, in turn, an increase in the volatility associated with the price of such issue of the Notes. A lack of liquidity for the Notes may mean that investors are not able to sell their Notes or may not be able to sell their Notes at a price equal to the price which they paid for them, and consequently investors may suffer a partial or total loss of the amount of their investment.

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

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

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

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

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

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

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

*Taxation.*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

*Withholding under the EU Savings Directive.*

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

The Luxembourg Government has announced its intention to introduce, as of 1 January 2015, automatic exchange of information with respect to the Savings Directive.

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

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions) nor any other person would be obliged to pay additional amounts with respect to the Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

*Foreign Account Tax Compliance withholding may affect payments on the Notes.*

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer is classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section "Taxation – Foreign Account Tax Compliance Act" in the Prospectus.

*Potential Conflicts of Interest.*

The Calculation Agent may be an affiliate of the Issuer and consequently, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgments that the Calculation Agent must make. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment however, subject to always acting only within the parameters allowed by the Terms and Conditions of the Notes, it has no responsibility to take investors' interests into account.

*Proposed financial transaction tax.*

The European Commission has published a proposal for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

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

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

*The value of the Notes could be adversely affected by a change in English law, French law or administrative practice.*

The Conditions of the Notes are based on English law except Condition 4 (*Status of the Notes*) which is governed by French law. No assurance can be given as to the impact of any possible judicial

decision or change to an administrative practice or change to English law or French law, as applicable, after the date of this Prospectus and any such charge could materially adversely impact the value of the Notes affected by it.

*The Notes' purchase price may not reflect its inherent value.*

Prospective investors in the Notes should be aware that the purchase price of the Notes does not necessarily reflect its inherent value. Any difference between the Notes' purchase price and its inherent value may be due to a number of different factors including, without limitation, prevailing market conditions and fees, discounts or commissions paid or accorded to the various parties involved in structuring and/or distributing the Notes. For further information, prospective investors should refer to the party from whom they are purchasing the Notes. Prospective investors may also wish to seek an independent valuation of the Notes prior to their purchase.

*A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.*

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

*A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.*

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

*The value of the Notes may be adversely affected by movements in market interest rates.*

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

Following the Reset Date, interest on the Notes shall be calculated on the basis of the annual mid-swap rate for EUR swap transactions with a maturity of five (5) years. This mid-swap rate is not pre-defined for the lifespan of the Notes. A higher mid-swap rate for EUR swap transactions means a higher interest and a lower mid-swap rate for EUR swap transactions means a lower interest.

*Risk relating to the change in the rate of interest.*

The interest rate of the Notes will be reset as from the Reset Date. The Reset Rate of Interest will be determined two (2) Target Business Days before the Reset Date and as such is not pre-defined at the date of issue of the Notes. The Reset Rate of Interest may be different from the Initial Rate of Interest and may adversely affect the yield of the Notes.

*Investors who purchase Notes in denominations that are not integral multiples of the specified denomination may be adversely affected if definitive Notes are subsequently required to be issued.*

The Notes have denominations consisting of EUR 100,000 plus one or more higher integral multiples of EUR 1,000. It is possible that such Notes may be traded in amounts that are not integral multiples of EUR 100,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than EUR 100,000 in his account with the relevant clearing system at the relevant time (i) may not be able to transfer such Notes and (ii) may not receive a definitive Note in respect of such

holding (should definitive Notes be printed) and in each case would need to purchase a principal amount of Notes such that its holding amounts to a EUR 100,000 denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of EUR 100,000 may be illiquid and difficult to trade.

*Because the Notes are held by or on behalf of Euroclear and Clearstream, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer.*

The Notes will be deposited with a common depository for Euroclear and Clearstream. Except in the circumstances described in the Global Notes, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream will maintain records of the beneficial interests in the Global Notes. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, as the case may be.

While the Notes are in global form, the Issuer will discharge its payment obligations under the Notes by making payments to the common depository. A holder of a beneficial interest in the Notes must rely on the procedures of Euroclear and/or Clearstream, as the case may be, to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in such a Global Note.

*No limitation on issuing or guaranteeing debt ranking senior or pari passu with the Notes.*

There is no restriction in the Terms and Conditions of the Notes on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the Notes. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders on a winding-up of the Issuer.

*Meetings of Noteholders.*

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders and Couponholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with Condition 15 (*Notices*).

*French Insolvency Law.*

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

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

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

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

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

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

The ACPR must approve in advance the opening of any safeguard, judicial reorganisation or liquidation procedures.

Please refer to the risk factor entitled “*Loss absorption at the point of non-viability of the Issuer and resolution*” for a description of resolution measures including the bail in, which can be implemented.

*Exchange rate risks and exchange controls.*

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor’s Currency.



## GENERAL DESCRIPTION OF THE NOTES

This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see the “Terms and Conditions of the Notes”.

Issuer:	BNP Paribas.
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfill its obligations under the Notes. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with investing in the Notes. The risks that the Issuer currently believes to be the most significant are set out under “Risk Factors”.
Notes:	€1,500,000,000 Fixed to Fixed Reset Rate Subordinated Tier 2 Notes due 20 March 2026.
Global Coordinator and Structuring Advisor:	BNP Paribas.
Joint Lead Manager and Sole Bookrunner:	BNP Paribas UK Limited.
Joint Lead Managers:	Danske Bank A/S, ING Bank N.V., Natixis, Standard Chartered Bank and UBS Limited.
Principal Paying Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Paris Paying Agent	BNP Paribas Securities Services.
Calculation Agent:	BNP Paribas Securities Services.
Issue Date:	20 March 2014.
Maturity Date:	20 March 2026.
Issue Price:	99.308 per cent.
Form of Notes and denomination:	The Notes are in bearer form in the denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000.
Status of the Notes:	The principal of the Notes are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of the Issuer. Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Noteholders to payment under the principal of the Notes will be subordinated to the full payment of the unsubordinated creditors (including depositors) of the Issuer and, subject to such payment in full, such

Noteholders will be paid in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées" i.e. engagements subordonnés de dernier rang*). The relative Coupons will not be subordinated.

The Notes are subordinated notes of the Issuer issued pursuant to the provisions of Article L. 228-97 of the French *Code de Commerce*.

**Interest Rate:** The rate of interest for each Interest Period from (and including) the Issue Date to (but excluding) the Reset Date is 2.875 per cent. per annum.

The rate of interest for each Interest Period beginning on or after the Reset Date will be equal to (a) the 5-year Mid-Swap Rate plus (b) the Margin, as determined by the Calculation Agent.

