

PROSPECTUS DATED 21 NOVEMBER 2014



BNP PARIBAS CARDIF

BNP PARIBAS CARDIF

€1,000,000,000 Fixed to Floating Rate Undated Subordinated Notes Issue Price: 100.00 per cent.

This prospectus (the **Prospectus**) does not constitute a prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (the **Prospectus Directive**). Accordingly, this Prospectus has not been and will not be submitted for approval to any competent authority within the meaning of the Prospectus Directive and in particular the Luxembourg *Commission de Surveillance du Secteur Financier*, in its capacity as competent authority for the purposes of the Prospectus Directive.

Application has been made to the Luxembourg Stock Exchange, in its capacity as market operator of the Euro MTF Market (the **Euro MTF Market**) under the rules and regulations of the Luxembourg Stock Exchange, to approve the final Prospectus pursuant to part IV of the Luxembourg law on prospectuses for securities dated 10 July 2005, as amended. Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market for the purposes of the Directive 2004/39/EC on markets in financial instruments.

The €1,000,000,000 fixed to floating rate undated subordinated notes (the **Notes**) of BNP PARIBAS CARDIF (the **Issuer** or **BNP PARIBAS CARDIF**) will be issued outside France on 25 November 2014 (the **Issue Date**) in the denomination of €100,000 each.

The Notes have no fixed maturity. The Issuer shall have the right (subject, in particular, to the prior approval of the Relevant Supervisory Authority) to redeem the Notes, in whole but not in part, on the Interest Payment Date falling on or about the First Call Date or upon any Interest Payment Date thereafter as further specified in "*Terms and Conditions of the Notes — Redemption and Purchase*". In addition, the Issuer may (subject, in particular, to the prior approval of the Relevant Supervisory Authority) redeem the Notes at any time for tax reasons or following a Capital Disqualification Event or an Accounting Event or if the conditions for a Clean-up Call are satisfied, as set out in "*Terms and Conditions of the Notes — Redemption and Purchase*".

Each Note will bear interest on its principal amount (i) from (and including) the Issue Date to (but excluding) 25 November 2025 (the **First Call Date**), at a fixed rate of 4.032 per cent. *per annum* payable annually in arrear on 25 November in each year, commencing on 25 November 2015 and (ii) from (and including) the First Call Date to (but excluding) the Redemption Date, at the Floating Interest Rate payable quarterly in arrear on 25 February, 25 May, 25 August and 25 November in each year, commencing on 25 February 2026, as further specified in "*Terms and Conditions of the Notes — Interest*". Payment of interest on the Notes shall be deferred under certain circumstances, as set out in "*Terms and Conditions of the Notes - Interest - Interest Deferral*".

The Notes will be issued in dematerialised bearer form (*au porteur*). Title to the Notes will be evidenced in accordance with Article L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders, as set out in "*Terms and Conditions of the Notes – Denomination, Form and Title of the Notes*".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or under any securities law of any state or other jurisdiction of the United States and may not be offered or sold within the United States or, for the account or benefit of, to U.S. persons (as defined in Regulation S under the Securities Act) except in transactions exempt from or not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Issuer is offering the Notes only to non-U.S. persons outside the United States in offshore transactions within the meaning of and in reliance upon Regulation S under the Securities Act (**Regulation S**). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "*Subscription and Sale*".

The Notes are expected to be rated BBB- by Standard & Poor's Credit Market Services France, a division of The McGraw-Hill Companies, Inc (**S&P**). As at the date of this Prospectus, S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009, on credit rating agencies, as amended by Regulation (EU) No. 513/2011 (the **CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website (at <http://esma.europa.eu/page/list-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn at any time without notice.

Copies of this Prospectus are available on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and of the Issuer (www.bnpparibascardif.com) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours. Copies of all documents incorporated by reference in this Prospectus are available (i) on the website of the Luxembourg Stock Exchange

(www.bourse.lu).and (ii) on the website of the Issuer (www.bnpparibascardif.com) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours.

An investment in the Notes involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular, the information set out in the section entitled "*Risk Factors*" before making a decision to invest in the Notes.

Structuring Advisor, Global Coordinator and Sole Bookrunner

BNP Paribas

Joint Lead Managers

Banca IMI S.p.A.

BNP Paribas

Lloyds Bank plc

The Royal Bank of Scotland

Banco Santander, S.A.

HSBC Bank plc

Mediobanca-Banca di Credito Finanziario SpA

Certain information contained in this Prospectus and/or documents incorporated herein by reference have been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

*Unless otherwise specified herein, references to the **Group** are to the Issuer, together with its consolidated subsidiaries.*

This Prospectus is to be read in conjunction with any supplement that may be published, and all documents which are incorporated herein by reference (see the section entitled "Documents Incorporated by Reference"). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

The Joint Lead Managers (as defined in the section entitled "Subscription and Sale") have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes.

This Prospectus does not constitute a prospectus for the purpose of the Prospectus Directive and has been prepared for the purposes of giving information with regard to, the Issuer, the Group and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group.

In connection with the issue and sale of the Notes, no person is or has been authorised by the Issuer or the Joint Lead Managers to give any information or to make any representation not contained in or not consistent with this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no change in the affairs of the Issuer or those of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or that of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the issue and sale of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention. Investors should review, inter alia, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase any Notes.

Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the issue and sale of the Notes should purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, the Group, their business, their financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The content of this Prospectus is not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes and the suitability of investing in the Notes in light of its particular circumstances. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer or the Group after the date of this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Notes.

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 the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which would permit a public offering of any 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 any 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, the United Kingdom and France, see the section entitled "Subscription and Sale".

This Prospectus is being provided for informational use solely in connection with the consideration of a purchase of the Notes in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. Its use for any other purpose is not authorized.

*In this Prospectus, unless otherwise specified or the context requires, references to **euro**, **EUR** and **€** are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999.*

*In connection with the issue of the Notes, BNP Paribas (herein referred to as the **Stabilising Manager**), (or persons acting on behalf of the Stabilising Manager), may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail but in doing so the Stabilising Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Managers) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the 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) calendar days after the issue date of the Notes and sixty (60) calendar days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on its behalf) in accordance with all applicable laws and rules. As between the Issuer and the Stabilising Manager, any loss resulting from over-allotment and stabilisation shall be borne, and any profit arising therefrom shall be retained, by the Stabilising Manager.*

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, business strategies, expansion and growth of operations plans or objectives, competitive advantage and regulatory changes, based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. The Issuer and the Group may also make forward-looking statements in its audited annual financial statements, in its prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors and actual results may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Please refer to the section entitled "*Risk Factors*" below.

BNP PARIBAS CARDIF operates in a continually changing environment and new risks emerge continually. Forward-looking statements speak only as of the date they are made and BNP PARIBAS CARDIF does not undertake any obligation to update or revise any of these forward-looking statements, to reflect new information, future events or circumstances or otherwise.

TABLE OF CONTENTS

Section	Page
Persons Responsible for the Information Given in the Prospectus.....	7
Risk Factors	8
General Description of the Notes	26
Documents Incorporated by Reference	38
Terms and Conditions of the Notes	40
Use of Proceeds	59
Description of the Issuer and the BNP PARIBAS CARDIF GROUP	60
Taxation.....	83
Subscription and Sale	88
General Information	90

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

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

BNP PARIBAS CARDIF

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France

Duly represented by:
Pierre de Villeneuve
Président-Directeur Général

RISK FACTORS

Prior to making an investment decision, prospective investors in the Notes offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information of this Prospectus and, in particular, the risks factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but this section is not intended to be exhaustive and the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may be caused by events the occurrence of which, in the view of the Issuer, is so unlikely that they should not be considered significant risks based on information currently available to the Issuer or which it may not currently be able to anticipate.

Prospective investors should make their own independent evaluation of all risk factors contained in this section.

Words and expressions defined in the section entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this section.

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

1. RISK FACTORS RELATING TO THE ISSUER

1.1 General legal and economic risks

Compliance with government policy, regulation or legislation in the countries in which the Issuer operates may affect its profitability.

The Issuer is subject to extensive regulation and supervision in the jurisdictions in which it does business. This includes, notably, matters relating to licensing and examination, rate setting, trade practices, policy reforms, limitations on the nature and amount of certain investments, underwriting and claims practices, guarantee funds, adequacy of its claims provisions, capital and surplus requirements, insurer solvency, the amount of dividends that may be paid and underwriting standards. Such regulation and supervision is primarily for the benefit and protection of policyholders and not for the benefit of investors. In some cases, regulation in one country may affect business operations in another country. As the amount and complexity of these regulations increase, the cost of compliance and the risk of non-compliance will also increase. If the Issuer does not meet regulatory or other requirements, the Issuer may suffer penalties including fines, suspension or cancellation of its insurance licenses which could adversely affect its ability to render its services and do business. In addition, significant regulatory action against the Issuer could have material adverse financial effects, cause significant reputational harm or harm its business prospects.

In addition, the Issuer may be adversely affected by changes in governmental policy or legislation applying to companies in the insurance industry. These changes include possible changes in regulations covering pricing and benefit payments for certain statutory classes of business, the deregulation and nationalization of certain classes of business, the regulation of selling practices, the regulations covering policy terms and the imposition of new taxes and assessments or increases in existing taxes and assessments. Regulatory changes may affect its existing and future

businesses by, for example, causing customers to cancel or not renew existing policies or requiring the Issuer to change its range of products or to provide certain products (such as terrorism or flood cover where it is not already required) and services, redesign its technology or other systems, retrain its staff, pay increased tax or incur other costs. It is not possible to determine what changes in governmental policy or legislation will be adopted in any jurisdiction in which the Issuer operates and, if so, what form they will take or in what jurisdictions they may occur. Insurance laws or regulations that are adopted or amended may be more restrictive than its current requirements, may result in higher costs or limit its growth or otherwise adversely affect its operations.

Competition risk

There is substantial competition among general insurance companies in the jurisdictions in which the Issuer does business. The Issuer competes with general insurers many of whom have greater financial and marketing resources and greater name recognition than it have. The recent consolidation in the global financial services industry has also enhanced the competitive position of some of its competitors compared to the Issuer by broadening the range of its products and services, and increasing their distribution channels and their access to capital.

The BNP Paribas Cardif Group's competitors include not only other insurance companies, but also mutual fund companies, asset management firms and commercial and investment banks, many of which are regulated differently than the BNP Paribas Cardif Group is and may be able to offer alternative products or more competitive pricing than the BNP Paribas Cardif Group.

The level of profitability of a general insurance company is significantly influenced by the adequacy of premium income relative to its risk profile and claims exposure, as well as the general level of business costs. In addition, development of alternative distribution channels for certain types of insurance products, including through Internet may result in increasing competition as well as pressure on margins for certain types of products. These competitive pressures could result in increased pricing pressures on a number of the BNP Paribas Cardif Group's products and services, particularly as competitors seek to win market share, which could harm the BNP Paribas Cardif Group's ability to market certain products profitably.

Legal proceedings and litigation may adversely affect the Issuer's business, financial condition and results of operations.

All insurance companies are exposed to litigation relating to claims on policies they underwrite. Accordingly, the Issuer is currently involved in such legal proceedings relating to claims lodged by policyholders, some of which involve claims for substantial damages and other relief. Judicial decisions may expand coverage beyond the Issuer's pricing and reserving assumptions by widening liability on its policy wording or by restricting the application of policy exclusions. There can be no assurance that the outcome of any of its judicial proceedings will be covered by its existing provisions for outstanding claims or its reinsurance protections or that litigation would not otherwise have a material adverse effect on its businesses, financial condition and results of operations.

Changes in tax laws and regulations, including elimination of tax benefits for its products, may adversely affect sales of its insurance and investment advisory products, and also impact its deferred tax assets and liabilities.

Changes to tax laws may affect the attractiveness of certain of the Issuer's products, which currently have favourable tax treatment. From time to time, governments in the jurisdictions in which the Issuer operates, consider or implement proposals for changes in tax law that could adversely affect the attractiveness of the insurance, asset management and other products the Issuer offers. In addition, changes in tax laws or regulations or an operating performance below currently anticipated levels may lead to an impairment of deferred tax assets, in which case the Issuer

could be obligated to write off certain tax assets. Tax assets may also need to be written down if certain assumptions of profitability prove to be incorrect, as losses incurred for longer than expected will make it more unlikely that the Issuer would be able to use its tax assets. Any such changes could be detrimental to its results of operations, financial condition and liquidity, and could impact the costs and profitability of its transactions.

The Issuer's businesses, and therefore its results of operation, financial condition and liquidity may be adversely affected by the disruption in the global financial markets.

Global credit and equity markets experienced extreme disruption from 2007 to 2012, particularly in Europe and the United States, and these markets have not fully recovered. This disruption included greater volatility, significantly less liquidity, widening of credit spreads and a lack of price transparency in certain markets. These conditions resulted in the failure of a number of financial institutions and unprecedented action by governmental authorities and central banks around the world. During the last years, there have been concerns over access to capital markets and the solvency of certain European Union member states, including Greece, Spain, Portugal, Ireland and Italy, unrest in Ukraine, the Middle East and North Africa, which has led to higher oil prices, and market volatility. If disruption to the global financial markets continues, it could adversely affect the Issuer's business, financial condition, results of operations and profitability in future periods. In addition, companies in its industry have become subject to increased litigation and regulatory and governmental scrutiny as a result of these events.

The Issuer may also turn to the market for short-, medium- or long-term financing as a result of a drop in unrealised gains, impairment of assets or a rise in surrender rates. Prolonged disruptions, uncertainty or volatility in the credit markets may limit its ability to access funding and capital, particularly its ability to issue longer-dated securities in international capital markets. These market conditions may limit the Issuer's ability to replace, in a timely manner, maturing liabilities and access the capital necessary to grow the Issuer's business. The Issuer may also be forced to delay raising longer term funding and capital, issue shorter tenors than it prefers, or pay unattractive interest rates, thereby increasing its debt expense, decreasing its profitability and significantly reducing its financial flexibility.

The performance of the Issuer is affected by general economic conditions and the cyclical nature of the insurance and reinsurance industries

The performance of the Issuer is affected by changes in economic conditions, both globally and in the particular countries in which the Issuer conducts its business. The general insurance market is cyclical in nature. Furthermore, the timing and application of these cycles differ among its geographic and product markets. Unpredictable developments also affect the industry's profitability, including changes in competitive conditions and pricing pressures, unforeseen developments in loss trends, market acceptance of new coverages, changes in operating expenses, fluctuations in inflation and interest rates and other changes in investment markets that affect market prices of investments and income from such investments. Fluctuations in the availability of capital could also have a significant influence on the cyclical nature of the insurance market. These cycles influence the demand for and pricing of its products and services and therefore affect the Issuer's financial position, profits and dividends. Accordingly, its results of operations may be adversely impacted if actual experience differs from management's estimates.

The European Union is currently in the process of introducing a new regime governing solvency requirements, technical reserves and other requirements for insurance companies, the effect of which is uncertain.

The European Union (EU) is in the process of developing and implementing a new regime in relation to solvency requirements and other matters, affecting the financial strength of insurers

(**Solvency 2**) within each Member State. It is intended that the new regime for insurers domiciled in the European Union will *inter alia* apply more risk sensitive standards to capital requirements and will effect a full revision of the insurance industry's solvency framework, prudential regime and supervision mechanisms.

The European Parliament and Council of the European Union approved the directive containing the framework principles of Solvency 2 on 22 April and 10 November 2009, respectively. This directive has been amended by the Omnibus II directive on 11 March 2014 which supplements the Solvency 2 Directive and introduces transitional measures. At present, it is expected that the regime will become binding on insurers within each Member State from 1 January 2016. The EU Commission is expected to publish the "level two" implementing measures and "level three" guidance in 2015. On 31 October 2014, the European Insurance and Occupational Pensions Authority has submitted to the EU Commission the first set of draft implementing technical standards on approval processes for Solvency 2.

While the overall intentions and process for implementing Solvency 2 are known, the future landscape of EU solvency regulation is still evolving, and the precise interpretation of the rules is still being developed. At this stage, significant uncertainties with respect to some of the implementing measures remain.

Further, Solvency 2 may have a pro-cyclical effect on insurers and increase the impact of any existing or future crisis on the Issuer's solvency.

If the Issuer were to fail to implement Solvency 2 within the time required by the regulations, such delay could result in regulatory sanctions and/or reputational risk for the Issuer. More generally, the implementation of Solvency 2 could, through its resulting costs and uncertainties, have a material adverse effect on the financial condition, solvency margin, dividend policy, results of operations and therefore the business and prospects of the Issuer.