**Reset Date:** The Interest Payment Date falling on or about 20 March 2021.

**Optional Redemption Date (Call):** The Reset Date.

**Interest Payment Dates:** 20 March in each year from (and including) 20 March 2015.

**Optional Redemption on the Optional Redemption Date (Call):** The Issuer may (at its option but subject to Condition 6.9 (*Conditions to redemption prior to Maturity Date*)) redeem the Notes, on the Optional Redemption Date (Call) in whole at their Redemption Amount, together with accrued interest.

**Optional Redemption by the Issuer upon the occurrence of a Capital Event, Tax Deduction Event, Withholding Tax Event or a Gross-Up Event:** Subject as provided herein, in particular to the provisions of Condition 6.9 (*Conditions to redemption prior to Maturity Date*), upon the occurrence of a Capital Event, a Withholding Tax Event, a Tax Deduction Event or a Gross-Up Event, the Issuer may, at its option at any time, subject to having given not less than thirty (30) nor more than forty five (45) calendar days' notice to the Principal Paying Agent and the Noteholders and the Couponholders, in accordance with Condition 15 (*Notices*), redeem the Notes in whole, but not in part, together with accrued interest thereon.

**"Capital Event"** means that, by reason of a change in the regulatory classification of the Notes under the Relevant Rules that was not reasonably foreseeable by the Issuer on 20 March 2014, the Notes are fully excluded from the Tier 2 Capital of the Issuer, provided that such exclusion is not as a result of (i) any applicable limits on the amount of Tier 2 Capital or (ii) a regulatory capital treatment of a higher quality for the Issuer.

**"Tax Deduction Event"** means any change in the French laws or regulations, or any political subdivision therein 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 20 March 2014, which would cause the tax regime applicable to any interest payment under the Notes to be modified and such modification would result in the amount of the interest payable by the Issuer under the Notes that is tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to be reduced.

**"Withholding Tax Event"** means a change in, or in the official interpretation or administration of, any laws or regulations of France or any other authority which would cause the Issuer, on the occasion of the next payment of

principal or interest due in respect of the Notes, not to be able to make such payment without having to pay additional amounts as specified under Condition 8 (*Taxation*).

**"Gross-Up Event"** means the Issuer would be prevented, on the next payment of principal or interest in respect of the Notes, by French law from making payment to the Noteholders or the Couponholders of the full amount then due and payable (including any additional amounts which would be payable pursuant to Condition 8 (*Taxation*) but for the operation of such French law).

Purchase: The Issuer may, but is not obliged to, subject to Condition 6.9 (Conditions to redemption prior to Maturity Date) below, purchase Notes (together with all unmatured Coupons appertaining thereto) at any price in the open market or otherwise.

Notwithstanding the above, the Issuer or any agent on its behalf shall have the right at all times to purchase the Notes for market making purposes provided that: (a) the prior written approval of the Relevant Regulator shall be obtained; and (b) the total principal amount of the Notes so purchased does not exceed the lower of (i) ten (10) per cent. (or any other threshold as may be requested by the Relevant Regulator in accordance with the Relevant Rules from time to time) of the initial aggregate principal amount of the Notes and any further notes issued under Condition 14 (Further Issues) and (ii) three (3) per cent. of the Tier 2 Capital of the Issuer from time to time outstanding. The Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Notes.

Conditions to redemption, purchase or cancellation prior to Maturity Date: The Notes may only be redeemed, purchased or cancelled (as applicable) pursuant to Condition 6.2 (*Optional Redemption upon the occurrence of a Capital Event*), Condition 6.3 (*Optional Redemption on the Optional Redemption Date (Call)*), Condition 6.4 (*Optional Redemption upon the occurrence of a Withholding Tax Event*), Condition 6.5 (*Optional Redemption upon the occurrence of a Gross-up Event*), Condition 6.6 (*Optional Redemption upon the occurrence of a Tax Deduction Event*) or Condition 6.7 (*Purchase*) (subject to the provisions set out in the second paragraph of Condition 6.7), as the case may be, if (a) the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable) if required at such time by the Relevant Rules and (b) in the case of a redemption as a result of a Withholding Tax Event, a Tax Deduction Event or a Gross-up Event, the Issuer has delivered a certificate signed by one of its senior officers to the Principal Paying Agent (and copies thereof will be available at the Principal Paying Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Withholding Tax Event, Tax Deduction Event or Gross-up Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

Events of Default: None.

Cross Default: None.

Meetings of Noteholders: Meeting of Noteholders may be convened by the Issuer or Noteholders holding not less than five (5) per cent. in nominal amount of the Notes for the time being remaining Outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than fifty (50) per cent. in nominal amount of the Notes for the time being Outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of

the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or Coupons, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any such adjourned meeting not less than one-third, in nominal amount of the Notes for the time being Outstanding. In addition, any such proposed modification of any provision of the Notes can only be effected subject to the prior approval of the Relevant Regulator, if required at such time by the Relevant Rules. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders. Extraordinary Resolutions may also be passed in writing if signed by Noteholders of not less than ninety (90) per cent in nominal amount of the Notes.

- Taxation: All payments of principal and interest and other revenues by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In that event, the Issuer shall, save in certain limited circumstances provided in Condition 8 (*Taxation*), pay such additional amounts as will result in receipt by the Noteholders or the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required.
- Further Issues: Subject to the prior information of the Relevant Regulator, the Issuer shall be at liberty from time to time without the consent of the Noteholders or Couponholders to issue further notes, such further notes forming a single series with the Notes so that such further notes and the Notes carry rights identical in all respects (or in all respects save for their issue date, interest commencement date, issue price and/or the amount and date of the first payment of interest thereon).
- Admission to trading: Application has been made for the Notes to be admitted to trading on Euronext Paris.
- Use of Proceeds: The net proceeds of the Notes will be applied for the general financing purposes of the Issuer.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and that have been filed with the AMF for the purpose of the Prospectus Directive and the relevant implementing measures in France, and shall be incorporated in, and form part of, this Prospectus:

- (a) the €90,000,000,000 Euro Medium Term Note Programme Base Prospectus of the Issuer dated 3 June 2013, as supplemented by the Supplements to the Base Prospectus respectively dated 8 August 2013, 2 October 2013, 5 November 2013, 19 November 2013, 6 December 2013 and 19 February 2014 (the "**Base Prospectus**");
- (b) BNP Paribas' *document de référence et rapport financier annuel* in English for 2012 (the "**2012 Registration Document**"); and
- (c) BNP Paribas' *document de référence et rapport financier annuel* in French for 2013 (the "**2013 French Registration Document**") including the consolidated financial statements for the year ended 31 December 2013,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that such statement is inconsistent with a statement contained in this Prospectus.

The English version of the consolidated financial statements for the year ended 31 December 2013 is available on the website of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)).

The information incorporated by reference above is available as follows:

Information Incorporated by Reference	Reference
<i>2013 French Registration Document</i>	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
<b>3. Risk Factors</b>	
3.1. Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 227 to 336 of the 2013 French Registration Document
<b>4. Information about the Issuer</b>	
4.1. History and development of the Issuer:	
4.1.1. The legal and commercial name of the Issuer;	Page 443 of the 2013 French Registration Document
4.1.2. The place of registration of the Issuer and its registration number;	Page 443 of the 2013 French Registration Document
4.1.3. The date of incorporation and the length of life of the Issuer, except where indefinite;	Page 443 of the 2013 French Registration Document
4.1.4. - the domicile and legal form of the Issuer, - the legislation under which the Issuer operates, - its country of incorporation, and - the address and telephone number of its registered office (or principal place of business if different from its registered office).	Pages 443 and 462 of the 2013 French Registration Document

4.1.5. Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	Page 117 of the 2013 French Registration Document
<b>5. Business Overview</b>	
5.1.1. A brief description of - the Issuer's principal activities stating, - the main categories of products sold and/or services performed.	Pages 6 to 15; 151 to 153 and 442 of the 2013 French Registration Document
5.1.2. An indication of any significant new products and/or activities.	Pages 6 to 15; 151 to 153 and 442 of the 2013 French Registration Document
5.1.3. A brief description of the principal markets in which the Issuer competes.	Page 6 to 15; 151 to 153 and 442 of the 2013 French Registration Document
5.1.4. The basis for any statements in the registration document made by the Issuer regarding its competitive position.	Pages 6 to 15 of the 2013 French Registration Document
<b>6. Organisational Structure</b>	
6.1. If the Issuer is part of a group, a brief description of the group and of the Issuer's position within it.	Page 4 of the 2013 French Registration Document
6.2. If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Pages 203 to 212 and 383 to 385 of the 2013 French Registration Document
<b>8. Profit Forecasts or Estimates</b>	
8.1. A statement setting out the principal assumptions upon which the Issuer has based its forecast, or estimate.  There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.	Pages 118 to 119 of the 2013 French Registration Document
8.2. A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the Issuer.  Where financial information relates to the previous financial year and only contains non-misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following	NA

statements:  (a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;  (b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;  (c) this financial information has not been audited.	
8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	NA
<b>9. Administrative, Management, and Supervisory Bodies</b>	
9.1. Names, business addresses and functions in the Issuer of the following persons, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer:  (a) members of the administrative, management or supervisory bodies;  (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Pages 30 to 45 and 94 of the 2013 French Registration Document
9.2. Administrative, Management, and Supervisory bodies conflicts of interests.  Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated.  In the event that there are no such conflicts, make a statement to that effect.	Pages 67 to 68 and 45 to 64 of the 2013 French Registration Document
<b>10. Major Shareholders</b>	
10.1. To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 16 and 17 of the 2013 French Registration Document
10.2. A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.	Page 17 of the 2013 French Registration Document
<i>2013 French Registration Document</i>	
Profit and loss account for the year ended 31 December 2013	Page 124 of the 2013 French Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity	Page 125 of the 2013 French Registration Document
Balance sheet at 31 December 2013	Page 126 of the 2013 French Registration

	Document
Cash flow statement for the year ended 31 December 2013	Page 127 of the 2013 French Registration Document
Statement of changes in shareholders' equity between 1 January 2012 and 31 December 2013	Pages 128 to 129 of the 2013 French Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 130 to 221 of the 2013 French Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended 31 December 2013	Pages 222 to 223 of the 2013 French Registration Document
Chapter 5 ("Risks and Capital Adequacy")	Pages 225 to 347 of the 2013 French Registration Document
<i>2012 Registration Document</i>	
Profit and loss account for the year ended 31 December 2012	Page 104 of the 2012 Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity	Page 105 of the 2012 Registration Document
Balance sheet at 31 December 2012	Page 106 of the 2012 Registration Document
Cash flow statement for the year ended 31 December 2012	Page 107 of the 2012 Registration Document
Statement of changes in shareholders' equity between 1 January 2011 and 31 December 2012	Pages 108 and 109 of the 2012 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 110 to 213 of the 2012 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended 31 December 2012	Pages 214 to 215 of the 2012 Registration Document
Chapter 5 ("Risks and Capital Adequacy")	Pages 217 to 331 of the 2012 Registration Document
<b>Base Prospectus</b>	
Pages 543-554 of the Base Prospectus (i.e. section "Subscription and Sale")	

Information contained in the documents incorporated by reference other than information listed in the tables above is for information purposes only.

The Issuer will provide, free of charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Prospectus. In addition, copies of any documents incorporated by reference will be made available free of charge from the specified office of the Principal Paying Agent, and will be available for viewing on the website of the French Directorate of Legal and Administrative Information ([www.info-financiere.fr](http://www.info-financiere.fr)) and on the Issuer's website ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)). This Prospectus will be available for viewing on the websites of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.



## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the "**Conditions**") of the Notes which will be attached to or incorporated by reference into each Global Note and which will be endorsed on each definitive Note. The Conditions shall replace in their entirety (for the purposes of the Notes) the Conditions of the English Law Notes scheduled to the Agency Agreement (as delivered in Condition 1.2).

In the event of any inconsistency between the Agency Agreement and the Conditions, the Conditions will prevail.

### 1. Introduction

1.1 *Notes:* The €1,500,000,000 Fixed to Fixed Reset Rate Subordinated Tier 2 Notes due 20 March 2026 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series with the Notes) are issued by BNP Paribas (the "**Issuer**").

1.2 *Agency Agreement:* The Notes are issued pursuant to and with the benefit of the amended and restated agency agreement dated 3 June 2013 (as supplemented, amended and/or replaced from time to time, the "**Agency Agreement**") between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and the paying agents named therein (the "**Paying Agents**", which expression shall include the Principal Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement).

1.3 *Calculation Agent:* The Issuer has appointed BNP Paribas Securities Services to act as calculation agent (the "**Calculation Agent**") in relation to amounts payable under the Notes.

1.4 *Deed of Covenant:* The Noteholders and the Couponholders are entitled to the benefit of the amended and restated deed of covenant (the "**Deed of Covenant**") dated 3 June 2013 and made by the Issuer.