A downgrade in the Issuer's rating may increase policy cancellations and non-renewals, adversely affect relationships with distributors and negatively impact new business

The Issuer insurer financial strength rating is an important factor in establishing and maintaining its competitive position. The rating agency regularly reviews its rating and the ratings of the main affiliates of the group including BNP Paribas. Changes in rating methodology may also lead the rating agency to modify its rating. Future downgrades in the ratings of any of its subsidiaries (or the potential for such a downgrade) could, among other things, materially increase the number of policy cancellations and non-renewals, adversely affect relationships with the distributors of its products and services, including new sales of its products, and negatively impact the level of its premiums and adversely affect its ability to obtain reinsurance at reasonable prices or at all. This could adversely affect the Issuer's businesses, financial condition, results of operations and its cost of capital.

Potential changes to French General Accepted Accounting Principles

The Issuer publishes its consolidated accounts in accordance with the French *General Accepted Accounting Principles* (**French GAAP**). These Standards are subject to interpretation and evolution on a continuing basis.

The Issuer cannot predict with any certainty at this time the potential impact of any potential future modifications to the French GAAP; however any significant modifications to the French GAAP may adversely impact its results of operations and financial condition.

1.2 Insurance risks

The Issuer is exposed to the following insurance risks:

Pricing risk

This risk may arise as a result of premiums being too low to meet the commitments (risk of wrong assessment of the characteristics of the policy holder risk, risk of wrong evaluation of the premium). The launch of new products or changes to existing products may lead to the occurrence of this type of risk. The occurrence of such risk may affect the Issuer's profits and financial situation.

Provision risk

This risk may arise if insufficient provision is made to meet commitments due to wrong assessment of available data, subsequent modification of the risk factors or inappropriate calculation parameters. The occurrence of such risk may affect the Issuer's profits and financial situation.

Disaster risk

The risk for an insurer of the sudden occurrence of an incident involving very large claims or an accumulation of incidents due to a single event (for example, a pandemic risk). The occurrence of such risk may affect the Issuer's profits and financial situation.

Longevity, mortality and morbidity risk

The Issuer may be affected by significant change in statistics of longevity, mortality or morbidity of its policyholders. The occurrence of such risk may affect the Issuer's profits and financial situation.

Surrender risk

Savings contracts include a surrender clause allowing policyholders to request reimbursement of all or part of their accumulated savings. The Issuer is exposed to the risk of surrender volumes being higher than the forecasts used for asset liability management purposes, which may force the Issuer to sell assets at a loss.

For unit linked insurance contracts, risks linked to contracts with a guaranteed minimum benefit

For unit linked insurance contracts, unit linked liabilities are equal to the sum of the market values of the assets held in the unit-linked portfolios. The Issuer's liability is therefore covered by corresponding assets. The match between unit-linked liabilities and the related assets is controlled at monthly intervals only.

Lapse and transfer risk

The Issuer may be affected by significant change in lapse of life insurance contracts or by transfer of group pension contracts to another insurer. The occurrence of such risk may affect the Issuer's profits and financial situation.

Reinsurance risk

An insurance company will usually attempt to limit its risks in particular lines of business or from specific events by using outward reinsurance arrangements. The Issuer has exposure to its reinsurers through its reinsurance arrangements. In such arrangements, the other insurers assume part of the

cost, losses and expenses associated with incidents, and losses whether or not carried over, in exchange for a proportion of the premiums. The ability to make a claim under, and the amount and cost of, the reinsurance depends on general market conditions and may vary significantly. Any decrease in the amount of reinsurance cover purchased will increase the risk of loss for the Issuer. When reinsurance is put in place, the Issuer remains liable for transferred risks if the reinsurer does not fulfil its obligations. Default by a reinsurer could therefore affect the Issuer's profits and financial situation.

1.3 Financial risks

The Issuer is exposed to the following financial risks:

Market risks

The market risk affects the yield of the assets backing the core capital and technical provisions of the Issuer. Market levels and returns on investment constitute a significant part of the overall profitability of the Issuer and fluctuations in financial markets may have a material effect on operating results.

Moreover, policy holder returns on non-unit-linked life insurance policies are based on either a fixed rate specified in the policy or a variable rate, with or without a minimum guaranteed return. All of these policies give rise to an interest rate and asset value risk, corresponding to the risk that the return on admissible assets (*i.e.* assets acquired by investing premiums) is less than the contractual return payable to policyholders.

Global debt and equity market have experienced historical levels of volatility and the outlook is uncertain. Any decline in the financial markets could have an adverse effect on the financial situation, operating results and cash flow of the Issuer.

Fluctuations in interest rates may affect the yields on and the market value of notes.

- During periods when interest rates are going up, the price of fixed income securities tends to decrease and gains on sale of such securities are lower or losses greater.
- If the interest rates are low for a long time, investment could be affected in a sense that it would not match the liability requirement.

Risk relating to investment portfolio

Likewise, the yield on assets representing technical commitments is key in the definition of beneficiary participations attributed to the policy holders. Variations in interest rates and returns on equity markets may also have an impact on policyholders' behaviour. This phenomenon is particularly seen in the Issuer's life insurance and savings business.

Investment risk on life insurance portfolios is sometimes borne by the policy holders in the case of unit-linked life insurance policies. In these cases, fluctuations of the price of underlying securities will directly or indirectly affect the financial results of the life insurance business operations. Furthermore such fluctuations could affect the solvency of the Issuer, in particular the level of unrealised gains eligible to cover the solvency margin requirement.

Currency risk

This risk relates to the sensitivity of assets to changes in the currency in which assets may be recorded on the balance sheet.

Counterparty risk

The Issuer is exposed to counterparty risk in its relations with third parties. The Issuer is mainly exposed to credit risk through its financial assets, and securities lending. A default by any of its counterparties could have an effect on its financial situation.

A solvency default by a counterparty could generate significant liquidity problems and cause other institutions to default. Stability of such institutions depends greatly on the trends in the market, notably through credit and other financial flows linking these institutions together. This risk can adversely affect the financial intermediaries, banks and depositories with which the Issuer operates daily which may therefore adversely affect its income, returns and solvency.

Liquidity risk

There is a risk that the Issuer cannot sell a financial asset at its true value or cannot sell it at all. The Issuer also faces the risk that it cannot meet its obligations, such as being able to reimburse the policy holders requesting it.

1.4 Operational risks

The Issuer defines operational risk as the risk of loss due to inappropriate or failure of procedures, individuals or systems or loss resulting from external events.

Operational risks can be classified into the following categories:

- Risk of internal or external fraud: from an employee or a third party, whether a customer, a beneficiary or a partner.
- Human resources and skills risk: this relates to the inadequacy between the available skills and the needs (key-men, training), errors in setting hiring, salaries and careers management policies, social relations in relation to employees representation or negotiation processes.
- The risks relating to information systems which include risks relating to the planning of systems development, risk of design, development and maintenance of applications, risks attached to the use of applications and softwares.
- Risks attached to the conduct of operations: information reliability, compliance of procedures, reliability of deliverables, human errors and monitoring of activities.
- Risks relating to operational organisation: this relates to the inadequacy between the strategy and the organisation of the Issuer, the inefficiency of defined processes or inappropriate definition of interfaces.
- Security risks: continuity and resuming activities (establishment of a business continuity plan), goods and individuals.
- Risks relating to outsourcing and suppliers: dysfunction or termination of commercial relations with a sub-contractor, contractualisation and compliance of obligations.
- Commercial and partnership risks: risks regarding the default of a partner, the sharing of responsibilities, commissioning, products distribution, knowledge of clients' needs and ethics.

- Development risks: adequacy between offer and the market, internal or external growth, risks relating to external communications.
- Risks relating to professional conduct: failure to comply with professional conducts when dealing with clients.
- Risks relating to anti-money laundering: the Issuer has set up anti-money laundering policies in order to efficiently prevent money laundering.
- Insurance and risk hedging: subscribed insurance policies relate to insurances regarding damage to goods, civil liability insurances and individuals insurances. The subscribed insurances and levels of self- insurance vary depending on the activities, the size and claim rates of the related entities.

The occurrence of any such above operational risks may affect the Issuer's business, profits and financial situation.

1.5 The risk management policies, procedures and methods may leave the Issuer exposed to unforeseen or unidentified risks.

The Issuer has engaged significant resources to develop evaluation policies, procedures and methods to manage operational, liquidity, credit and market risks and plans to continue making efforts in this direction in the future.

However the Issuer's risk management strategies and techniques may not be entirely effective in mitigating exposure to risk in all market environments or against all types of risks, including those risks that the Issuer has not yet identified or anticipated.

If potential or existing customers believe that the risk management procedures and policies of the Issuer are not appropriate, the Issuer's reputation as well as its revenues and profits may be adversely affected.

2. RISK FACTORS RELATING TO THE NOTES

Capitalised expressions used below have the meaning ascribed to them in the Terms and Conditions of the Notes.

2.1 General Risks relating to the Notes

Independent review and advice

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor 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, 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, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets;
- (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; and
- (f) consult their legal advisers in relation to possible legal or fiscal risks that may be associated with any investment in the Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legality of purchase

Neither the Issuer, the Joint Lead Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

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

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors. The market for the Notes may be influenced by economic and market conditions, political events in France or elsewhere and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. 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. The price at which a Noteholder will be able to sell the Notes may

be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

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 may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) 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.

Interest rate risks during the Fixed Rate Period

The Notes bearing interest at a fixed rate from (and including) the Issue Date, to (but excluding) the First Call Date, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Interest rate risks during a Floating Interest Rate Period

Interest on the Notes for each Floating Interest Rate Period shall be calculated on the basis of three (3) month EURIBOR. This rate is a floating rate and as such is not pre-defined for the lifespan of the Notes; conversely a floating rate allows investors to follow market changes with an instrument reflecting changes in the levels of yields. Higher rates mean a higher interest and lower rates mean a lower interest.

Credit ratings

Credit ratings are expected to be assigned to the Notes by one independent credit rating agency (see cover page of this Prospectus for more information). The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time. A revision, suspension or withdrawal of a rating may adversely affect the market price of the Notes. In particular, such suspension, reduction or withdrawal of a credit rating may result from a change in the rating methodology of the assigning rating agency.

The Issuer's credit rating by S&P is linked to the credit rating of BNP Paribas. A downgrade of BNP Paribas may affect the credit ratings of the Issuer and the Notes.

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.

An active trading market for the Notes may not develop

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Notes. There is no assurance as to the development or liquidity of any trading market for the Notes. The Issuer is entitled to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

Potential Conflicts of Interest

All or some of the Joint Lead Managers (and, in particular, BNP Paribas, the parent company of the Issuer) and their affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (b) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (c) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, some of such Joint Lead Managers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Modification of the Terms and Conditions of the Notes

Noteholders will be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 12.1 (*The Masse*) of the Terms and Conditions of the Notes, and a general meeting of Noteholders can be held. The Terms and Conditions of the Notes permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant general meeting and Noteholders who voted in a manner contrary to the majority.

The general meeting of Noteholders may, subject to Condition 12.6 (*Powers of General Assemblies*) of the Terms and Conditions of the Notes, deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Change of law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative

decision or change in French law or the official application or interpretation of French law after the date of this Prospectus.

Taxation

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 or documentary charges or duties in its home jurisdiction or in other jurisdiction in which it is required to pay taxes. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for 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 these advisers are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment 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.

Interest payments in respect of the Notes may be subject to the EU Directive on the Taxation of Savings Income

Under the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the **Savings Directive**), Member States, subject to a number of conditions being met, are required to provide to the tax authorities of other Member States details of payments of interest and other similar income made or secured by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State and to certain limited types of entities established in that other Member State. On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union. 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). The rate of withholding is 35 per cent. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. Luxembourg has announced its intention to elect out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015. The end of the transitional period is 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).

If a payment were to be made or collected through a Member State which has opted for a withholding system under the Savings Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note, as a result of the imposition of such withholding tax.

U.S. Foreign Account Tax Compliance Act Withholding

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 (a) certain payments from sources within the United States, (b) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (c) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. While the Notes are held within Euroclear France, Clearstream, Luxembourg or Euroclear (the **ICSDs**), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation, or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the ICSDs and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. 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 – U.S. Foreign Account Tax Compliance Act.*"

Financial transaction tax

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transaction tax (**FTT**) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the **Participating Member States**).

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

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party to the transaction is established or deemed established in a Participating Member State and that there is a financial institution established or deemed established in a Participating Member State which is party to the transaction, acting either for its own account or for the account of another person, or acting in the name of a party to the transaction. 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.

A joint statement issued on 6 May 2014 by ministers of the Participating Member States (other than Slovenia) indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The Commission's Proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with purchasing and disposing of the Notes.

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*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), an accelerated safeguard procedure (*procédure de sauvegarde 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 euro medium term notes programme) and regardless of their governing law.

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

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing-off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give rights to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convene the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on Noteholders seeking repayment in the event that the Issuer were to become insolvent or otherwise subject to any of the foregoing procedures.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Legal investment considerations may restrict certain investments

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

2.2 Risks relating to the structure of the Notes

The Notes are subordinated obligations of the Issuer

The obligations of the Issuer under the Notes in respect of principal and interest (including any outstanding Arrears of Interest and Additional Interest Amount) constitute direct, unconditional, unsecured and undated subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with other Ordinarily Subordinated Obligations of the Issuer. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:

- (i) subordinated to the full payment of the unsubordinated creditors (including depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation);
- (ii) *pari passu* with any Ordinary Subordinated Obligations of the Issuer; and
- (iii) prior to any *prêts participatifs* granted to the Issuer, any Deeply Subordinated Obligations and any payments to holders of Equity Securities.

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any other reason, the rights of the Noteholders in respect of principal, interest (including any outstanding Arrears of Interest and Additional Interest Amount) will be subordinated to the payments of claims of other creditors of the Issuer (other than subordinated claims) including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, and holders of insurance policies issued by such entities and creditors with respect to unsubordinated obligations of the Issuer.

In the event of incomplete payment of creditors ranking senior to Noteholders (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations of the Issuer in connection with the Notes and relative interest will be terminated.

Thus, the Noteholders face a higher performance risk than holders of unsubordinated obligations of the Issuer.

Restrictions on interest payment

On any Mandatory Interest Deferral Date (as defined in the Terms and Conditions of the Notes), the Issuer will be obliged to defer payment of all (but not some only) of the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) to that date (and any such

failure to pay shall not constitute a default by the Issuer for any purpose), provided however that if (to the extent the Relevant Supervisory Authority can give such consent in accordance with the Existing Regulations or the Solvency 2 Regulations), the Relevant Supervisory Authority accepts that interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) in respect of the Notes during such Interest Period can be paid, the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date.

Any interest not paid on a Mandatory Interest Deferral Date and deferred shall so long as it remains outstanding constitute Arrears of Interest.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the above provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Early redemption risk

Subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may redeem the Notes in whole, but not in part, on the Interest Payment Date falling on the First Call Date or on any Interest Payment Date thereafter.

Subject to the Prior Approval of the Relevant Supervisory Authority, the Issuer may also, at its option, redeem the Notes at any time for tax reasons or upon the occurrence of a Capital Disqualification Event or an Accounting Event or if the conditions for a Clean-up Call are satisfied, as set out in "*Terms and Conditions of the Notes — Redemption and Purchase*".

Such redemption options will be made at the Base Call Price (as defined in the Terms and Conditions of the Notes) and will be exercised at the principal amount of the Notes together with interest accrued to the date of redemption (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts (if any) thereon at such date).

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to the First Call Date.

The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes are undated securities

The Notes are undated securities with no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Notes at any time. The Notes may be redeemed at the option of the Issuer on the First Call Date or on any subsequent Interest Payment Date or, in certain circumstances specified in the Terms and Conditions of the Notes, before that date. There is no assurance, however, that the Issuer will opt to redeem the Notes. Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period of time.

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.

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

There is no restriction 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 obligations under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Optional redemption, substitution or variation of the Notes

The Notes are issued for capital adequacy regulatory purposes with the intention that all the proceeds of the Notes be eligible, (x) before the implementation of the Solvency 2 Directive, for the purpose of the determination of the solvency margin or capital adequacy levels of the Issuer or (y) following the implementation of the Solvency 2 Directive as at least "tier two" own funds regulatory capital (including any grandfathering provision thereof) (or whatever the terminology employed by future regulations) for the purpose of the determination of the regulatory capital of the Issuer.

The Issuer's expectation is based on its review of available information relating to the implementation of Solvency 2. However, such information has not been finalised and is subject to change prior to the implementation of Solvency 2.