### 2. Interpretation

2.1 *Definitions:* In these Conditions the following expressions have the following meanings:

**"5-year Mid-Swap Rate"** means, in relation to the Reset Date:

- (a) the annual mid-swap rate for euro swap transactions having a maturity of five (5) years commencing on the Reset Date, expressed as a percentage, which appears on the Screen Page as of 11.00 a.m. (Central European Time) on the Reset Rate Interest Determination Date; or
- (b) if such rate does not appear on the Screen Page at such time on the Reset Rate Interest Determination Date, the Reset Reference Bank Rate;

**"5-year Mid-Swap Rate Quotations"** means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (a) has a term of five (5) years commencing on the Reset Date; and
- (b) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market,

where the floating leg (calculated on an Actual/360 day count basis) is equivalent to the rate for the six (6) month Euribor;

**"Calculation Amount"** means €1,000;

**"Capital Event"** means that, by reason of a change in the regulatory classification of the Notes under the Relevant Rules that was not reasonably foreseeable by the Issuer on 20 March 2014, the Notes are fully excluded from the Tier 2 Capital of the Issuer, provided that such exclusion is not as a result of (i) any applicable limits on the amount of Tier 2 Capital or (ii) a regulatory capital treatment of a higher quality for the Issuer;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Coupon**" means, in relation to a Note, the interest coupons relating to that Note;

"**Couponholders**" means the holders of the Coupons;

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

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

"**Day Count Fraction**" means the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last);

"**Euroclear**" means Euroclear Bank SA/NV;

"**Extraordinary Resolution**" has the meaning given to such term in the Agency Agreement;

"**French Taxes**" shall have the meaning attributed thereto in Condition 8 (*Taxation*);

"**Gross-Up Event**" shall have the meaning attributed thereto in Condition 6.5 (*Optional Redemption upon the occurrence of a Gross-Up Event*);

"**Initial Period**" means the period from (and including) the Issue Date to (but excluding) the Reset Date;

"**Initial Rate of Interest**" means 2.875 per cent per annum;

"**Interest Payment Date**" means 20 March in each year from (and including) 20 March 2015;

"**Interest Period**" means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Issue Date**" means 20 March 2014;

"**Margin**" means 1.650 per cent;

"**Maturity Date**" means 20 March 2026;

"**Noteholders**" means holders of the Notes;

"**Optional Redemption Date (Call)**" means the Reset Date;

"**Payment Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation and a day which is a Target Business Day;

"**Rate of Interest**" means:

- (i) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or
- (ii) in the case of each Interest Period thereafter, the Reset Rate of Interest,

all as determined by the Calculation Agent in accordance with Condition 5 (*Interest*);

"**Redemption Amount**" means, in respect of any Note, its principal amount and

"**Redemption Amounts**" means the principal amounts of all of the Notes then outstanding together;

"**Regulated Market**" means a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC), as amended or replaced from time to time;

**"Relevant Date"** means, in respect of any Note or Coupon, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made;

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

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

**"Reset Date"** means the Interest Payment Date falling on or about 20 March 2021;

**"Reset Interest Amount"** has the meaning given to such term in Condition 5.5 (*Determination of Reset Rate of Interest*);

**"Reset Rate of Interest"** means the sum of (a) the 5-year Mid-Swap Rate plus (b) the Margin;

**"Reset Rate Interest Determination Date"** means the day falling two Target Business Days prior to the Reset Date;

**"Reset Reference Bank Rate"** means the rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 11:00 a.m. (Central European Time) on the Reset Rate Interest Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be equal to the last 5-year Mid-Swap Rate available on the Screen Page as determined by the Calculation Agent;

**"Reset Reference Banks"** means five leading swap dealers in the interbank market as selected by the Calculation Agent;

**"RRD"** means the draft of the Recovery and Resolution Directive of the European Parliament and of the Council of the European Union on resolution and recovery of credit institutions and investment firms, as amended from time to time. The first draft of the RRD was published on 18 December 2013;

**"Screen Page"** means the display page on the relevant Reuters information service designated as the "ISDAFIX1" page or such other page as may replace it on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, for the purpose of displaying equivalent or comparable rates to the 5-year Mid-Swap Rate;

**"Target Business Day"** means a day on which the Target2 System is open;

**"Target2 System"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto;

**"Tax Deduction Event"** shall have the meaning attributed thereto in Condition 6.6 (*Optional Redemption upon the occurrence of a Tax Deduction Event*);

**"Tier 2 Capital"** means capital which is treated as a constituent of Tier 2 under the Relevant Rules by the Relevant Regulator for the purposes of the Issuer and this shall include all upper Tier 2 subordinated loan capital (*Fonds propres complémentaires de premier niveau*) as defined in Article 4(c) of *Règlement* no. 90-02, dated 23 February 1990, as amended or lower Tier 2 subordinated loan capital (*Fonds propres complémentaires de deuxième niveau*) as defined in Article 4(d) of *Règlement* no. 90-02, dated 23 February 1990, as amended or in either case whatever the terminology employed by future applicable banking regulations by the Relevant Regulator; and

**"Withholding Tax Event"** shall have the meaning attributed thereto in Condition 6.4 (*Optional Redemption upon the occurrence of a Withholding Tax Event*).

2.2 *Interpretation:* In these Conditions:

- (i) Notes and Noteholders shall respectively be deemed to include references to Coupons and Couponholders, if relevant;
- (ii) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions;
- (iii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iv) references to Notes being "Outstanding" shall be construed in accordance with the Agency Agreement; and
- (v) any reference to a numbered "Condition" shall be to the relevant Condition in these Conditions.

### 3. Form, Denomination and Title

3.1 *Form of Notes and denomination:* The Notes are in bearer form, serially numbered, in the denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. Each with Coupons attached on issue. Notes of one denomination will not be exchangeable for Notes of another denomination.

3.2 *Title:* The Notes and Coupons will pass by delivery. The holder of each Coupon, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Note. The Issuer and any Paying Agent, to the extent permitted by applicable law, may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

### 4. Status of the Notes

The principal of the Notes are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and ordinary subordinated indebtedness of the Issuer. Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Noteholders to payment under the principal of the Notes will be subordinated to the full payment of the unsubordinated creditors (including depositors) of the Issuer and, subject to such payment in full, such Noteholders will be paid in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"* i.e. *engagements subordonnés de dernier rang*). The relative Coupons will not be subordinated.

### 5. Interest

5.1 *Interest rate:* The Notes shall bear interest at the applicable Rate of Interest from (and including) the Issue Date and interest shall be payable annually in arrear on each Interest Payment Date as provided in Condition 7 (*Payments*).

5.2 *Interest to (but excluding) the Reset Date:* The amount of interest per Calculation Amount payable on each Interest Payment Date in relation to an Interest Period falling in the Initial Period will be EUR 28.75.

5.3 *Interest from (and including) the Reset Date:* The rate of interest for each Interest Period beginning on or after the Reset Date will be equal to the Reset Rate of Interest, as determined by the Calculation Agent.

5.4 *Accrual of interest:* Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or

refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of:

- (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
- (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders in accordance with Condition 15 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5.5 *Determination of Reset Rate of Interest:* The Calculation Agent will, as soon as practicable after 11:00 a.m. (Central European Time) on the Reset Rate Interest Determination Date, calculate the Reset Rate of Interest.

5.6 *Publication of Reset Rate of Interest:* The Calculation Agent will cause the Reset Rate of Interest determined by it to be notified to the Principal Paying Agent (if not the Calculation Agent) as soon as practicable after such determination but in any event not later than the Reset Date. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

5.7 *Calculation of amount of interest per Calculation Amount:* The amount of interest payable in respect of the Calculation Amount for any period shall be calculated by:

- (i) applying the applicable Rate of Interest to the Calculation Amount;
- (ii) multiplying the product thereof by the Day Count Fraction; and
- (iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

5.8 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## **6. Redemption and Purchase**

6.1 *Maturity Date:* Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed on the Maturity Date at their Redemption Amount.

6.2 *Optional Redemption upon the occurrence of a Capital Event:* Upon the occurrence of a Capital Event, the Issuer may (at its option but subject to Condition 6.9 (*Conditions to redemption prior to Maturity Date*) below) at any time subject to having given no less than thirty (30) nor more than forty five (45) calendar days' notice to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable), redeem the Notes in whole, but not in part, at their Redemption Amount, together with all interest accrued to the date fixed for redemption.

6.3 *Optional Redemption on the Optional Redemption Date (Call):* The Issuer may (at its option but subject to Condition 6.9 (*Conditions to redemption prior to Maturity Date*) below) subject to having given no less than thirty (30) nor more than forty five (45) calendar days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable), redeem the Notes, on the Optional Redemption Date (Call) in whole, but not in part, at their Redemption Amount, together with all interest accrued to (but excluding) the Optional Redemption Date (Call).

6.4 *Optional Redemption upon the occurrence of a Withholding Tax Event:* If by reason of a change in, or in the official interpretation or administration of, any laws or regulations of France or any political subdivision or any authority thereof or therein having power to tax, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 (*Taxation*) (a "**Withholding Tax Event**"), the Issuer may (at its

option but subject to Condition 6.9 (*Conditions to redemption prior to Maturity Date*) below), at any time, subject to having given no less than thirty (30) nor more than forty five (45) calendar days' notice to the Noteholders and the Couponholders (in accordance with Condition 15 (*Notices*)) (which notice shall be irrevocable) and the Principal Paying Agent, redeem the Notes in whole, but not in part, at their Redemption Amount, together with all interest accrued, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French Taxes or, if such date has passed, as soon as practicable thereafter.

- 6.5 *Optional Redemption upon the occurrence of a Gross-Up Event*: If the Issuer would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders or the Couponholders of the full amount then due and payable (including any additional amounts which would be payable pursuant to Condition 8 (*Taxation*) but for the operation of such French law) (a "**Gross-Up Event**"), then the Issuer may (subject to Condition 6.9 (*Conditions to redemption prior to Maturity Date*) below) forthwith give notice of such fact to the Principal Paying Agent and the Issuer shall upon giving not less than seven (7) nor more than forty five (45) calendar days' prior notice to the Noteholders and the Couponholders (in accordance with Condition 15 (*Notices*)) (which notice shall be irrevocable) and the Principal Paying Agent, redeem the Notes in whole, but not in part, at their Redemption Amount, together with all interest accrued, provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French Taxes or, if such date has passed, as soon as practicable thereafter.
- 6.6 *Optional Redemption upon the occurrence of a Tax Deduction Event*: If by reason of any change in the French laws or regulations, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after 20 March 2014, the tax regime applicable to any interest payment under the Notes is modified and such modification results in the amount of the interest payable by the Issuer under the Notes that is tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes being reduced (a "**Tax Deduction Event**"), the Issuer may, subject to Condition 6.9 (*Conditions to redemption prior to Maturity Date*) below, at its option, at any time, subject to having given no less than thirty (30) nor more than forty five (45) calendar days' notice to the Principal Paying Agent and the Noteholders and the Couponholders (in accordance with Condition 15 (*Notices*)) redeem all, but not some only, of the Notes then outstanding at the Redemption Amount together with accrued interest (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to the same extent as it was on 20 March 2014.
- 6.7 *Purchase*: The Issuer may, but is not obliged to, subject to Condition 6.9 (*Conditions to redemption prior to Maturity Date*) below, purchase Notes (together with all unmatured Coupons appertaining thereto) at any price in the open market or otherwise.

Notwithstanding the above, the Issuer or any agent on its behalf shall have the right at all times to purchase the Notes for market making purposes provided that: (a) the prior written approval of the Relevant Regulator shall be obtained; and (b) the total principal amount of the Notes so purchased does not exceed the lower of (i) ten (10) per cent. (or any other threshold as may be requested by the Relevant Regulator in accordance with the Relevant Rules from time to time) of the initial aggregate principal amount of the Notes and any further notes issued under Condition 14 (Further Issues) and (ii) three (3) per cent. of the Tier 2 Capital of the Issuer from time to time outstanding. The Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Notes.

6.8 *Cancellation*: All Notes which are redeemed or purchased by the Issuer to be cancelled will forthwith be cancelled (together, in the case of definitive Notes, with all unmatured Coupons presented therewith) and accordingly may not be re-issued or resold.

6.9 *Conditions to redemption prior to Maturity Date*: The Notes may only be redeemed, purchased or cancelled (as applicable) pursuant to Condition 6.2 (*Optional Redemption upon the occurrence of a Capital Event*), Condition 6.3 (*Optional Redemption on the Optional Redemption Date (Call)*), Condition 6.4 (*Optional Redemption upon the occurrence of a Withholding Tax Event*), Condition 6.5 (*Optional Redemption upon the occurrence of a Gross-up Event*), Condition 6.6 (*Optional Redemption upon the occurrence of a Tax Deduction Event*) or Condition 6.7 (*Purchase*) (subject to the provisions set out in the second paragraph of Condition 6.7), as the case may be, if

- (a) the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable) if required at such time by the Relevant Rules;

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

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

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

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

*In addition, the Relevant Rules provide that the Relevant Regulator may only permit the Issuer to redeem the Notes before five years after the date of issuance of the Notes if:*

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

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

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

*The Relevant Rules may be modified from time to time after the date of issuance of the Notes.*

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

## 7. Payments

- 7.1 *Principal*: Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of the Note at the specified office of any Paying Agent. Subject as provided in these Conditions, payments will be in euro and will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the Target2 System.
- 7.2 *Interest*: Payments of interest shall, subject to Condition 7.6 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the specified office of any Paying Agent in the manner described in Condition 7.1 (*Principal*) above.
- 7.3 *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to (i) the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, or any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 8 (*Taxation*)) an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- 7.4 *Unmatured Coupons void*: On the due date (or redemption in whole of any Note pursuant to Condition 6.2 (*Optional Redemption upon the Occurrence of a Capital Event*), Condition 6.3 (*Optional Redemption on the Optional Redemption Date (Call)*), Condition 6.4 (*Optional Redemption upon the occurrence of a Withholding Tax Event*), Condition 6.5 (*Optional Redemption upon the occurrence of a Gross-Up Event*), Condition 6.6 (*Optional Redemption upon the occurrence of a Tax Deduction Event*) or Condition 6.7 (*Purchase*)), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- 7.5 *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day, the Noteholder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.
- 7.6 *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the specified office of any Paying Agent.
- 7.7 *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