In particular, there continue to be material uncertainties around the impact of the more detailed technical requirements of Solvency 2. The new framework will, among other things, cover the definition of "own funds" capital and, accordingly, will set out the features which any capital must have in order to qualify as regulatory capital. This new framework also contains grandfathering provisions applying to capital instruments issued before the implementation of the Solvency 2 Directive, such as the Notes. However, the grandfathering regime contained in the so-called Omnibus II Directive, remains subject to interpretation by the regulators, including the Relevant Supervisory Authority.

These features are not expected to be settled until, at the earliest, 'level two' implementation measures and "level three" guidance relating to Solvency 2 are finalised in 2014 and there can be no assurance that, following their initial publication, the 'level two' implementation measures and "level three" guidance will not be amended. Moreover, there is considerable uncertainty as to how regulators, including the *Autorité de contrôle prudentiel et de résolution (ACPR)*, will interpret the Solvency 2 Directive, the 'level two' implementation measures and/or "level three" guidance and apply them to the Issuer or the Group.

Accordingly, there is a risk that, after the issue of the Notes, a Capital Disqualification Event may occur which would entitle the Issuer, without the consent or approval of the Noteholders, to

substitute or vary the Notes, subject to not being prejudicial to the interest of the Noteholders, so that after such substitution or variation they would be eligible as provided for under (x) or (y) above.

Alternatively, the Issuer reserves the right, under the same circumstances, to redeem the Notes early as further described in "Early redemption risk" above and in the *"Terms and Conditions of the Notes - Redemption and Purchase"*.

In such a case, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to reinvest at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes may also be redeemed, substituted or varied without the consent of the Noteholders further to a Capital Disqualification Event, an Accounting Event, a Tax Event, or a Clean-up Call.

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 the avoidance of doubt, it does not, and is not intended to, constitute a summary of this Prospectus within the meaning of Article 5.2 of the Prospectus Directive or any implementing regulation thereof. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see "Terms and Conditions of the Notes".

Issuer:	BNP Paribas Cardif.
Description:	€1,000,000,000 Fixed to Floating Rate Undated Subordinated Notes (the Notes).
Structuring Advisor and Global Coordinator:	BNP Paribas.
Joint Lead Managers:	Banca IMI S.p.A. Banco Santander, S.A. BNP Paribas HSBC Bank plc Lloyds Bank plc Mediobanca-Banca di Credito Finanziario SpA The Royal Bank of Scotland plc
Fiscal Agent, Paying Agent and Calculation Agent:	BNP Paribas Securities Services.
Aggregate Principal Amount:	€1,000,000,000.
Denomination:	€100,000 per Note. Principal Amount means €100,000, being the principal amount of each Note on the Issue Date.
Issue Date:	25 November 2014.
Issue Price:	100.00 per cent.
Maturity:	The Notes have no fixed maturity. The Issuer shall have the right (subject, in particular, to the prior approval of the Relevant Supervisory Authority) to redeem the Notes, in whole but not in part, on the Interest Payment Date falling on or about the First Call Date or upon any Interest Payment Date thereafter as further specified in " <i>Terms and Conditions of the Notes — Redemption and Purchase</i> ". In addition, the Issuer may (subject, in particular, to the prior approval of the Relevant Supervisory Authority) redeem the Notes at any time for tax reasons or following a Capital Disqualification Event or an Accounting Event or if the conditions for a Clean-up Call are satisfied, as set out in " <i>Terms and Conditions of the Notes - Redemption and Purchase</i> ".
Form:	The Notes are issued in dematerialised bearer form (<i>au porteur</i>) and will at all

times be evidenced in book-entry form (*inscription en compte*) in the books of the Account Holders (as defined below). No physical documents of title (including *certificats représentatifs*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders.

Title to the Notes shall be evidenced by entries in the books of the Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books. All sums due in respect of the Notes shall be paid by the Fiscal Agent on behalf of the Issuer to the Account Holders for the account of the relevant Noteholders.

Where:

Account Holder shall mean any financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Status of the Notes:

The principal and interest (including any outstanding Arrears of Interest and Additional Interest Amount) on the Notes constitute direct, unconditional, unsecured and undated subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with other Ordinarily Subordinated Obligations of the Issuer. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:

- (i) subordinated to the full payment of the unsubordinated creditors (including depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation);
- (ii) *pari passu* with any other Ordinarily Subordinated Obligations of the Issuer; and
- (iii) prior to any *prêts participatifs* granted to the Issuer, any Deeply Subordinated Obligations and any payments to holders of Equity Securities.

Where:

Deeply Subordinated Obligations means any deeply subordinated obligations (*obligations subordonnées de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and junior to the Ordinarily Subordinated Obligations of the Issuer and any *prêts participatifs* granted to the Issuer. For the avoidance of doubt, the Issuer does not have any outstanding Deeply Subordinated Obligations at the time of issue of the Notes.

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*) as the case may be).

Ordinarily Subordinated Obligations means any subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes, and constitute direct, unconditional, unsecured and subordinated obligations of the Issuer. For the avoidance of doubt, the Issuer's EUR 195,000,000 notes issued on 17 December 2012, the EUR 710,000,000 notes issued on 30 March 2012, the EUR 140,000,000 notes issued on 30 March 2012, the EUR 101,000,000 notes issued on 23 December 2011, the EUR 753,000,000 notes issued on 23 December 2011 and the EUR 277,000,000 notes issued on 17 December 2012 are Ordinarily Subordinated Obligations.

Negative Pledge: None.

Enforcement events: There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amount thereon), in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation amiable ou liquidation judiciaire*) or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Rate of Interest: Each Note shall bear interest on its Principal Amount:

- (i) at a fixed interest rate of 4.032 per cent. per annum (the **Fixed Interest Rate**) during a Fixed Interest Rate Period, payable annually in arrear on each Fixed Interest Rate Payment Date commencing on 25 November 2015 until (and including) the First Call Date; and
- (ii) at the Floating Interest Rate during a Floating Interest Rate Period until, but excluding, the Redemption Date, payable quarterly in arrear on each Floating Interest Rate Payment Date,

provided, however, that if any Floating Interest Rate Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Business Day.

The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant Rate of Interest on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholders.

The **Floating Interest Rate** for each Floating Interest Rate Period shall be the sum of the Reference Rate and the Margin. If on any Interest Determination Date, the Floating Interest Rate is less than zero, such Floating Interest Rate shall be deemed to be zero.

Where:

Reference Rate means the 3 month EURIBOR, being the offered rate, expressed as a rate per annum, for three (3) month Euro deposits commencing on the first day of the relevant Floating Interest Rate Period, as calculated by Bridge Information Systems on behalf of the European Banking Federation and the International Foreign Exchange Dealers' Association.

Margin: In respect of each Floating Interest Rate Period, 3.93 per cent. per annum.

Interest Rate Period: A Fixed Interest Rate Period or Floating Interest Rate Period.

Where:

Fixed Interest Rate Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Fixed Interest Rate Payment Date and each successive period beginning on (and including) a Fixed Interest Rate Payment Date and ending on (but excluding) the next succeeding Fixed Interest Rate Payment Date.

Floating Interest Rate Period means the period beginning on (and including) the First Call Date and ending on (but excluding) the next succeeding Floating Interest Rate Payment Date and each successive period beginning on (and including) a Floating Interest Rate Payment Date and ending on (but excluding) the next succeeding Floating Interest Rate Payment Date.

Interest Payment Dates: A Fixed Interest Rate Payment Date or a Floating Interest Rate Payment Date.

Where:

Fixed Interest Rate Payment Date means 25 November in each year from and including 25 November 2015 to, and including, the First Call Date.

Floating Interest Rate Payment Date means 25 February, 25 May, 25 August and 25 November in each year from, and including, 25 February 2026 to, and including, the Redemption Date.

Interest Deferral: On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions below.

On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred, shall constitute Arrears of Interest and shall be payable as outlined below.

All Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the next Interest Payment Date which is a Compulsory Interest Payment Date;
- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (iii) the date upon which a judgment is made for the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Each amount of Arrears of Interest shall bear interest (the **Additional Interest Amount**), in accordance with Article 1154 of the French *Code civil*, as if it constituted the nominal amount of the Notes. The Additional Interest Amount shall be calculated by the Fiscal Agent at a rate which corresponds to the then applicable Rate of Interest with respect to the relevant Interest Period. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, to the extent permitted by applicable law and for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date as if such amount constituted Arrears of Interest.

The Issuer shall, on each Compulsory Interest Payment Date, pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on such Compulsory Interest Payment Date, together with all Arrears of Interest (including any Additional Interest Amount thereon) at such time.

If practicable under the circumstances, the Issuer will give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 10 (i) of any deferral of any interest under the Notes relating to a Mandatory Interest Deferral Date. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

So long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

For the purpose hereof:

Compulsory Interest Payment Date means each Interest Payment Date which is not a Mandatory Interest Deferral Date.

Existing Regulations means, from the Issue Date to (but excluding) the date of implementation of Solvency 2 Regulations, the solvency margin, capital adequacy regulations or any other regulatory capital rules in effect in France, as amended from time to time up to (but excluding) the date of implementation of Solvency 2 Regulations in France, or, if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction, and/or any other relevant jurisdiction as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer.

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which the Fiscal Agent has received written notice from the Issuer confirming that a Regulatory Deficiency has occurred and such Regulatory Deficiency is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) would itself cause a Regulatory Deficiency. If (to the extent the Relevant Supervisory Authority can give such consent in accordance with the Existing Regulations or the Solvency 2 Regulations as applicable), the Relevant Supervisory Authority accepts that interest accrued (including Arrears of Interest and any Additional Interest Amounts thereon) in respect of the Notes during such Interest Period can be paid, the relevant Interest Payment Date will not be considered as a Mandatory Interest Deferral Date.

Prior Approval of the Relevant Supervisory Authority means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any Existing Regulations or any applicable Solvency 2 Regulations.

Regulatory Deficiency means:

- (i) before the implementation of the Solvency 2 Directive, the solvency margin of the Issuer or its Group falls below 100 percent of the minimum solvency margin or any applicable solvency margin or capital adequacy levels as applicable under Existing Regulations;
- (ii) following the implementation of the Solvency 2 Directive, the own funds regulatory capital (or whatever the terminology employed by Solvency 2 Regulations) of the Issuer or of the Group is not sufficient to cover the capital requirement (or whatever the terminology employed by Solvency 2 Regulations) of the Issuer or its Group and either a deferral of interest is required or redemption or repayment of principal is prohibited under Solvency 2 Regulations. For the avoidance of doubt, a Regulatory Deficiency would be deemed to have occurred when the Issuer and/or the Group fails to meet the Solvency Capital Requirement or Minimum Capital Requirement;
- (iii) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial condition of the Issuer or its Group, that in accordance with applicable regulations at such time, the Issuer must take specified action in relation to payments under the Notes; or
- (iv) the Issuer admits it is or is declared unable to meet its liabilities as they fall due with its immediately disposable assets (*cessation des paiements*).

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer, in the event that the Issuer is required to comply with certain applicable solvency margins or capital adequacy regulations or any other regulatory capital rules. The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution (ACPR)*.

Solvency Capital Requirement has the meaning ascribed to it in the Solvency 2 Directive.

Solvency 2 Directive means Directive 2009/138/EC of the European Union of November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency 2) and which must be transposed by member states of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC (as amended or, as the case may be, supplemented); own-fund items are classified into three tiers under Solvency 2 Directive.

Solvency 2 Regulations means, as from (and including) the date of implementation of the Solvency 2 Directive in France, the solvency margin, capital adequacy regulations or any other regulatory capital rules which are applicable in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction), including the Solvency 2 Directive (and any laws or regulations implementing the Solvency 2 Directive) and the Transition Regime, as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and its Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

Taxation:

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If French law should require any such deduction or withholding, the Issuer shall, to the extent permitted by law, pay such additional amounts (**Additional Amounts**) as may be necessary so that each Noteholder, after such deduction or withholding, will receive the full amount then due and payable on each Note in the absence of such deduction or withholding, except that no such additional amounts shall be payable with respect to any Note in some circumstances.

Redemption from the First Call Date:

The Issuer will have the right to redeem all but not some only of the Notes, subject to certain conditions, on the Interest Payment Date falling on or about the First Call Date or upon any Interest Payment Date thereafter. Such redemption will be made at the Base Call Price.

Redemption for tax reasons:

- (i) If by reason of any change in, or amendments to, the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, in each case becoming effective on or after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced, the Issuer may, at its option, at any time, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), elect to redeem all, but not some only, of the Notes then outstanding at their Base Call Price, provided that the effective date of any redemption of which an election hereunder may be given by the Issuer shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of

interest payments under the Notes is modified.

- (ii) If by reason of any change in, or amendments to, the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, in each case becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment due under the Notes, not be able to make such payment without having to pay Additional Amounts (as defined above), the Issuer may, at any time, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Base Call Price, provided that the effective date of redemption of which an election 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 having to pay Additional Amounts (as defined above) or, if such date has passed, as soon as practicable thereafter.
- (iii) If the Issuer would on the next payment due under the Notes be prevented by French law or regulation from making payment to the Noteholders of the full amount then due and payable (including any Additional Amounts (as defined above) which would be payable but for the operation of such French law), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, upon giving not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Base Call Price on the effective date of any such law or regulation or within sixty (60) calendar days following the effective date of any such law or regulation.

In each case subject to 6.9 (Conditions to Redemption) (each of the causes of redemption mentioned in paragraphs (i), (ii) and (iii) above being referred to as a **Tax Event**).

**Redemption for
Regulatory Reasons**

If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer, at any time, subject to Condition 6.9 (Conditions to Redemption), at the Base Call Price, provided that the due date for redemption shall be no earlier than the date of the Capital Disqualification Event.

Where:

Capital Disqualification Event means that, at any time whilst any of the Notes are outstanding, (i) the Issuer is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer is no longer permitted to treat the proceeds of the Notes, in whole or in part, as eligible (x) for the purpose of the determination of its solvency margin or capital adequacy levels under the Existing Regulations or, as the case may be, Solvency 2 Regulations or (y) as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency 2

Regulations) for the purposes of the determination of its regulatory capital under the Existing Regulations or, as the case may be, Solvency 2 Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

Transition Regime means the transitional provisions (grandfathering) set by Solvency 2 Regulations for the purpose of classifying existing instruments into the new own funds framework at the time of application of Solvency 2 Regulations.

Redemption for Accounting Reasons If at any time the Issuer determines that an Accounting Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed at the option of the Issuer in whole but not in part, at any time, subject to Condition 6.9 (*Conditions to Redemption*), at the Base Call Price, provided that the due date for redemption shall be no earlier than the date of the Accounting Event.

Where:

An **Accounting Event** will be deemed to occur upon the delivery to the Issuer (with a copy to the Fiscal Agent) of the written opinion of a recognised accountancy firm of international standing stating that as a result of a change in, or amendment to, the IFRS in force after the date on which the Issuer publishes for the first time semi-annual or annual consolidated financial statements under this accounting standard, the Notes must no longer be recorded as “liabilities” in the consolidated financial statements of the Issuer under IFRS and this cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

IFRS means the International Financial Reporting Standards (or any successor thereto) as applicable at the relevant dates and for the relevant periods.

Clean-up Redemption The Issuer may elect to redeem all, but not some only, of the Notes at any time after the Issue Date at their Base Call Price if 80% (eighty percent) or more in Aggregate Principal Amount of the Notes issued on the Issue Date has been purchased and cancelled at the time of such election.

Variation and substitution of the Notes If a Capital Disqualification Event, an Accounting Event or a Tax Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.

The aggregate principal amount of the Qualifying Equivalent Securities to be received by Noteholders in substitution will be equal to the Aggregate Principal Amount of the Notes.

Any variation or substitution of the Notes is subject to its prior notification by the Issuer to the Noteholders by no more than sixty (60) nor less than thirty (30) calendar days' prior notice (which notice shall be irrevocable and shall specify the date fixed for such variation or substitution) and to:

(i) the Issuer giving at least six (6) months' prior written notice to, and

receiving no objection from, the Relevant Supervisory Authority (or such shorter period of notice as the Relevant Supervisory Authority may accept and so long as such notice is required to be given);

- (ii) the Issuer being in compliance with the Existing Regulations or, as the case may be, Solvency 2 Regulations on the date of such variation or substitution, and such variation or substitution not resulting directly or indirectly in a breach of the then Existing Regulations or, as the case may be, Solvency 2 Regulations;
- (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Issuer has had its Notes listed or admitted to trading, and (for so long as the rules of such exchange or relevant authority require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith;
- (iv) the issue, of legal opinions addressed to the Fiscal Agent from one or more international law firms of good reputation confirming that (x) the Issuer has capacity to assume all rights and obligations under the new exchanged Notes or varied Notes and has obtained all necessary corporate or governmental authorization to assume all such rights and obligations, (y) in case of issuance of new exchanged notes, the Issuer no longer has or will no longer have, upon the exchange being effective, any liability under the old Notes that have been exchanged and (z) the legality, validity and enforceability of the new exchanged Notes or varied Notes; and
- (v) the full payment on the relevant Interest Payment Date (if any) of all interest amount due on such date.

Where:

Qualifying Equivalent Securities means securities which have terms not being prejudicial to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with two independent investment banks of international standing, and provided that a certification to such effect shall have been delivered to the Fiscal Agent (including as to the consultation with the independent investment bank and in respect of the matters specified in (i) to (vii) below) for the benefit of the Noteholders prior to the issue or variation of the relevant securities (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:

- (i) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes, under the Existing Regulations, or as the case may be, Solvency 2 Regulations in the solvency margin or tier two (at least, or any stronger tier) own funds regulatory capital, as the case may be;
- (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and preserve the Interest Payment Dates;
- (iii) contain new terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favorable to an investor than the mandatory deferral provisions contained in Condition 4 or, as the case may be, Condition 6;

- (iv) shall rank at least *pari passu* with the Notes;
- (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon such redemption;
- (vi) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (vii) preserve any rights under the Conditions to any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon), and any existing rights to other amounts payable under the Notes which has accrued to Noteholders and not been paid.

Conditions to Redemption:

The Notes shall not be redeemed except as described in "*Terms and Conditions of the Notes – Redemption and Purchase*" and, in any such case, subject to the Prior Approval of the Relevant Supervisory Authority.

- (a) Any redemption of the Notes in accordance with Condition 6 shall be subject to:
 - (i) the Prior Approval of the Relevant Supervisory Authority; and
 - (ii) if applicable, the No Regulatory Deficiency Conditions having been satisfied.
- (b) The No Regulatory Deficiency Conditions shall:
 - (i) apply only to, and form part of, the Conditions to the extent that, and so long as, the absence of such provisions from the Conditions would, after the implementation of the Solvency 2 Directive, result in a Capital Disqualification Event; and
 - (ii) mean that any redemption of the Notes occurring after such implementation shall be subject to the conditions (amongst others as described herein) that (1) no Regulatory Deficiency has occurred and is continuing on the date due for redemption and (2) such redemption would not itself cause a Regulatory Deficiency, unless in each case the Relevant Supervisory Authority has accepted to waive the No Regulatory Deficiency Conditions,

it being provided that should a Regulatory Deficiency occur after a notice for redemption has been made to the Noteholders, such redemption notice would become automatically void and notice thereof would be made promptly by the Issuer to the Paying Agent and the Noteholders.

Purchase:	The Issuer or any subsidiary of the Issuer may at any time purchase Notes at any price in the open market or otherwise, subject to the Prior Approval of the Relevant Supervisory Authority. All Notes so purchased by the Issuer may (i) be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French <i>Code monétaire et financier</i> for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French <i>Code de Commerce</i> .
Cancellation:	All Notes which are redeemed or purchased for cancellation by the Issuer shall be cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
Representation of Noteholders:	The Noteholders will be grouped automatically for the defence of their respective common interests in a <i>masse</i> governed by the provisions of the French <i>Code de commerce</i> subject to certain exceptions and provisions (the Masse). The Masse will be a separate legal entity, and will be acting in part through a representative and in part through a general assembly of the Noteholders.
Admission to trading:	Application has been made to the Luxembourg Stock Exchange for the Notes to be listed and admitted to trading on the Euro MTF.
Rating:	The Notes are expected to be rated BBB- by Standard & Poor's Credit Market Services France.
Clearing:	The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, <i>société anonyme</i> and Euroclear Bank S.A./N.V..
Selling Restrictions:	There are restrictions on the offer and sale of the Notes and the distribution of offering material, including in the United States of America, the United Kingdom and France.
Governing Law and Jurisdiction:	French law. Exclusive jurisdiction of the Commercial Court (<i>tribunal de commerce</i>) of Paris.

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 the Prospectus and that have been filed with the Luxembourg Stock Exchange and shall be incorporated by reference in, and form part of, this Prospectus (together, the **Documents Incorporated by Reference**):

- (a) the audited consolidated financial statements for the year ended 31 December 2013 and the report of the auditors on the audited consolidated financial statements for the year ended 31 December 2013, in the French language (the **2013 Consolidated Financial Statements**);
- (b) the audited consolidated financial statements for the year ended 31 December 2012 and the report of the auditors on the audited consolidated financial statements for the year ended 31 December 2012, in the French language (the **2012 Consolidated Financial Statements**); and
- (c) the audited unconsolidated financial statements for the year ended 31 December 2013 and the report of the auditors on the audited unconsolidated financial statements for the year ended 31 December 2013, in the French language (the **2013 Unconsolidated Financial Statements**).

All Documents Incorporated by Reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.bnpparibascardif.com). The Documents Incorporated by Reference will also be available, upon request, free of charge to the public at the premises of the Fiscal Agent and of the Issuer at the addresses specified on the last page of the Prospectus, during normal business hours.

A free English translation of the 2013 Consolidated Financial Statement and the 2012 Consolidated Financial Statement are available on the website of the Issuer (www.bnpparibascardif.com). These documents are free translations of the corresponding French language documents and are furnished for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

Any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

CROSS-REFERENCE TABLE OF DOCUMENTS INCORPORATED BY REFERENCE

	Pages references		
	2013 Consolidated Financial Statements	2012 Consolidated Financial Statements	2013 Unconsolidated Financial Statements
Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses			
Balance sheet	p. 4 and 5	p. 6 and 7	p. 4 and 5
Income statement	p. 6	p. 8	p. 6 and 7
Accounting policies and Explanatory notes	p. 7 to 31	p. 9 to 33	p. 8 to 20
Auditors' report	p. 1 to 3	p. 2 to 4	p. 2 to 3

TERMS AND CONDITIONS OF THE NOTES

*The terms and conditions of the Notes (each a **Condition**, and together the **Conditions**) will be as follows:*

The issue outside the Republic of France of the €1,000,000,000 fixed to floating rate undated subordinated notes (the **Notes**) issued by BNP Paribas Cardif, 1 boulevard Haussmann, 75009 Paris 382 983 922 RCS Paris, France (the **Issuer**) was decided on 20 November 2014 by Mr Pierre de Villeneuve in his capacity as Chairman of the Board of Directors (*Président du Conseil d'administration*) and Chief Executive Officer (*Directeur Général*), acting pursuant to a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 19 March 2014. A fiscal, paying and calculation agency agreement (the **Agency Agreement**) dated as of 21 November 2014 has been entered into in relation to the appointment of agents in connection with the calculation and the payment of principal of, interest (including Arrears of Interest and Additional Interest Amounts) on, and all other amounts due in respect of the Notes. The Agency Agreement is entered into between the Issuer and BNP Paribas Securities Services, as fiscal agent, principal paying agent and calculation agent (together with any substitute fiscal agent, the Fiscal Agent). Copies of the Agency Agreement are available for inspection during usual business hours at the specified office of the Fiscal Agent.

1. DEFINITIONS

1.1 Definitions

For purposes of these Conditions, the following definitions shall apply:

Account Holder shall mean any financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

An **Accounting Event** will be deemed to occur upon the delivery to the Issuer (with a copy to the Fiscal Agent) of the written opinion of a recognised accountancy firm of international standing stating that as a result of a change in, or amendment to, the IFRS in force after the date on which the Issuer publishes for the first time semi-annual or annual consolidated financial statements under this accounting standard, the Notes must no longer be recorded as “liabilities” in the consolidated financial statements of the Issuer under IFRS and this cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

Actual/Actual (ICMA) means:

- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Interest Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the number of days in such Interest Period; or
- (ii) in the case of Notes where the Accrual Period is longer than the Interest Period during which the Accrual Period ends, the sum of:
 - (a) the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins divided by the number of days in such Interest Period; and
 - (b) the number of days in such Accrual Period falling in the next Interest Period divided by the number of days in such Interest Period.

Base Call Price equals to the Principal Amount of the Notes and any accrued and unpaid interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to their Redemption Date.

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchanges settle payments and are open for business (including dealings in foreign exchanges and foreign currency deposits) in Paris and a TARGET 2 Settlement Day.

Capital Disqualification Event means that, at any time whilst any of the Notes are outstanding, (i) the Issuer is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer is no longer permitted to treat the proceeds of the Notes, in whole or in part, as eligible (x) for the purpose of the determination of its solvency margin or capital adequacy levels under the Existing Regulations or, as the case may be, Solvency 2 Regulations or (y) as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency 2 Regulations) for the purposes of the determination of its regulatory capital under Existing Regulations or, as the case may be, Solvency 2 Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

Compulsory Interest Payment Date means each Interest Payment Date which is not a Mandatory Interest Deferral Date.

Deeply Subordinated Obligations means any deeply subordinated obligations (*obligations subordonnées de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and junior to the Ordinarily Subordinated Obligations of the Issuer and any *prêts participatifs* granted to the Issuer. For the avoidance of doubt, the Issuer does not have any outstanding Deeply Subordinated Obligations at the time of issue of the Notes.

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*) as the case may be).

Euro-zone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

Existing Regulations means, from the Issue Date to (but excluding) the date of implementation of Solvency 2 Regulations, the solvency margin, capital adequacy regulations or any other regulatory capital rules in effect in France, as amended from time to time up to (but excluding) the date of implementation of Solvency 2 Regulations in France, or, if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction, and/or any other relevant jurisdiction as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer.

First Call Date means 25 November 2025.

Fixed Interest Rate Payment Date means 25 November in each year from and including 25 November 2015 to, and including, the First Call Date.

Fixed Interest Rate Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Fixed Interest Rate Payment Date and each successive period

beginning on (and including) a Fixed Interest Rate Payment Date and ending on (but excluding) the next succeeding Fixed Interest Rate Payment Date.

Floating Interest Rate Period means the period beginning on (and including) the First Call Date and ending on (but excluding) the next succeeding Floating Interest Rate Payment Date and each successive period beginning on (and including) a Floating Interest Rate Payment Date and ending on (but excluding) the next succeeding Floating Interest Rate Payment Date.

Floating Interest Rate Payment Date means 25 February, 25 May, 25 August and 25 November in each year from, and including, 25 February 2026 to, and including, the Redemption Date.

Group means the group of insurance undertakings of the Issuer as construed under Existing Regulations.

IFRS means the International Financial Reporting Standards (or any successor thereto) as applicable at the relevant dates and for the relevant periods.

Interest Payment Date means a Fixed Interest Rate Payment Date or a Floating Interest Rate Payment Date.

Interest Period means a Fixed Interest Rate Period or Floating Interest Rate Period, as the case may be.

Issue Date means 25 November 2014.

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which the Fiscal Agent has received written notice from the Issuer confirming that a Regulatory Deficiency has occurred and such Regulatory Deficiency is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) would itself cause a Regulatory Deficiency. If (to the extent the Relevant Supervisory Authority can give such consent in accordance with the Existing Regulations or the Solvency 2 Regulations as applicable), the Relevant Supervisory Authority accepts that interest accrued (including Arrears of Interest and any Additional Interest Amounts thereon) in respect of the Notes during such Interest Period can be paid, the relevant Interest Payment Date will not be considered as a Mandatory Interest Deferral Date.

Margin means, in respect of each Floating Interest Rate Period, 3.93 per cent. *per annum*.

Minimum Capital Requirement has the meaning ascribed to it in the Solvency 2 Directive.

Noteholder means the person whose name appears in the account of the relevant Account Holder as being entitled to such Notes.

Ordinarily Subordinated Obligations means any subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes, and constitute direct, unconditional, unsecured and subordinated obligations of the Issuer. For the avoidance of doubt, the Issuer's EUR 195,000,000 notes issued on 17 December 2012, the EUR 710,000,000 notes issued on 30 March 2012, the EUR 140,000,000 notes issued on 30 March 2012, the EUR 101,000,000 notes issued on 23 December 2011, the EUR 753,000,000 notes issued on 23 December 2011 and the EUR 277,000,000 notes issued on 17 December 2012 are Ordinarily Subordinated Obligations.

Principal Amount means the principal amount of each Note being €100,000.

Prior Approval of the Relevant Supervisory Authority means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any Existing Regulations or any applicable Solvency 2 Regulations.

Rate of Interest means (i) from and including the Issue Date to but excluding the First Call Date, the Fixed Interest Rate and (ii) from and including the First Call Date to but excluding the Redemption Date, the Floating Interest Rate.

Redemption Date means the effective date of redemption of the Notes and any accrued and unpaid interest and any Arrears of Interest (including any Additional Interest Amounts thereon).

Reference Banks means four major banks in the Euro-zone inter-bank market (excluding for such purposes BNP Paribas, the Fiscal Agent and its affiliates) selected by the Fiscal Agent in consultation with the Issuer.

Reference Rate means the 3 month EURIBOR, being the offered rate, expressed as a rate per annum, for three (3) month Euro deposits commencing on the first day of the relevant Floating Interest Rate Period, as calculated by Bridge Information Systems on behalf of the European Banking Federation and the International Foreign Exchange Dealers' Association.

Regulatory Deficiency means:

- (i) before the implementation of the Solvency 2 Directive, the solvency margin of the Issuer or its Group falls below 100 percent of the minimum solvency margin or any applicable solvency margin or capital adequacy levels as applicable under Existing Regulations;
- (ii) following the implementation of the Solvency 2 Directive, the own funds regulatory capital (or whatever the terminology employed by Solvency 2 Regulations) of the Issuer or of the Group is not sufficient to cover the capital requirement (or whatever the terminology employed by Solvency 2 Regulations) of the Issuer or its Group and either a deferral of interest is required or redemption or repayment of principal is prohibited under Solvency 2 Regulations. For the avoidance of doubt, a Regulatory Deficiency would be deemed to have occurred when the Issuer and/or the Group fails to meet the Solvency Capital Requirement or Minimum Capital Requirement;
- (iii) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial condition of the Issuer or its Group, that in accordance with applicable regulations at such time, the Issuer must take specified action in relation to payments under the Notes; or
- (iv) the Issuer admits it is or is declared unable to meet its liabilities as they fall due with its immediately disposable assets (*cessation des paiements*).

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer, in the event that the Issuer is required to comply with certain applicable solvency margins or capital adequacy regulations or any other regulatory capital rules. The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution (ACPR)*.

Screen Page means the display page on the relevant Reuters information service designated as the "EURIBOR01" 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 Reference Rate.

Solvency Capital Requirement has the meaning ascribed to it in the Solvency 2 Directive.

Solvency 2 Directive means Directive 2009/138/EC of the European Union of November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency 2) and which must be transposed by member states of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC (as amended or, as the case may be, supplemented); own-fund items are classified into three tiers under Solvency 2 Directive.

Solvency 2 Regulations means, as from (and including) the date of implementation of the Solvency 2 Directive in France, the solvency margin, capital adequacy regulations or any other regulatory capital rules which are applicable in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction), including the Solvency 2 Directive (and any laws or regulations implementing the Solvency 2 Directive) and the Transition Regime, as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and its Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

TARGET 2 Settlement Day means any day on which TARGET System is operating.

TARGET System means the Trans-European Automated Real-time Gross settlement Express Transfer system.

Tax Event means any of the causes of redemption for tax reasons described in Condition 6.3.

Transition Regime means the transitional provisions (grandfathering) set by Solvency 2 Regulations for the purpose of classifying existing instruments into the new own funds framework at the time of application of Solvency 2 Regulations.

2. DENOMINATION, FORM AND TITLE OF THE NOTES

The Notes will be issued on the Issue Date in dematerialised bearer form (*au porteur*) in a denomination of €100,000 per Note. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders.

Title to the Notes shall be evidenced by entries in the books of the Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books. All sums due in respect of the Notes shall be paid by the Fiscal Agent on behalf of the Issuer to the Account Holders for the account of the relevant Noteholders.

3. STATUS OF THE NOTES

- (a) The principal and interest (including any outstanding Arrears of Interest and Additional Interest Amount) on the Notes constitute direct, unconditional, unsecured and undated subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with other Ordinarily Subordinated Obligations of the Issuer. Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any

other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes rank:

- (i) subordinated to the full payment of the unsubordinated creditors (including depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation);
 - (ii) *pari passu* with any Ordinarily Subordinated Obligations of the Issuer; and
 - (iii) prior to any *prêts participatifs* granted to the Issuer, any Deeply Subordinated Obligations and any payments to holders of Equity Securities.
- (b) The subordination provisions of the Notes are governed by Article L. 228-97 of the French *Code de commerce*.
- (c) There will be no negative pledge in respect of the Notes.