## 8. **Taxation**

*Gross up*: All payments of principal and interest and other revenues by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In that event, the Issuer shall pay (such taxes, duties, assessments or government charges, "**French Taxes**") to the fullest extent permitted by law such additional amounts as will result in receipt by the Noteholders or the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in relation to any payment in respect of any Note or Coupon, as the case may be:

- (i) to, or to a third party on behalf of, a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason



of it having some connection with the Republic of France other than the mere holding of the Note or Coupon; or

- (ii) presented for payment more than thirty (30) days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty (30) days; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

## **9. Prescription**

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiry of ten (10) years from the due date thereof and claims for payment of interest in respect of the Notes shall be prescribed upon the expiry of five (5) years, from the due date thereof.

## **10. Replacement of Notes and Coupons**

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

## **11. Paying Agents**

- 11.1 *Obligations of Paying Agents:* In acting under the Agency Agreement, the Paying Agents will act solely as agents of the Issuer and do not assume any obligations or relationship of agency or trust to or with the Noteholders or Couponholders, except that (without affecting the obligations of the Issuer to the Noteholders and Couponholders, to repay Notes and pay interest thereon) funds received by the Principal Paying Agent for the payment of the principal of or interest on the Notes shall be held by it in trust for the Noteholders and/or Couponholders until the expiration of the relevant period of prescription under Condition 9 (*Prescription*). The Issuer will agree to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer and any of its subsidiaries without being liable to account to the Noteholders or the Couponholders for any resulting profit.
- 11.2 *Termination of Appointments:* The initial Paying Agents and their initial specified offices are listed in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Principal Paying Agent) and to appoint an additional or successor principal paying agent or paying agent; provided, however, that:
  - (i) the Issuer shall at all times maintain a Principal Paying Agent;
  - (ii) the Issuer shall at all times maintain a Paying Agent (which may be the Principal Paying Agent) with a specified office in a continental European city;
  - (iii) if and for so long as the Notes are admitted to listing and/or to trading and/or quotation on any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent (which may be the Principal Paying Agent) each with a

specified office in the place required by the rules and regulations of such listing authority, stock exchange and/or quotation system; and

- (iv) the Issuer shall at all times maintain a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

- 11.3 *Change of specified offices:* The Paying Agents reserve the right at any time to change their respective specified offices to some other specified office. The relevant Paying Agent shall give to the Issuer and the Principal Paying Agent written notice of that fact giving the address of the new specified office and stating the date on which the change is to take effect, which shall not be less than forty five (45) days after the notice. The Principal Paying Agent shall within fifteen (15) days of receipt of the notice give or cause to be given not more than forty five (45) days' nor less than thirty (30) days' notice of the change to the Noteholders.

## **12. Enforcement**

The Noteholders may, upon written notice to the Principal Paying Agent given before all defaults have been cured, cause the Notes to become due and payable, together with accrued interest thereon, if any, as of the date on which said notice is received by the Principal Paying Agent, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire or liquidation amiable*) of the Issuer.

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

- 13.1 *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five (5) per cent. in nominal amount of the Notes for the time being remaining Outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than fifty (50) per cent. in nominal amount of the Notes for the time being Outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any such adjourned meeting not less than one-third, in nominal amount of the Notes for the time being Outstanding. In addition, any such proposed modification of any provision of the Notes (including a modification of the provisions as to subordination referred to in Condition 4 (*Status of the Notes*) requiring a quorum of not less than two-thirds in nominal amount of the Notes for the time being Outstanding) can only be effected subject to the prior approval of the Relevant Regulator, if required at such time by the Relevant Rules. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders. Extraordinary Resolutions may also be passed in writing if signed by Noteholders of not less than ninety (90) per cent in nominal amount of the Notes.

- 13.2 *Modification:* The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or to cure, correct or supplement any defective provision or is made to cure, correct or supplement a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

#### **14. Further Issues**

Subject to the prior information of the Relevant Regulator, the Issuer shall be at liberty from time to time without the consent of the Noteholders or Couponholders to issue further notes, such further notes forming a single series with the Notes so that such further notes and the Notes carry rights identical in all respects (or in all respects save for their issue date, interest commencement date, issue price and/or the amount and date of the first payment of interest thereon).

#### **15. Notices**

- 15.1 All notices regarding Notes will be valid if published (i) so long as the Notes are admitted to trading on Euronext Paris, and for so long as Euronext Paris rules so require, in a leading daily newspaper of general circulation in France (which is expected to be *Les Échos*) or (ii) in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being admitted to trading or by which they have been admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.
- 15.2 Unless the Notes are admitted to trading on any stock exchange and the rules applicable to such stock exchange require otherwise, until such time as any Definitive Notes are issued, and so long as the Global Note is held in its entirety on behalf of Euroclear and Clearstream, Luxembourg, such publication in such newspaper may be substituted by the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders and the Couponholders. All notices given to Noteholders (irrespective of how given) shall also be delivered in writing to Euroclear and Clearstream.

#### **16. Governing Law and Jurisdiction**

- 16.1 *Governing Law*: The Agency Agreement, the Deed of Covenant, the Notes (except for Condition 4 (*Status of the Notes*) which is governed by, and shall be construed in accordance with French law) and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes (except as aforesaid) and the Coupons are governed by, and shall be construed in accordance with, English law.
- 16.2 *Submission to jurisdiction*: The courts of England shall have jurisdiction to settle all disputes which may, directly or indirectly, arise out of or in connection with the Notes and/or the Coupons (including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons) (a "**Dispute**") and the Issuer submits and each Noteholder (by its acquisition of a Note) is deemed to submit to the jurisdiction of the English courts. For the purposes of this Condition, the Issuer waives and each Noteholder (by its acquisition of a Note) is deemed to waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- 16.3 *Appointment of Process Agent*: The Issuer appoints BNP Paribas, London branch, currently of 10 Harewood Avenue, London NW1 6AA (Attention: the Loan Administration Department) as its agent for service of process, and undertakes that, in the event of BNP Paribas, London branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any proceedings and shall immediately notify the Noteholders in accordance with Condition 15 (*Notices*). Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.
- 16.4 *Other documents*: The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

**17. Contracts (Rights of Third Parties) Act 1999**

The Notes shall not confer any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this "Overview of Provisions relating to the Notes while in Global Form".

### **Temporary Global Note exchangeable for Permanent Global Note**

The Notes will initially be in the form of the Temporary Global Note, without Coupons, which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable, in whole or in part, for interests in the Permanent Global Note, without Coupons, which will also be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg, on or after the Exchange Date, upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in the Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of the Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange of a part of the Temporary Global Note) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) in either case, receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven (7) days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

### **Permanent Global Note exchangeable for Definitive Notes**

Interests in the Permanent Global Note will be exchangeable, in whole but not in part only for Definitive Notes, if either:

- (i) the Issuer has been notified that Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen (14) days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so and no successor clearing system is available; or
- (ii) the Issuer has been subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

Definitive Notes will have attached thereto at the time of their initial delivery Coupons.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within thirty (30) days of the bearer requesting such exchange.

The Permanent Global Note also provides, inter alia, that if the Permanent Global Note (or any part thereof) becomes due and repayable in accordance with the Terms and Conditions or the date for final redemption of the Permanent Global Note has occurred, and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made on the due date for payment by 8.00 p.m. (Luxembourg time) on such due date, then the Permanent Global Note will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.

## **Terms and Conditions applicable to the Notes**

The Terms and Conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the Terms and Conditions set out under "Terms and Conditions of the Notes" above.

The Terms and Conditions applicable to the Notes represented by one or more Global Notes will differ from those Terms and Conditions which would apply to the Notes were they in definitive form to the extent described in this "Overview of Provisions relating to the Notes while in Global Form".

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the relevant Global Note. The following is a summary of certain of those provisions:

**Payments:** The Holder of a Global Note shall be the only person entitled to receive payments in respect of the Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the Holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of the Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the Holder of such Global Note. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "**Payment Business Day**" set out in Condition 2.1 (*Definitions*).

**Notices:** Unless the Notes are admitted to trading on any stock exchange and the rules applicable to such stock exchange require otherwise, until such time as any Definitive Notes are issued, and so long as the Global Note is held in its entirety on behalf of Euroclear and Clearstream, Luxembourg, such publication in such newspaper may be substituted by the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders and the Couponholders. All notices given to Noteholders (irrespective of how given) shall also be delivered in writing to Euroclear and Clearstream.

## **Legend concerning United States persons**

Global Notes, Definitive Notes and any Coupons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that a United States person who holds a Note, Coupon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

## **Clearing Systems**

Any reference herein to Euroclear and/or Clearstream, Luxembourg, as the case may be, shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Principal Paying Agent, the other Paying Agents and the Noteholders.

## **DESCRIPTION OF THE ISSUER**

A description of the Issuer can be found on pages 4 to 15 of the 2013 French Registration Document which is incorporated by reference herein.

## **USE OF PROCEEDS**

The net proceeds of the Notes will be applied for the general financing purposes of the Issuer.



## TAXATION

*The statements herein regarding taxation are based on the laws in force in France, the European Union and the United States as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes.*

Each prospective holder or beneficial owner of the Notes should consult its tax adviser as to each of the EU Directive on the Taxation of Savings Income, the Foreign Account Tax Compliance Act and the French tax consequences as applicable of any investment in or ownership and disposal of the Notes.

### **EU Directive on the Taxation of Savings Income**

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

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

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

### **French Taxation**

*The descriptions below are intended as a basic summary of certain French withholding tax consequences in relation to the ownership of the Notes under French law. Potential purchasers of the Notes are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, or ownership of, the Notes. The description below does not address specific issues which may be relevant for Noteholders who concurrently hold shares of the Issuer or who are otherwise affiliated with the Issuer.*

Following the introduction of the French *loi de finances rectificative pour 2009* n°3 (n° 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code Général des Impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a seventy five (75) per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code Général des Impôts*.

Furthermore, according to Article 238 A of the French *Code Général des Impôts*, interest and other revenues on the Notes will no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code Général des Impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis of the French *Code*

*Général des Impôts*, at a rate of thirty (30) per cent. or seventy five (75) per cent. (subject to the more favourable provisions of an applicable tax treaty).

Notwithstanding the foregoing, the Law provides that neither the seventy five (75) per cent. withholding tax set out under Article 125 A III of the French *Code Général des Impôts* nor the Deductibility Exclusion will apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of such issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 and BOI-ANX-000364-20120912 n°20, the issue of the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if the Notes are:

- (a) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (b) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Code Monétaire et Financier, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Accordingly, payments made by the Issuer under the Notes are not subject to the withholding tax provided under Article 125 III of the French Code Général des Impôts, nor to the Deductibility Exclusion.

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

#### **Foreign Account Tax Compliance Act**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a thirty (30) per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the date that is six (6) months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA

signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have entered into an IGA based largely on the Model 1 IGA (the "**US-France IGA**").

The Issuer expects to be treated as a Reporting FI pursuant to the US-France IGA. However, no assurance can be given that the Issuer will be treated as a Reporting FI. If the Issuer becomes a Participating FFI under FATCA, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depository, given that each of the entities in the payment chain between the Bank and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

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

## SUBSCRIPTION AND SALE

BNP Paribas UK Limited, Danske Bank A/S, ING Bank N.V., Natixis, Standard Chartered Bank and UBS Limited (the "**Managers**") have, pursuant to a subscription agreement dated 18 March 2014 (the "**Subscription Agreement**") supplementing the provisions of the amended and restated programme agreement dated 3 June 2013 (the "**Programme Agreement**"), jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 99.308 per cent. of the principal amount of the Notes, less a combined management and underwriting commission of 0.375 per cent. of the principal amount of the Notes.

For the selling restrictions, see the section entitled "Subscription and Sale" set out on pages 543-554 of the Base Prospectus which is incorporated herein by reference as set out in the "Documents Incorporated by Reference" section provided that references in the section "Subscription and Sale" of the Base Prospectus to the "relevant Final Terms" and the "Dealers" shall, for the purposes of the issue of the Notes, be deemed to refer to the Conditions and to the Managers respectively.

The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

Save for the commissions payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

## GENERAL INFORMATION

### 1. Corporate Authorisations

The issue of the Notes by the Issuer is authorised pursuant to the Board resolution dated 30 July 2013 and the issue decision of Philippe Bordenave in his capacity as *Directeur Général Délégué* of the Issuer dated 13 March 2014.

### 2. Admission to trading

This Prospectus has received visa no. 14-085 on 18 March 2014 from the *Autorité des marchés financiers* ("**AMF**").

Application has been made for the Notes to be admitted to trading on Euronext Paris on 20 March 2014. The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately EUR 13,200.