4. INTEREST

4.1 General

Each Note shall bear interest on its Principal Amount:

- (a) at a fixed interest rate of 4.032 per cent. *per annum* (the **Fixed Interest Rate**) during a Fixed Interest Rate Period, payable annually in arrear on each Fixed Interest Rate Payment Date, commencing on 25 November 2015 until (and including) the First Call Date; and
- (b) at the Floating Interest Rate (defined in Condition 4.3 below) during a Floating Interest Rate Period until, but excluding, the Redemption Date, payable quarterly in arrear on each Floating Interest Rate Payment Date,

provided, however, that if any Floating Interest Rate Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Business Day.

The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant Rate of Interest as specified in this Condition 4 (before judgment as well as after judgment) on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholders.

4.2 Fixed Interest Rate

The amount of interest (the **Fixed Rate Interest Amount**) payable on each Note and on each Fixed Interest Rate Payment Date will be the product of the Principal Amount of such Note and the Fixed Interest Rate, multiplied by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

4.3 Floating Interest Rate

- (a) The floating rate of interest payable in respect of the Notes (the **Floating Interest Rate**) for each Floating Interest Rate Period shall be the sum of the Margin and the Reference Rate calculated on the basis of the following provisions:
- (i) on every second Business Day before the first day of a Floating Interest Rate Period for which the rate will apply (the **Interest Determination Date**), the Fiscal Agent will determine the Reference Rate for such Floating Interest Rate Period which appears, for information purposes only, at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question, on the Screen Page;
 - (ii) if, on any Interest Determination Date, the Reference Rate is unavailable, the Fiscal Agent shall request each of the principal Euro-zone office of each of the Reference Banks (as defined above) to provide the Fiscal Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more Reference Banks provide the Fiscal Agent with such offered quotations, the Reference Rate for such Floating Interest Rate Period shall be the arithmetic mean of such offered quotations (rounded, if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) as determined by the Fiscal Agent;
 - (iii) if on any Interest Determination Date the Reference Rate is unavailable and the Fiscal Agent determines that fewer than two (2) Reference Banks are providing offered quotations, the Floating Interest Rate for the relevant Floating Interest Rate Period shall be the Floating Interest Rate in effect on such Interest Determination Date or, in the case of the first Floating Interest Rate Period, the Fixed Interest Rate; and
 - (iv) if on any Interest Determination Date, the Floating Interest Rate is less than zero, such Floating Interest Rate shall be deemed to be zero.
- (b) Determination of the Floating Interest Rate and Floating Rate Interest Amount with respect to a Floating Interest Rate Period

The Fiscal Agent shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date, determine the Floating Interest Rate and amount of interest (each a **Floating Rate Interest Amount**) payable (if any) on the relevant Floating Interest Rate Payment Date on each Note for the relevant Floating Interest Rate Period.

The Floating Rate Interest Amounts shall be determined by applying the Floating Interest Rate to the Principal Amount of a Note, multiplying the resulting amount by the actual number of days in the relevant Floating Interest Rate Period divided by three hundred and sixty (360) and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

- (c) Publication of the Floating Interest Rate and Floating Rate Interest Amount with respect to a Floating Interest Rate Period

The Fiscal Agent shall cause the Floating Interest Rate and the Floating Rate Interest Amount for each Floating Interest Rate Period and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent and each other paying agent (if any), to any stock exchange on which the Notes are at the relevant time listed and to the Noteholders as soon as possible after their determination but in no event later than on the fourth Business Day after

such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4.1, the Floating Rate Interest Amount and the Floating Interest Rate Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of a Floating Interest Rate Period.

4.4 Fiscal Agent

- (a) The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Fiscal Agent and appoint a substitute Fiscal Agent provided that so long as any of the Notes remain outstanding there shall at all times be a Fiscal Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Fiscal Agent or failing duly to determine the Floating Interest Rate and Floating Rate Interest Amount for any Floating Interest Rate Period, the Issuer shall appoint the European office of another leading bank engaged in the Paris, London or Luxembourg interbank market to act in its place. The Fiscal Agent may not resign its duties or be removed without a successor having been appointed.

- (b) Notifications etc. to be final and binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Fiscal Agent as calculation agent will (in the absence of default, bad faith or manifest error) be final and binding on the Issuer and all Noteholders and (in the absence of default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Fiscal Agent as calculation agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 4.

4.5 Interest Deferral

- (a) General

On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions below.

- (b) Mandatory Deferral of Interest

On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred, shall constitute **Arrears of Interest** and shall be payable as outlined below.

- (c) Arrears of Interest

All Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the next Interest Payment Date which is a Compulsory Interest Payment Date;
- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (iii) the date upon which a judgment is made for the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Each amount of Arrears of Interest shall bear interest (the **Additional Interest Amount**), in accordance with Article 1154 of the French *Code civil*, as if it constituted the nominal amount of the Notes. The Additional Interest Amount shall be calculated by the Fiscal Agent at a rate which corresponds to the then applicable Rate of Interest with respect to the relevant Interest Period. The Additional Interest Amount accrued up to any Interest Payment Date and shall be added, to the extent permitted by applicable law and for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date as if such amount constituted Arrears of Interest.

(d) Notice of Deferral and Payment of Arrears of Interest and Additional Interest Amounts

If practicable under the circumstances, the Issuer will give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 10 (i) of any deferral of any interest under the Notes relating to a Mandatory Interest Deferral Date. This notice will not be a condition to the deferral of interest. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

So long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

4.6 Compulsory Interest Payments

The Issuer shall, on each Compulsory Interest Payment Date, pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on such Compulsory Interest Payment Date, together with all Arrears of Interest (including any Additional Interest Amount thereon) at such time.

5. PAYMENTS

5.1 Method of Payment

Payments of principal and interest (including Arrears of Interest and any Additional Interest Amounts) in respect of the Notes will be made in Euros by credit or transfer to a Euro-denominated account (or any other account to which Euros may be credited or transferred). Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders shall be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

None of the Issuer or the Fiscal Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to, or resulting from, the credit or transfer of

Euros, or any currency conversion or rounding effect in connection with such payment being made in Euros.

Payments of principal and interest (including Arrears of Interest and any Additional Interest Amounts) in respect of the Notes will, in all cases, be made subject to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7. The Issuer (or a paying agent, if applicable) shall be permitted to make any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or an intergovernmental agreement between the United States of America and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) and the Issuer will have no obligation to pay any additional amounts or otherwise indemnify a Noteholder for any withholding or deduction, notwithstanding any other provision in the Conditions.

5.2 Payments on Business Days

If the due date for payment of any amount of principal, interest or other amounts in respect of any Note is not a Business Day, payment of the amount due shall not be made and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and the Noteholders shall not be entitled to any interest or other sums in respect of such postponed payment.

5.3 Fiscal Agent

The name of the initial Fiscal Agent and its specified office are set forth below:

Fiscal Agent

BNP Paribas Securities Services
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and/or appoint additional or other agents or approve any change in the office through which any such agent acts, provided that there will at all times be a Fiscal Agent having a specified office in a European city. The Issuer undertakes that it will ensure that it maintains a paying agent in a Member State of the European Union that is not 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 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

In the absence of wilful default, bad faith or manifest error, no liability to the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under these Conditions.

6. REDEMPTION AND PURCHASE

6.1 No Fixed Maturity

The Notes are undated perpetual obligations in respect of which there is no fixed maturity date. The Notes shall not be redeemed except in accordance with this Condition 6.

6.2 Optional Redemption

The Issuer will have the right to redeem all but not some only of the Notes, subject to Condition 6.9, on the Interest Payment Date falling on or about the First Call Date or upon any Interest Payment Date thereafter. Such redemption will be made at the Base Call Price.

6.3 Redemption for Tax Reasons

- (a) If by reason of any change in, or amendments to, the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, in each case becoming effective on or after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced, the Issuer may, at its option, at any time, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), elect to redeem all, but not some only, of the Notes then outstanding at their Base Call Price, provided that the effective date of any redemption of which an election hereunder may be given by the Issuer shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.
- (b) If by reason of any change in, or amendments to, the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, in each case becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment due under the Notes, not be able to make such payment without having to pay Additional Amounts (as defined below), the Issuer may, at any time, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Base Call Price, provided that the effective date of redemption of which an election 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 having to pay Additional Amounts (as defined below) or, if such date has passed, as soon as practicable thereafter.
- (c) If the Issuer would on the next payment due under the Notes be prevented by French law or regulation from making payment to the Noteholders of the full amount then due and payable (including any Additional Amounts (as defined below) which would be payable but for the operation of such French law), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, upon giving not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Base Call Price on the effective date of any such law or regulation or within sixty (60) calendar days following the effective date of any such law or regulation.

In each case subject to Condition 6.9 (*Conditions to Redemption*) below (each of the causes of redemption mentioned in paragraphs (a), (b) and (c) above being referred to as a **Tax Event**).

6.4 Redemption for Regulatory Reasons

If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer, at any time, subject to Condition 6.9 (*Conditions to Redemption*), at the Base

Call Price, provided that the due date for redemption shall be no earlier than the date of the Capital Disqualification Event.

6.5 Redemption for Accounting Reasons

If at any time the Issuer determines that an Accounting Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed at the option of the Issuer in whole but not in part, at any time, subject to Condition 6.9 (*Conditions to Redemption*), at the Base Call Price, provided that the due date for redemption shall be no earlier than the date of the Accounting Event.

6.6 Clean-up Redemption

The Issuer may elect, subject to Condition 6.9 (*Conditions to Redemption*), to redeem all, but not some only, of the Notes at any time after the Issue Date at their Base Call Price if 80% (eighty per cent) or more in Aggregate Principal Amount of the Notes issued on the Issue Date has been purchased and cancelled at the time of such election (a **Clean-up Call**).

6.7 Purchases

The Issuer or any subsidiary of the Issuer may at any time purchase Notes at any price in the open market or otherwise, subject to the Prior Approval of the Relevant Supervisory Authority. All Notes so purchased by the Issuer may (i) be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French *Code de Commerce*.

6.8 Cancellation

All Notes which are redeemed or purchased for cancellation by the Issuer shall be cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.9 Conditions to Redemption

- (a) Any redemption of the Notes in accordance with Condition 6 shall be subject to:
 - (i) the Prior Approval of the Relevant Supervisory Authority; and
 - (ii) if applicable, the No Regulatory Deficiency Conditions having been satisfied.
- (b) The No Regulatory Deficiency Conditions shall:
 - (i) apply only to, and form part of, the Conditions to the extent that, and so long as, the absence of such provisions from the Conditions would, after the implementation of the Solvency 2 Directive, result in a Capital Disqualification Event; and
 - (ii) mean that any redemption of the Notes occurring after such implementation shall be subject to the conditions (amongst others as described herein) that (1) no Regulatory Deficiency has occurred and is continuing on the date due for redemption and (2) such redemption would not itself cause a Regulatory Deficiency, unless in each case the Relevant Supervisory Authority has accepted to waive the No Regulatory Deficiency Conditions, it being provided that should a Regulatory Deficiency occur after a notice for redemption has been made to the Noteholders, such redemption notice would become automatically void and notice thereof would be made promptly by the Issuer to the Paying Agent and the Noteholders.

7. TAXATION

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If French law should require any such deduction or withholding, the Issuer shall, to the extent permitted by law, pay such additional amounts (**Additional Amounts**) as may be necessary so that each Noteholder, after such deduction or withholding, will receive the full amount then due and payable on each Note in the absence of such deduction or withholding, except that no such additional amounts shall be payable with respect to any Note, as the case may be in the following cases:

- (i) *Other connection*: to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, by reason of his having some connection with the Republic of France other than the mere holding of the Note;
- (ii) *Savings Directive*: where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC (as amended by the EU Council Directive 2014/48/EU adopted by the European Council on 24 March 2014, as further amended or any other Directive) implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings of income, or any law or treaty implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) *Excess interest paid to a shareholder of the Issuer*: to, or to a person acting on behalf of, a beneficiary who is liable to such taxes in respect of such Notes, solely by reason of (x) him being a shareholder of the Issuer who declared or notified, or is under an obligation to declare or notify his shareholding in the Issuer to the *Autorité des marchés financiers* or the Issuer, under applicable law or the bylaws (*statuts*) of the Issuer and (y) the payment of interest or any payment being made to him at a rate in excess of the limit set forth in the French *Code général des impôts* (Article 39, 1, 3°) for the deduction of interest paid to shareholders of a borrowing company; or
- (iv) *Non-cooperative State or territory*: if the Notes do not benefit from any exception provided in the *Bulletin Officiel des Finances Publiques - Impôts* BOI-INT-DG-20-50-20140211, no. 990 and 550, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70 and 80, BOI-IR-DOMIC-10-20-20-60-20140211, no. 10, and BOI-ANNX-000364-20120912, no. 20 and when such withholding or deduction is required to be made by reason of interest and other revenues on such Notes, being (x) paid to an account held in, or (y) paid or accrued to a person established or domiciled in, a non-cooperative State or territory (*Etat ou territoire non-coopératif*) as defined in Article 238-0 A of the French *Code général des impôts* pursuant to Articles 125 A III and 119 bis of the same code; or
- (v) *Payment by another paying agent*: to, or to a third party on behalf of, a beneficiary who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union; or
- (vi) *Payment more than thirty (30) days after the Relevant Date*: to, or to a third party on behalf of, a beneficiary more than thirty (30) days after the Relevant Date except to the extent that such beneficiary would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been an Interest Payment Date.

As used herein, the **Relevant Date** in relation to any Note means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 10.

8. VARIATION AND SUBSTITUTION OF THE NOTES

- (a) If a Capital Disqualification Event, an Accounting Event or a Tax Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.
- (b) The aggregate principal amount of the Qualifying Equivalent Securities to be received by Noteholders in substitution will be equal to the Aggregate Principal Amount of the Notes.
- (c) Any variation or substitution of the Notes is subject to its prior notification by the Issuer to the Noteholders by no more than sixty (60) nor less than thirty (30) calendar days' prior notice (which notice shall be irrevocable and shall specify the date fixed for such variation or substitution) in accordance with Condition 10 and to:
 - (i) the Issuer giving at least six (6) months' prior written notice to, and receiving no objection from, the Relevant Supervisory Authority (or such shorter period of notice as the Relevant Supervisory Authority may accept and so long as such notice is required to be given);
 - (ii) the Issuer being in compliance with the Existing Regulations or, as the case may be, Solvency 2 Regulations on the date of such variation or substitution, and such variation or substitution not resulting directly or indirectly in a breach of the then Existing Regulations or, as the case may be, Solvency 2 Regulations;
 - (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Issuer has had its Notes listed or admitted to trading, and (for so long as the rules of such exchange or relevant authority require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith;
 - (iv) the issue of legal opinions addressed to the Fiscal Agent from one or more international law firms of good reputation confirming that (x) the Issuer has capacity to assume all rights and obligations under the new substituted Notes or varied Notes and has obtained all necessary corporate or governmental authorization to assume all such rights and obligations, (y) in case of issuance of new substituted Notes, the Issuer no longer has or will no longer have, upon the substitution being effective, any liability under the old Notes that have been substituted, and (z) the legality, validity and enforceability of the new substituted Notes or varied Notes; and
 - (v) the full payment on the relevant Interest Payment Date (if any) of all interest amount due on such date.

Qualifying Equivalent Securities means securities which have terms not being prejudicial to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with two independent investment banks of international standing, and provided that a certification to such effect shall have been delivered to the Fiscal Agent (including as

to the consultation with the independent investment bank and in respect of the matters specified in (i) to (vii) below) for the benefit of the Noteholders prior to the issue or variation of the relevant securities (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:

- (i) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes, under the Existing Regulations, or as the case may be, Solvency 2 Regulations in the solvency margin or tier two (at least, or any stronger tier) own funds regulatory capital, as the case may be;
- (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and preserve the Interest Payment Dates;
- (iii) contain new terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favorable to an investor than the mandatory deferral provisions contained in Condition 4 or, as the case may be, Condition 6;
- (iv) shall rank at least *pari passu* with the Notes;
- (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon such redemption;
- (vi) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (vii) preserve any rights under the Conditions to any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon), and any existing rights to other amounts payable under the Notes which has accrued to Noteholders and not been paid.

9. EVENTS OF DEFAULT

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amount thereon), in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation amiable ou liquidation judiciaire*) or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

10. NOTICES

Notices required to be given to the Noteholders pursuant to these Conditions will be valid if delivered to Euroclear France, Euroclear, Clearstream and/or any other clearing system through which the Notes are for the time being cleared, and, so long as the Notes are listed on the EuroMTF of the Luxembourg Stock Exchange and the rules of that stock exchange so require, on the Luxembourg Stock Exchange website (www.bourse.lu).

11. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and any Additional Interest Amounts) in respect of Notes will become void unless presented for payment within a period of presently ten (10) years (in the case of the principal) and within five (5) years (in the case of interest) from the appropriate relevant due date for payment thereof.

12. REPRESENTATION OF THE NOTEHOLDERS

12.1 The Masse

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the **Masse**).

The Masse will be governed by those provisions of the French *Code de commerce* with the exception of the provisions of Articles L.228-48, L.228-59, L.228-65 II, R.228-63, R.228-65, R.228-67, R.228-69 and R.228-72 of the French *Code de commerce*, as summarised and supplemented by the conditions set forth below.

12.2 Legal Personality

The Masse will be a separate legal entity, by virtue of Article L.228-46 of the French *Code de commerce* acting in part through one (1) representative (the **Representative**) and in part through a general assembly of the Noteholders.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

12.3 Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its Board of Directors, its *Directeurs Généraux*, its statutory auditors and its employees and their ascendants, descendants and spouses;
- (ii) companies possessing at least ten (10) per cent. of the share capital of the Issuer or of which the Issuer possesses at least ten (10) per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer; and
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative shall be:

Antoine LACHENAUD
Avocat
SELARL MCM Avocat
10, rue de Sèze
75009 Paris
France

In the event of death, incapacity, retirement or revocation of the initial Representative, the replacement Representative shall be:

Philippe MAISONNEUVE
Avocat
SELARL MCM Avocat
10, rue de Sèze
75009 Paris
France

In the event of death, incapacity, retirement or revocation of the Representative, a replacement representative will be elected by a meeting of the general assembly of Noteholders.

The Issuer shall pay to the initial Representative an amount of six hundred euros (€600) per year, payable on the Interest Payment Date falling on, or nearest to 25 November of each year during the issue.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of the Fiscal Agent.

12.4 Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of the general assembly of Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them in order to be justifiable, must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

12.5 General Assemblies of Noteholders

General assemblies of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the general assembly; if such general assembly has not been convened within two (2) months from such demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 10 not less than fifteen (15) calendar days prior to the date of the general assembly on first convocation and six (6) calendar days on second convocation.

Each Noteholder has the right to participate in meetings of the Masse in person or by proxy. Each Note carries the right to one vote.

12.6 Powers of General Assemblies

A general assembly is empowered to deliberate on the fixing of the remuneration of the Representative and on its dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

In accordance with Article L. 228-65 of the French *Code de commerce*, a general assembly may further deliberate on any proposal relating to the modification of the Conditions of the Notes, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Noteholders;

it being specified, however, that a general assembly may not increase amounts payable by the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares and that no amendment to the status of the Notes may enter into force until the consent of the Relevant Supervisory Authority has been obtained in relation to such amendment. However, any modification of the Conditions of the Notes may only be made after the Relevant Supervisory Authority has declared that it does not object to such modification, in accordance with Article A.334-1, III, 3° of the French *Code des assurances*.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth (1/5) of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such meeting or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Assembly will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Assembly.

12.7 Notice of Decisions

Decisions of the meetings must be published in accordance with the provisions set out in Condition 10 not more than ninety (90) calendar days from the date thereof.

12.8 Information to the Noteholders

Each Noteholder or representative thereof will have the right, during the (15) fifteen-calendar-day period preceding the holding of each meeting of a general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Fiscal Agent and at any other place specified in the notice of meeting.

12.9 Expenses

The Issuer will pay all duly documented expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved

upon by a general assembly of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

13. FURTHER ISSUE

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated and form a single series (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

14. GOVERNING LAW AND JURISDICTION

The Notes are governed by and shall be construed in accordance with the laws of the Republic of France.

Any action against the Issuer in connection with the Notes will be submitted to the exclusive jurisdiction of the Commercial Court (*Tribunal de commerce*) of Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used to repay €436 million of subordinated debt subscribed by BNP Paribas, subject to the prior approval of the *Autorité de contrôle prudentiel et de résolution*, and for general corporate purposes.

DESCRIPTION OF THE ISSUER AND THE BNP PARIBAS CARDIF GROUP

1. Introduction, incorporation, registered office, duration

BNP Paribas Cardif (the **Issuer** or **BNP Paribas Cardif**) was created on 16 September 1991 as a *société anonyme* governed by French law for a duration of 99 years (*i.e.* until 16 September 2090, unless extended). It has its registered office at 1, boulevard Haussmann Paris (75009), France (Tel: +33 1 41 42 88 04). It is registered with the Paris trade and companies registry under number 382 983 922 and is registered as an insurance intermediary under registration number 07 027 518.

The Issuer is supervised by the *Autorité de contrôle prudentiel et de résolution* (**ACPR**).

The business purpose of the Issuer as set out in article 2 of its by-laws is to:

- (a) subscribe, acquire, or sell securities (*valeurs mobilières*);
- (b) manage securities (*valeurs mobilières*), intangible movable properties (*bien mobilier*) or real property (*bien immobilier*);
- (c) acquire interests or participation in all businesses or commercial, financial, personal property, real property undertaking, and in particular in all insurance or reinsurance companies;
- (d) perform insurance brokerage;
- (e) create and implement computer software;

and generally, perform and enter into all transactions of any nature, which would be directly or indirectly linked to this object and would be likely to favour its development or implementation.

The by-laws of the Issuer as last amended on 1 July 2014 can be consulted at the registered office of the Issuer, 1, boulevard Haussmann, 75009 Paris, France.

As at 31 December 2013, forty seven entities are included in the scope of consolidation of the Issuer (these entities together with the Issuer being referred to hereafter as the **BNP Paribas Cardif Group**).

2. Share Capital, Ownership and Subordinated debt

As at 31 December 2013, the share capital of the Issuer amounts to 149,959,051 euros and is divided into 62,482,938 shares. All shares are fully paid-up. As of the date of this Prospectus, BNP Paribas S.A. holds 62,482,931 shares, BNP Paribas Participations holds 1 share, BNP Paribas Personal Finance holds 2 shares, Antin Participations holds 1 share, Klequatorze holds 1 share, BNP Paribas Lease Group holds 1 share, Cortal Consors holds 1 share.

The Issuer issued the following undated ordinarily subordinated obligations, all of which are still outstanding:

- MEUR 195 notes issued on 17 December 2012;
- MEUR 710 notes issued on 30 March 2012;
- MEUR 140 notes issued on 30 March 2012; and

- MEUR 101 notes issued on 23 December 2011.

The Issuer issued the following dated ordinarily subordinated obligations, all of which are still outstanding:

- MEUR 753 notes due on 23 December 2021 issued on 23 December 2011; and
- MEUR 277 notes due on 17 December 2022 issued on 17 December 2012.

The Issuer does not have any outstanding deeply subordinated obligations on the date of this Prospectus.

As of the date of this Prospectus, (i) no convertible debt securities, (ii) no exchangeable debt securities, and (iii) no debt securities with warrants, issued by the Issuer are still outstanding.

2.1 BNP Paribas Cardif Group Chart as at 31 December 2013 (consolidated entities)

The international activities of the Issuer are managed either through subsidiaries, directly owned by the Issuer, or through branches of the two main subsidiaries of the Issuer which are:

- Cardif Assurance Vie S.A. (100%¹ owned by the Issuer), an entity licensed as a mixed insurance company (*compagnie d'assurance mixte*) under the number 4021042 located 1, boulevard Haussmann, 75009 Paris, France;
- Cardif-Assurance Risques Divers S.A. (100%¹ owned by the Issuer), an entity licensed as a non life insurance company (*compagnie d'assurance Non Vie*) under the number 4020286 located 1, boulevard Haussmann, 75009 Paris, France;

In addition, among the significant French entities of the BNP Paribas Cardif Group, GIE BNP Paribas Cardif is an economic interest group (*groupement d'intérêt économique*, a francophone consortium of related businesses, companies, foundations, organisations or institutes which are formally pooling their efforts for competitive advantage), working for all branches and subsidiaries of BNP Paribas Cardif Group, located 1, boulevard Haussmann, 75009 Paris, France.

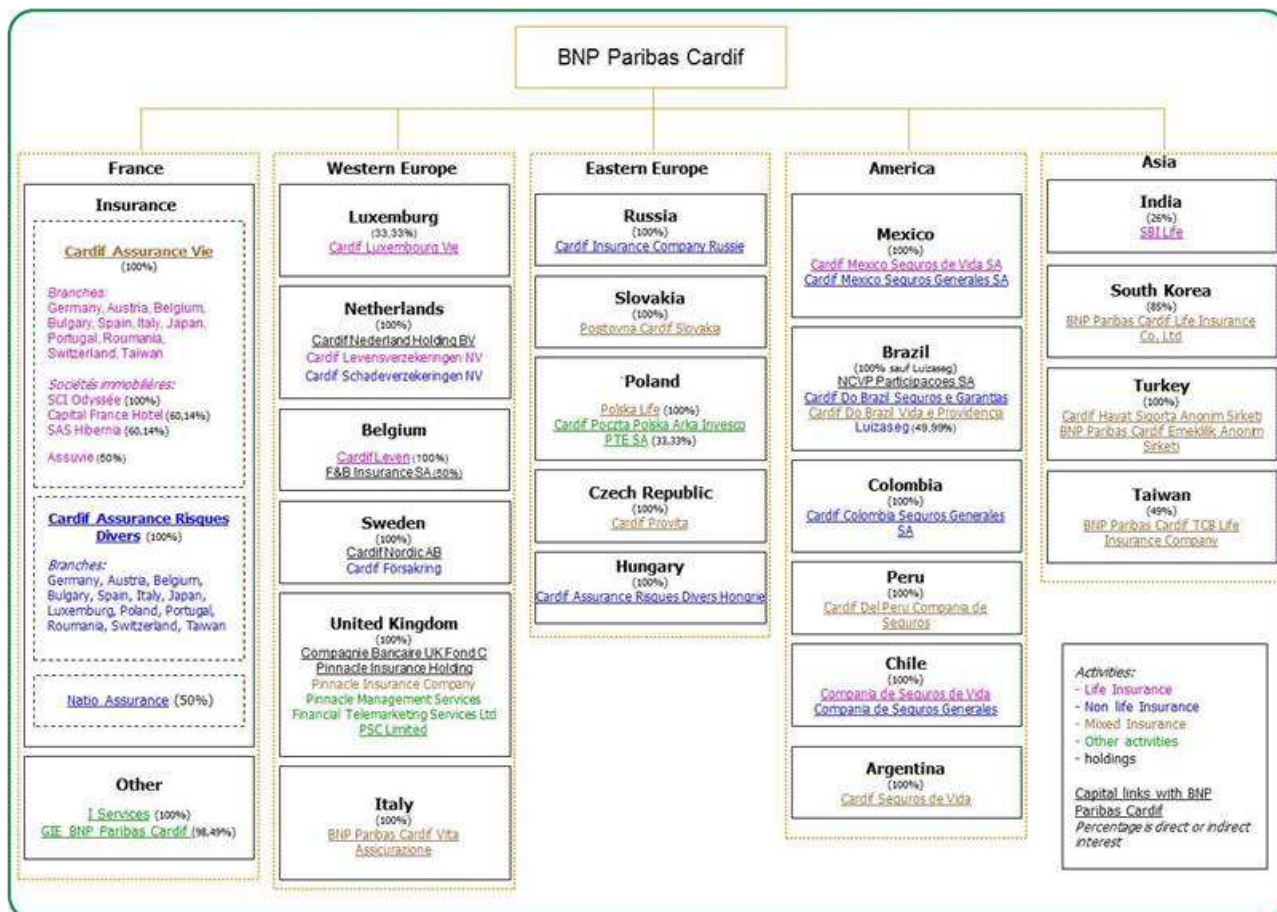
In addition to its activities through branches and subsidiaries, the Issuer has established several joint ventures. The most important joint ventures are:

- Cardif Luxembourg Vie (33.33%¹ owned by the Issuer, 33.33% owned by BGL and 33.33% owned by AGEAS), an entity licensed as a life insurance company in Luxembourg;
- SBI Life (26%¹ owned by the Issuer, 74%¹ owned by the State Bank of India), an entity licensed as a life insurance company in India;
- BNP Paribas Cardif TCB Life Insurance Company (49%¹ owned by the Issuer, 51%¹ owned by Taïwan Cooperative Bank), an entity licensed as a life insurance company in Taïwan;
- BNP Paribas Cardif Life Insurance Co. Ltd (85%¹ owned by the Issuer, 15%¹ owned by Shinhan Bank), an entity licensed as a life insurance company in South Korea;
- Luizaseg (49.99%¹ owned by the Issuer, 50.01%¹ owned by Magasin Luiza), an entity licensed as a non life insurance company in Brazil; and

¹ All percentages are interest percentages as mentioned in BNP Paribas Cardif Consolidated Financial statements as at 31 December 2013.

- Natio Assurance (50%¹ owned by the Issuer along with Axa), an entity licensed as a non life insurance company (*compagnie d'assurance non vie*) under the number 4021236 located 8, rue du Port, 92728 Nanterre Cedex, France.

As at 31 December 2013, the chart below describes the scope of consolidation of the Issuer.

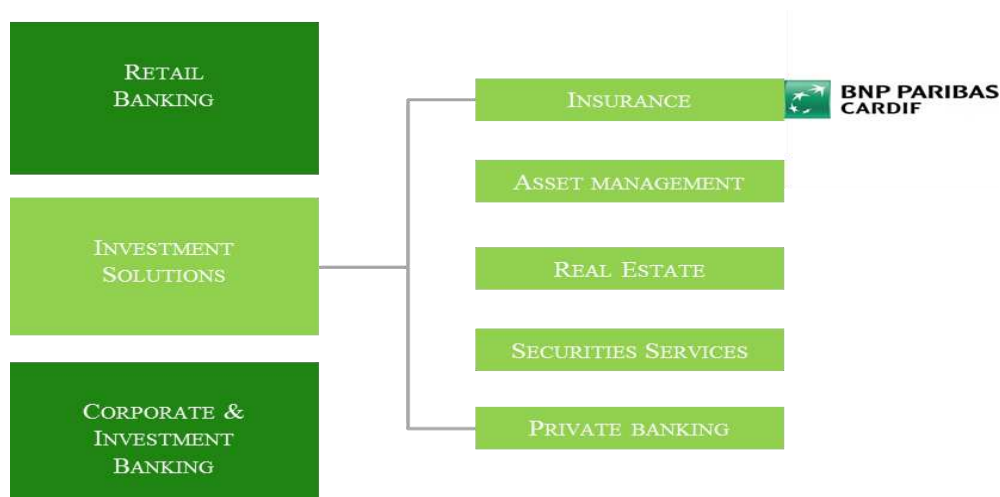


2.2 BNP Paribas Cardif Group within the BNP Paribas Group

BNP Paribas Cardif Group is part of one of the three core businesses of BNP Paribas Group (being BNP Paribas S.A and its consolidated subsidiaries). This business called Investment Solutions combines BNP Paribas' activities related to the collection, management, development, protection and administration of customer savings and assets.

The aim of Investment Solutions is to provide customers with a unified business model founded on the complementarity of its areas of expertise, the sharing of a comprehensive vision and the constant objective of increasing the value of customers' assets and investments.

Investment Solutions regroups five business lines with complementary expertise, including the insurance business line:



The insurance business line is mainly performed by the following entities of the BNP Paribas Group:

- the Issuer;
- AG Insurance in which BNP Paribas Fortis holds a participation of 25%;
- Cardif Luxembourg Vie in which BGL and AGEAS each hold a participation of 33.33%; and
- Darnell, a reinsurance company.

The insurance business line of the BNP Paribas Group had a commercial gross written premium (the **GWP**) of 25.3 billion euros in 2013 divided as follows:

- 19.8 billion euros from BNP Paribas Cardif Group's GWP reported in the consolidated financial statements;
- 2.5 billion euros from BNP Paribas Cardif Group's GWP coming from entities reported in equity method in the consolidated financial statements; and
- 3 billion euros from the other companies.