### 3. Documents Available

Copies of the following:

- (i) the Statuts of the Issuer;
- (ii) BNP Paribas' *document de référence et rapport financier annuel* in English for 2012;
- (iii) BNP Paribas' *document de référence et rapport financier annuel* in French for 2013;
- (iv) the amended and restated deed of covenant dated 3 June 2013 (as supplemented, amended and/or replaced from time to time) and the amended and restated agency agreement dated 3 June 2013 (as supplemented, amended and/or replaced from time to time);
- (v) the Base Prospectus of the Issuer dated 3 June 2013, as supplemented by the Supplements to the Base Prospectus respectively dated 8 August 2013, 2 October 2013, 5 November 2013, 19 November 2013, 6 December 2013 and 19 February 2014; and
- (vi) this Prospectus.

will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the offices of the Principal Paying Agent. In addition, (i), (iii), (v) and (vi) are available on the Issuer's website: "[www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)". In addition, copies of this Prospectus any documents incorporated by reference in this Prospectus are available on the AMF's website: "[www.amf-france.org](http://www.amf-france.org)".

### 4. Material Adverse Change

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2013.

### 5. Legal and Arbitration Proceedings

Save as disclosed on pages 108, 150, 219, 220 and 361 of the 2013 French Registration Document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either Issuer is aware), during the period covering at least the twelve (12) months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on either Issuer and/or the Group's financial position or profitability.

### 6. Significant Change

There has been no significant change in the financial or trading position of the Group since 31 December 2013 (being the end of the last financial period for which audited financial statements have been published).

## 7. Material Contracts

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

## 8. Dependence of the Issuer upon other members of the Group

Subject to the following paragraph, the Issuer is not dependent upon other members of the Group.

In April 2004, the Issuer began outsourcing IT Infrastructure Management Services to the "BNP Paribas Partners for Innovation" (**BP<sup>2</sup>I**) joint venture set up with IBM France at the end of 2003. BP<sup>2</sup>I provides IT Infrastructure Management Services for the Issuer and several BNP Paribas subsidiaries in France (including BNP Paribas Personal Finance, BP2S, and BNP Paribas Cardif), Switzerland, and Italy. In mid-December 2011 the Issuer renewed its agreement with IBM France for a period lasting until end-2017. At the end of 2012, the parties entered into an agreement to gradually extend this arrangement to BNP Paribas Fortis as from 2013.

BP<sup>2</sup>I is 50/50-owned by the Issuer and IBM France; IBM France is responsible for daily operations, with a strong commitment of the Issuer as a significant shareholder. Half of BP<sup>2</sup>I's staff are the Issuer's employees and the Issuer owns the offices and data processing centres used by BP<sup>2</sup>I. BP<sup>2</sup>I's corporate governance system provides the Issuer with a contractual right of oversight and the Issuer may insource BP<sup>2</sup>I if necessary.

ISFS, a wholly-owned subsidiary of IBM Group, also provides IT Infrastructure Management Services for BNP Paribas Luxembourg.

Bancwest's IT Management is performed by an outside supplier: Fidelity Information Services. The IT Management of Cofinoga France is performed by SDDC, a wholly-owned subsidiary of IBM.

## 9. Conflicts of Interests

To the knowledge of the Issuer, the duties owed by the members of the Board of Directors of the Issuer do not give rise to any potential conflicts of interest with such members' private interests or other duties.

## 10. Auditors

The statutory auditors (*Commissaires aux comptes*) of the Issuer are currently the following:

Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Damien Leurent.

*Deputy:*

BEAS, 7-9, Villa Houssay, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

PricewaterhouseCoopers Audit was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Etienne Boris.

*Deputy:*

Anik Chaumartin, 63, Rue de Villiers, Neuilly-sur-Seine (92), France.

Mazars was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Hervé Hélias.

*Deputy:*

Michel Barbet-Massin, 61 Rue Henri-Regnault, Courbevoie (92), France.

Deloitte & Associés, PricewaterhouseCoopers Audit, and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (*Haut Conseil du Commissariat aux Comptes*).

## **11. Clearing Systems**

The Notes have been accepted for clearance through Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* systems under common code 104682740 and ISIN XS1046827405.

The address of Euroclear Bank S.A./N.V. is 1 Boulevard du Roi Albert II, B-1210 Brussels.

The address of Clearstream Banking, *société anonyme*, is 42 avenue JF Kennedy, L-1855 Luxembourg.

Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* are the entities in charge of keeping the records.

## **12. Managers Conflicts**

Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued. Any such short positions could adversely affect future trading prices of Notes issued. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **13. Yield**

The yield is 2.986 per cent. per annum up to the Reset Date. This yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## RESPONSIBILITY STATEMENT

I hereby certify, having taken all reasonable care to ensure that such is the case that, to the best of my knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

The consolidated financial statements as of and for the year ended 31 December 2012 were audited by statutory auditors who issued an audit report which is incorporated by reference in the section entitled "Documents Incorporated by Reference" of this Prospectus. This report does not contain emphasis of matter.

The consolidated financial statements as of and for the year ended 31 December 2013 were audited by statutory auditors who issued an audit report which is incorporated by reference in the section entitled "Documents Incorporated by Reference" of this Prospectus. This report contains an emphasis of matter paragraph (*paragraphe d'observations*) referring, *inter alia*, to note 3.g to the consolidated financial statements regarding the provision related to US dollar payments involving parties subject to US sanctions.

### BNP Paribas

16 boulevard des Italiens  
75009 Paris  
France

Represented by Philippe Bordenave  
in his capacity as Chief Operating Officer

Dated 18 March 2014



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* ("**AMF**"), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the *visa* no. 14-085 on 18 March 2014. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it.



**PRINCIPAL OFFICE OF THE ISSUER**

**BNP Paribas**

16, boulevard des Italiens  
75009 Paris  
France

**GLOBAL COORDINATOR AND STRUCTURING ADVISOR**

**BNP Paribas**

**JOINT LEAD MANAGER AND SOLE BOOKRUNNER**

**BNP Paribas UK Limited**

10 Harewood Avenue  
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**JOINT LEAD MANAGERS**

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**ING Bank N.V.**

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1102 BD Amsterdam  
The Netherlands

**Natixis**

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75013 Paris  
France

**Standard Chartered Bank**

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London, EC2V 5DD  
United Kingdom

**UBS Limited**

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London EC2M 2PP  
United Kingdom

**PRINCIPAL PAYING AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

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Howald – Hesperange  
2085 Luxembourg  
Luxembourg

**PARIS PAYING AGENT**

**BNP Paribas Securities Services**

(affiliated with Euroclear France under number 29106)

Corporate Trust Services  
Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

**CALCULATION AGENT**

**BNP Paribas Securities Services**

Corporate Trust Services  
Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

**LEGAL ADVISERS TO THE MANAGERS**

*As to French and English law*

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**AUDITORS OF THE ISSUER**

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92524 Neuilly-sur-Seine Cedex  
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**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-Sur-Seine Cedex  
France

**Mazars**

61, rue Henri-Regnault  
92400 Courbevoie  
France