Within the BNP Paribas Group, the insurance business line has experienced a significant rise in the last five years. This is expressed in the key financial figures of the BNP Paribas Group since 2008²:

- GWP of the insurance business line amounted to 25.3 billion euros as at 31 December 2013 and has increased by 57 % since 2008;
- Assets under management of the insurance business line amounted to 178.9 billion euros as at 31 December 2013 and have increased by 78 % since 2008; and
- Revenues (or Net Banking Income) of the insurance business line amounted to 2.14 billion euros as at 31 December 2013 and have increased by 62% since 2008.

As at 31 December 2013, the insurance business line represented 14% of BNP Paribas' pre-tax income³, and the insurance business line aims at achieving a 4% average growth of its revenues until 2016 according to the BNP Paribas 2014-2016 Business Development Plan⁴. This last figure is only a forward-

² Source: BNP Paribas Group 2014-2016 Business Development Plan Presentation.

³ Source: BNP Paribas Q4 2013 Results Presentation.

⁴ Source: BNP Paribas Group 2014-2016 Business Development Plan Presentation.

looking statement, undue reliance should not be placed on such statement. Please refer to the section entitled "Risk Factors" below.

3. Management of the Issuer

The Issuer is managed by Pierre de Villeneuve, Chairman and Chief Executive Officer (*Directeur Général*) and a board of directors (*conseil d'administration*) (the **Board of Directors**) consisting of twelve Directors. As of the date of this Prospectus, the members are: Paul Villemagne, Marie-Claire Capobianco, Stefaan Decraene, Jacques d'Estais, François Ewald, Jean-Louis Guillot, Thierry Laborde, Olivier Le Grand, Jean-Hervé Lorenzi, Philippe Marchessaux, Yves Martrenchar and Jacques Mistral.

A number of the Issuer's Directors serve both as Director of the Issuer and corporate officers of other entities of the BNP Paribas Cardif Group or other entities of the BNP Paribas Group. The interests of other entities within the BNP Paribas Cardif Group could differ from those of the Issuer or its primary shareholder BNP Paribas S.A. This could lead to potential conflicts of interests between the duties to the Issuer of persons that serve as both Director of the Issuer and corporate officer of another affiliate.

The composition of the Issuer's Board of Directors' and Management's members and their principal activities performed outside the Issuer as at 30 September 2014 is as follows:

Function	Name	Principal activities performed outside the Issuer as at 30 September 2014
Chairman of the Board of Directors		
	Pierre de Villeneuve	- Cardif Assurance Vie: Executive Director - Cardif Assurance Risques Divers: Executive Director - GIE BNP Paribas Cardif: Member of the Board of Directors - Cardif Luxembourg Vie (Luxembourg): Member of the Board of Directors - CB UK (United Kingdom): Member of the Board of Directors - BNP Paribas Cardif Hayat (Turkey): Member of the Board of Directors - BNP Paribas Cardif Sigorta (Turkey): Member of the Board of Directors - BNP Paribas Emeklilik (Turkey): Member of the Board of Directors
Members of the Board of Directors		
	Paul Villemagne	- BNP Paribas Cardif: Honorary Chairman (<i>Président d'honneur</i>) - Cardif Assurance Risques Divers: Honorary Chairman (<i>Président d'honneur</i>) - Cardif Assurance Vie: Honorary Chairman (<i>Président d'honneur</i>) - Société d'Assurances de Consolidation des Retraites de l'Assurance (S.A.C.R.A): Chairman of the Supervisory Board - BNP Paribas Cardif: Member of the Board of Directors.
	Marie-Claire Capobianco	- BNP Paribas REIM: Chairman of the Board of Directors - BNP Paribas Développement: Member of the Board of Directors - Cortal Consors: Member of the Board of Directors - BNP Paribas Cardif: Member of the Board of Directors - Sicav Parvest: Non-voting Director (<i>censeur</i>) - BNP Paribas L1: Non-voting Director (<i>censeur</i>)

Function	Name	Principal activities performed outside the Issuer as at 30 September 2014
		– CDG (Consolidation et Développement de Gestion): Member of the Supervisory Board
	Steeфан Decraene	– BNP Paribas Cardif: Member of the Board of Directors – TEB Holding: Member of the Board of Directors – BNP Paribas Fortis: Member of the Board of Directors – Bank of the West (BoW) – USA: Member of the Board of Directors – Bancwest Corporation – USA: Member of the Board of Directors
	Jacques d’Estais	– BNP Paribas Real Estate: Chairman and Member of the Supervisory Board – BNP Paribas Investment Partners: Chairman of the Board of Directors – BNP Paribas Cardif: Member of the Board of Directors – BNP Paribas Suisse: Member of the Board of Directors – BGL BNP Paribas: Member of the Board of Directors – BNP Personal Finance: Member of the Board of Directors – BancWest Corp: Member of the Board of Directors – Société Kléquatorte (which is Chairman of the Board of Directors of BNP Paribas Securities Services): permanent Chairman of the Board of Directors
	François Ewald	– BNP Paribas Cardif: Member of the Board of Directors – Amundi Actions Euro ISR: Member of the Board of Directors
	Jean-Louis Guillot	– BNP Paribas Cardif: Member of the Board of Directors
	Thierry Laborde	– BNP Paribas Personal Finance: Executive Director – BNP Paribas Real Estate: Member of the Supervisory Board – BNP Paribas Cardif: Member of the Board of Directors – Carrefour Banque: Member of the Board of Directors – Findomestic Banca (Italy): Member of the Board of Directors – Banco Cetelem (Spain): Member of the Board of Directors – UCI EFC (Spain): Member of the Board of Directors – Banco BNPP Personal Finance (Portugal): Member of the Board of Directors – Laser: permanent representative (<i>représentant permanent</i>) of BNP Paribas Personal Finance – Laser Cofinoga: permanent representative (<i>représentant permanent</i>) of BNP Paribas Personal Finance
	Olivier Le Grand	– B*capital: Chairman of the Board of Directors – BNP Paribas Cardif: Member of the Board of Directors
	Jean-Hervé Lorenzi	– Edmond de Rothschild Capital Partners SAS: Chairman of the Supervisory Board – Edmond de Rothschild Investment Partners SAS: Chairman of the Supervisory Board – Euler Hermes – SACS: Member of the Supervisory Board – Edmond de Rothschild Private Equity Partners – SAS: Member of the Supervisory Board – BNP Paribas Cardif: Member of the Board of Directors – Credit Foncier de France: Member of the Board of Directors and member of the Audit Committee

Function	Name	Principal activities performed outside the Issuer as at 30 September 2014
		– Associés en Finance: Non-voting Director (<i>censeur</i>) – Siaci Saint Honore: Non-voting Director (<i>censeur</i>) – Newstone courtage: Non-voting Director (<i>censeur</i>) – Pôle de Compétitivité Finance Innovation: Vice Chairman – Institut Louis Bachelier: Member of the Board of Directors – Cercle des economists: Chairman
	Philippe Marchessaux	– BNP Paribas Investment Partners SA: Executive Director and Member of the Board of Directors – BNP Paribas Asset Management SAS: Chairman of the Board of Directors – Parvest, (SICAV): Chairman of the Board of Directors – BNP Paribas L1: Chairman of the Board of Directors BNP Paribas Real Estate: Member of the Board of Directors – BNP Paribas Cardif: Member of the Board of Directors – Alfred Berg Asset Management: Member of the Board of Directors – BNP Paribas Investment Partners USA Holding: Member of the Board of Directors – Fischer Francis Trees Watts Inc: Member of the Board of Directors – BNP Paribas Asset Management Monaco SA: Chairman of the Board of Directors – Login SA: Member of the Supervisory Board – Theam SA: Member of the Supervisory Board
	Yves Martrenchar	– BNP Paribas Personal Investments: Member of the Board of Directors – BNP Paribas Cardif: Member of the Board of Directors – Bank of the West: Member of the Board of Directors – BancWest Corporation: Member of the Board of Directors – La Lairoise de Participations: Member of the Board of Directors
	Jacques Mistral	– BNP Paribas Cardif: Member of the Board of Directors – Société d'Economie Politique: Honorary Chairman

4. History of the BNP Paribas Cardif Group

The company Compagnie d'Assurance et d'Investissement de France (CARDIF) was created in July 1973 by the Compagnie Bancaire and was approved as an insurance company by the French regulator. In 1998, the Compagnie Bancaire merged with the credit institution Paribas.

In 1986, CARDIF launched and commercialised various long term capital income products via its network of banking agencies under the brand Natio Vie. In parallel, the cooperation between BNP (Banque Nationale de Paris) and UAP (Union des Assurances de Paris) led to the creation in 1991 of a common subsidiary, Natio Assurance that commercialised property and casualty insurance contracts to clients of the bank.

In 1992, CARDIF had offices in 30 cities in France.

The expansion in the international market started in 1989 with the opening of CARDIF offices in Italy, Belgium, and Spain. In 1997, the business was launched in Asia (Taiwan) and in Latin America (Chile).

In 2001, a natural consequence of the merger of BNP and Paribas was the regrouping of the teams of CARDIF, Natio Assurance and Natio Vie at the head office of CARDIF in Rueil-Malmaison.

In 2004, the insurance companies of the BNP Paribas Group were brought together under a common name "*BNP Paribas Assurance*".

In 2010, BNP Paribas Assurance became BNP Paribas Cardif and BNP Paribas S.A integrated the shares it held in AG Insurance.

In 2011, BNP Paribas Cardif moved to its new administrative office, at 8, rue du port, 92000 Nanterre.

In 2013, to pursue its development trend on the international market, the Issuer signed a joint venture contract with Bank of Beijing.

5. Business of the BNP Paribas Cardif Group

5.1 Overview

The Issuer is one of the insurance subsidiaries of BNP Paribas S.A. As a global player in personal insurance, the BNP Paribas Cardif Group develops savings and protection products that comply with its social and environmental responsibility policy. The Issuer offers its client savings solutions for setting aside and building up a retirement provision especially through multi-fund life insurance contracts, guaranteed capital products and unit-linked funds.

Established in 37 countries with 7,755 employees as at 31 December 2013, the Issuer holds significant positions on three continents (Europe, Asia and Latin America), and is among the European top 20 insurers⁵. In addition to its credit protection insurance business, the Issuer has expanded its offering to encompass health insurance, budget, income and payment means protection, extended warranty, property and casualty insurance, unemployment insurance, back-to-work assistance.

The BNP Paribas Cardif Group's particularity lies in its distribution network encompassing a wide range of partnerships, belonging to BNP Paribas Group or not, including the following:

- *Banks.* These banks have a significant presence in their domestic markets. This includes BNP Paribas S.A in France, BNL and UBI Banca in Italy, BGL in Luxembourg, Shinhan Financial Group in South Korea, TCOB in Taiwan, State Bank of India in India, TEB-Fortis Bank in Turkey and Banco Santander mostly in Europe and Latin America.
- *Financial institutions.* Consumer finance firms provide financing for consumer goods. Among these firms, BNP Paribas Personal Finance (Cetelem) is one of BNP Paribas Cardif Group's main partners.
- *Financing subsidiaries of car dealers.* The market for automobile financing services is organized with international financing companies overseen by international management offices. Some of them are partners of the Issuer.
- *Retailers.* These retailers have diversified into the sale of "bancassurance" products. Some of them are partners of the Issuer.

⁵ Source: Argus de l'assurance 2012 Special Accounts, December 2013 issue.

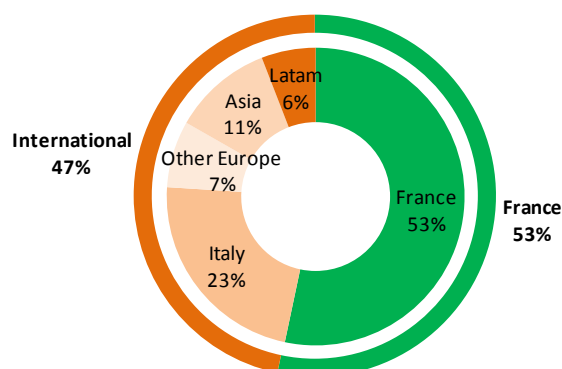
5.1.1 Key consolidated figures as at 31 December 2013

As at 31 December 2013, (i) the total consolidated GWP of the Issuer amounted to 19.8 billion euros which represented an increase of 7% compared to 2012. 47% of the GWP is made through the international subsidiaries and branches of the Issuer; (ii) the Issuer's results amounted to 387.5 million euros which represented an increase of 1% compared to 2012. 52% of the operational net income from consolidated companies is made through the international subsidiaries and branches of the entities of BNP Paribas Cardif Group⁶; and (iii) the Issuer's total consolidated insurance reserves amounted to 135 billion euros, out of which 34 billion euros related to unit linked reserves.

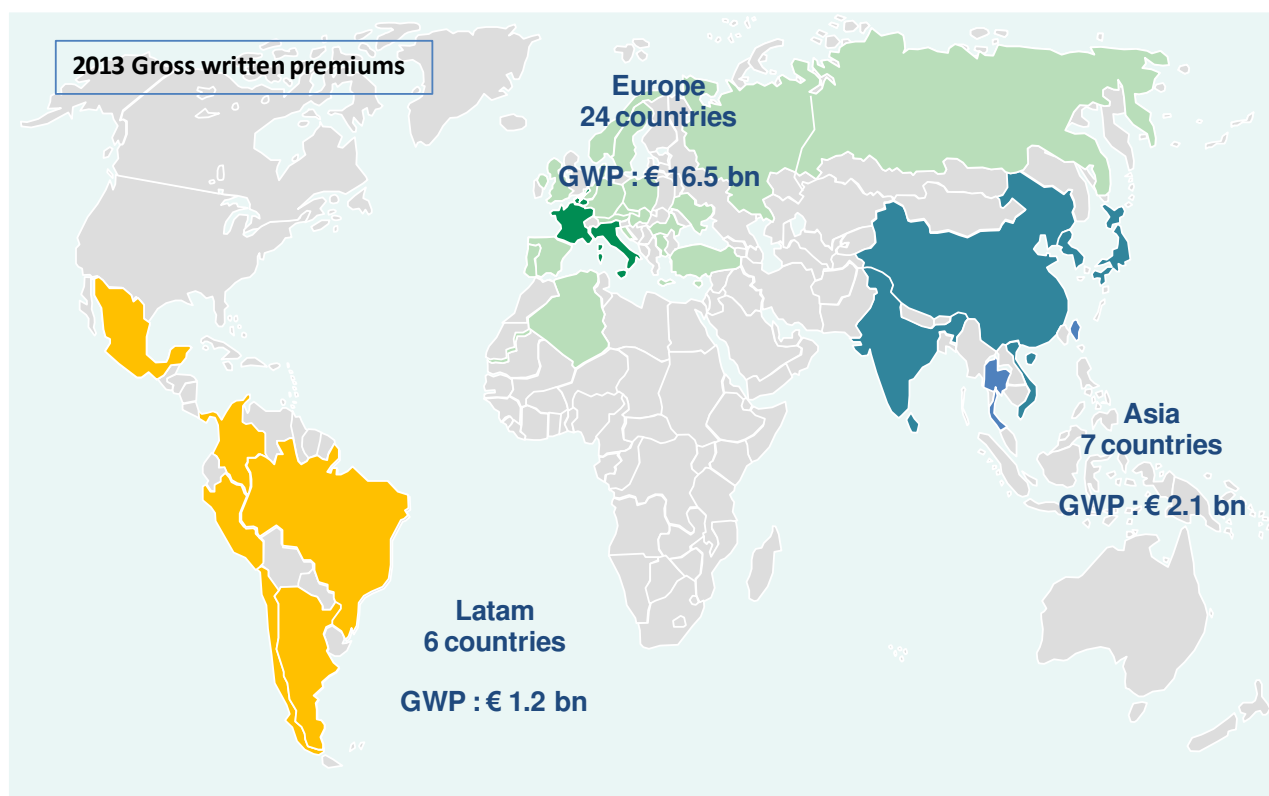
5.1.2 Geographic presence

The Issuer is active in 37 countries with approximately 90 million customers. The activities of the Issuer are therefore diversified with the most significant positions being in Europe but also in Latin America and Asia.

**Gross written premium breakdown by geographic area
(as at 31 December 2013)**



⁶ Source: 2013 consolidated financial statements, percentages calculated on net income from consolidated companies excluding BNP Paribas Cardif's own contribution as a holding.



The Issuer has a significant position in Europe with 16.5 billion euros in gross written premiums (GWP) in 2013. In France, the Issuer is ranked 3rd life insurer⁷, in Luxembourg the Issuer is ranked 1st life insurer⁸ whereas in Italy, BNP Paribas Cardif Vita Assicurazioni is the 4th life bank insurer⁹. In these three main markets BNP Paribas Cardif Group provides Savings insurance as well as Protection insurance solutions through BNP Paribas S.A.'s networks and through external partnerships. For all other countries activity is focused on protection insurance.

The BNP Paribas Cardif Group continues to expand in Asia by developing Japan protection activity and enhancing its existing long term partnerships with TCOB in Taiwan and Shinhan Bank in South Korea. Asia represented 2.1 billion euros in GWP in 2013. The Issuer has also gained a foothold in the Chinese life insurance market. The joint venture agreement entered into in 2013 with Bank of Beijing in China is expected to be implemented in the years to come.

In Latin America, the Issuer's business is primarily protection insurance. The BNP Paribas Cardif Group continues to grow, led by growing markets such as Brazil or Colombia. In 2013, the Issuer had 1.2 billion euros in GWP in this region.

The Issuer plans to continue to develop internationally with a special focus on markets with strong growth potential.

⁷ Source: Argus de l'Assurance, *Dossier sur les bancassureurs en France* published in March 2014 and based on 2013 figures – ranking in terms of GWP and Mathematical reserves.

⁸ Source: Website of ACA (*Association des compagnies d'assurances et de réassurances du Grand Duché du Luxembourg*) – 2013 general synthesis.

⁹ Source: Ranking in terms of YTD collection by IAMA consulting, June 2014.

5.1.3 Management organisation by country

The key principles of the management organisation of the Issuer can be described as follows:

- In its historical domestic markets comprising France, Italy and Luxembourg, the Issuer markets its life insurance savings, retirement savings and protection products primarily through the banking networks of BNP Paribas S.A.
- In international markets which include Latin America, Asia, non-domestic European markets and emerging markets, the Issuer markets its savings (mainly in Asia) and protection products (especially in Latin America) through partnerships with local leader banks (Shinhan Financial Group (South Korea), UBI Banca (Italy), TEB- Fortis Bank (Turkey), Banco Santander...), financial institutions (Personal Finance throughout the world), financing subsidiaries of car dealers and retail chains (Carrefour, ...).

5.2 Strategy

The Issuer derived close to 50% of its GWP from business outside France in 2013 with a diversified geographic business balance. The Issuer aims to continue to take advantage of its international profile, continuing to drive the same sustained organic growth it had in all the countries in which the Issuer is implanted.

In 2014 and beyond, the Issuer intends to focus on three main priorities: develop its product catalogue, diversify its geographic footprint and distribution channels - with a greater emphasis on digital development - and propose products and services adapted to the new expectations of its clients.

In addition to its loan insurance business, the Issuer has expanded its protection offering, to encompass health insurance, budget, income and payment means protection, extended warranty, property and casualty insurance.

The Issuer's strategic plan is based on four main principles:

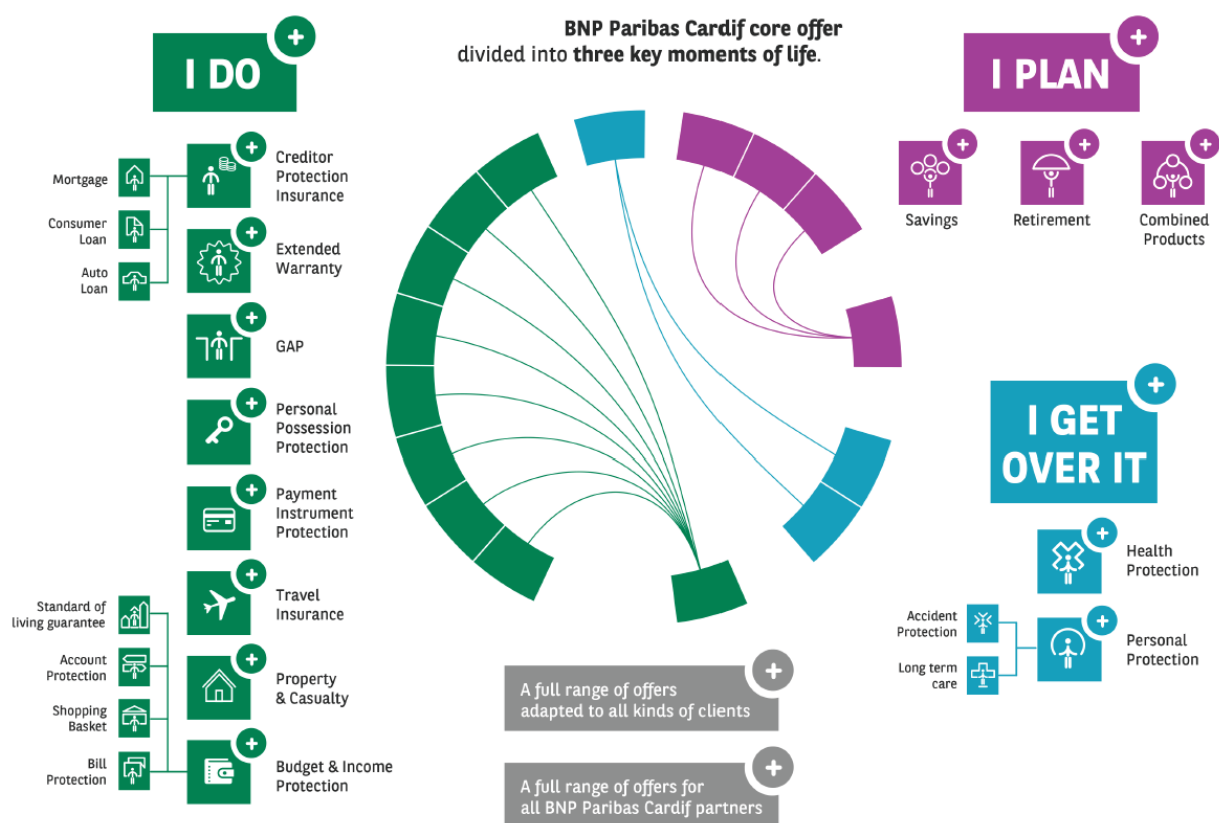
- (i) secure saving's portfolio through long term partnerships with bank network and diversification through unit linked worldwide, and "*euros diversifiés*" contracts in France;
- (ii) continue the diversification towards protection's products, in particular damage and other protection insurance worldwide;
- (iii) digitize the company and its offer; and
- (iv) adapt the offer to clients through value for client measurement programme and product innovation.

5.3 Business Lines

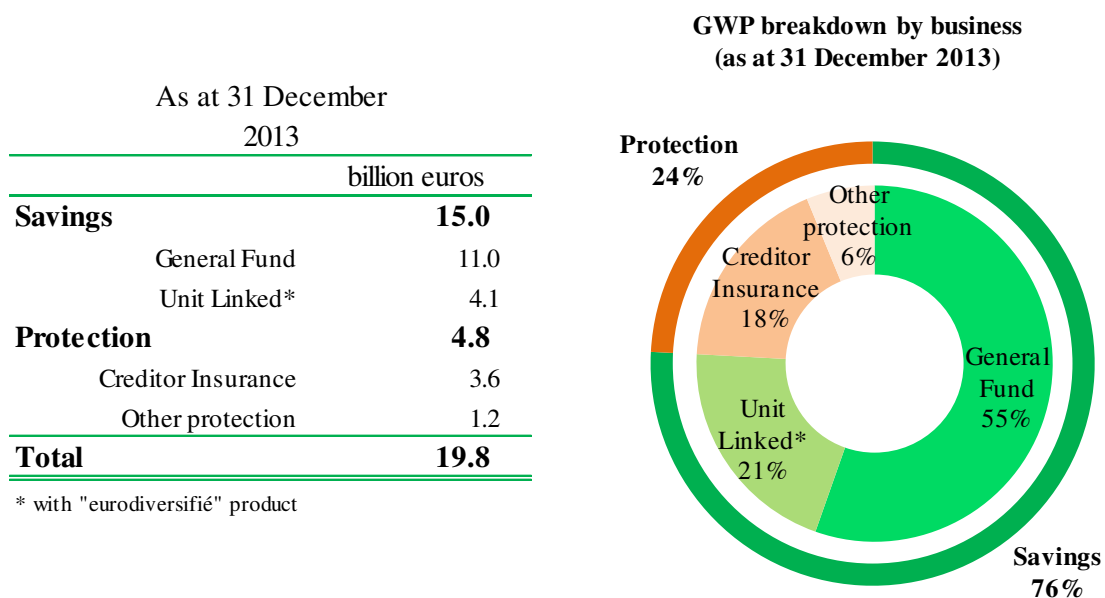
The Issuer's business falls into two main families:

- **saving insurance** which encompasses capitalisation, and individual and group pension contracts; and
- **protection insurance** which covers a broad range of products (creditor protection insurance, extended warranties, credit card and cheque book protection, invoice protection, and gap, property, casualty and health insurances).

This global range of products aims at covering three key moments of each customer's life in the Issuer strategy.



As at 31 December 2013, the Issuer has the following breakdown of its consolidated GWPs:



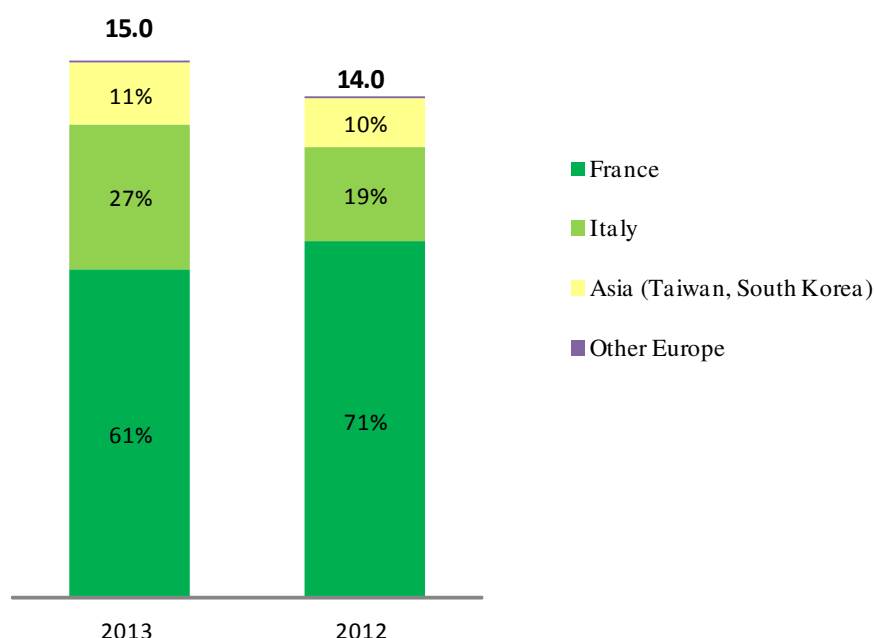
5.3.1 Saving insurance

The Issuer proposes a range of savings solutions (unit-linked life insurance contracts, “*euros diversifiés*” contracts (contracts created under French law by the Law n°2005-842 of 26 July 2005 for the trust and modernisation of the economy and defined in articles L.142-1 *et seq.* of the French insurance code), capital protected products, diversified fund, etc.) designed to help people build up and grow their savings, plan for retirement, and achieve their life plans.

The main partners distributing BNP Paribas Cardif Group’s savings offers are BNP Paribas S.A, BNL, Taiwan Cooperative Bank and Shinhan Bank pursuant to long term agreements entered into with the Issuer.

The chart below presents the main contributors in the savings business by geographic zone¹⁰:

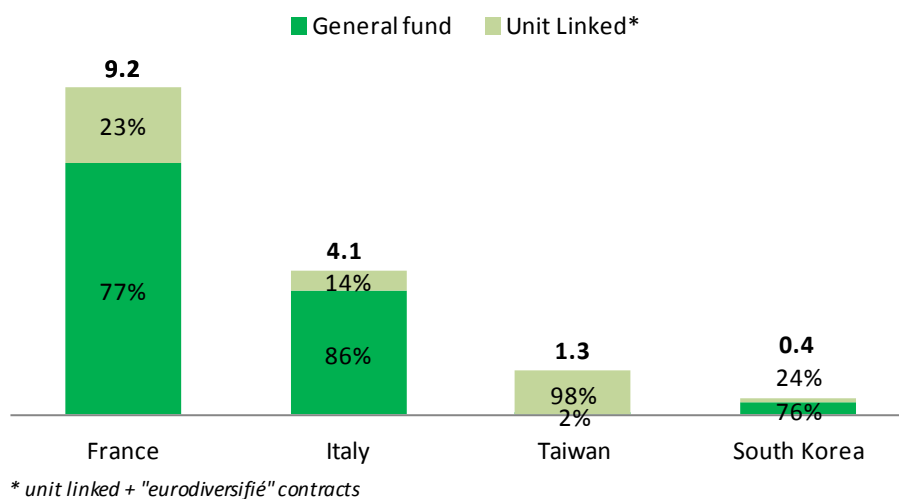
Savings GWP by geographic area (in Bn€ in 2013)



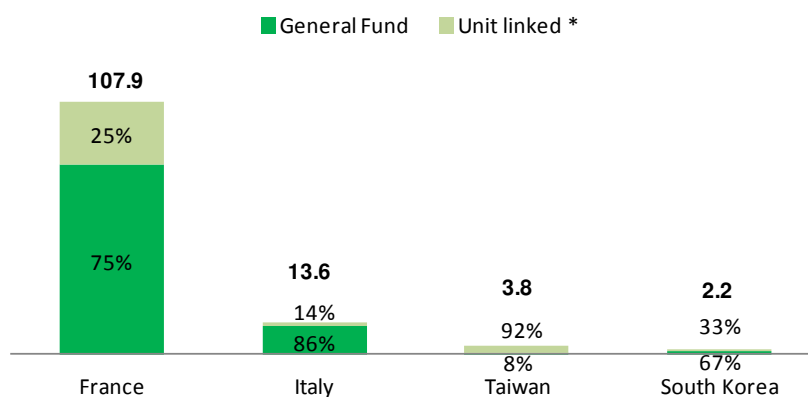
With GWPs of 15.0 billion euros in 2013, savings activity has increased by 0.9 billion euros compared to 2012 (with a 7% increase). The growth was driven mainly by Italy (with a 52% increase).

¹⁰ Source: 2013 consolidated financial statements & BNP Paribas Cardif management accounting data.

Main savings countries (GWP in Bn€ in 2013)



Main savings countries (Mathematical reserves in Bn€ in 2013)



The Issuer also acts as life insurer in Luxembourg through Cardif Luxembourg Vie (the Issuer owns 33.33% of interests in Cardif Luxembourg Vie and it is consolidated in equity method in BNP Paribas Cardif consolidated statements). It has recorded 2.2 billion euros of savings GWPs in 2013 at 100%, positioning the company as the 1st life insurer in Luxembourg¹¹. In 2013, its mathematical reserves amounted to 15 billion euros, out of which 74% related to unit linked contracts.

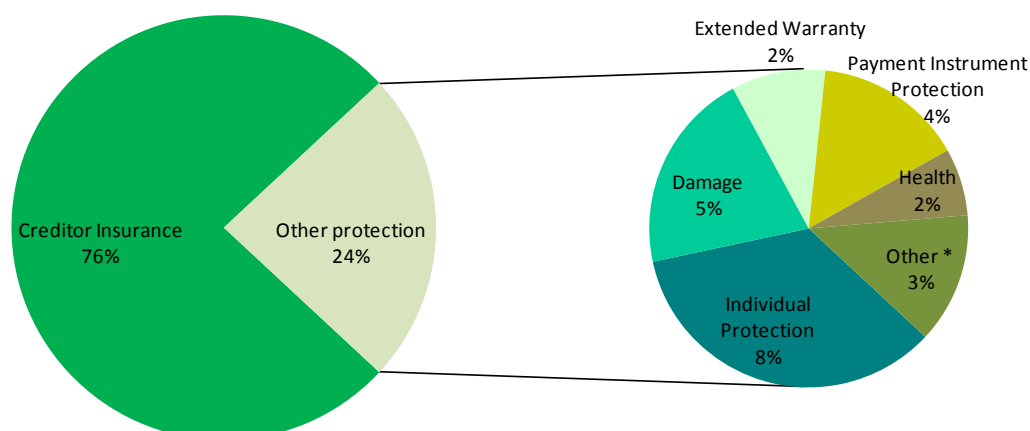
5.3.2 Protection insurance

The Issuer has progressively expanded its protection portfolio with new products. The Issuer started the activity with creditor insurance and now covers health insurance, property, casualty insurance, involuntary unemployment, products for budget and income protection, credit card protection and extended warranty.

¹¹ Source: Annual Report of the Association of Insurance Companies of Luxembourg for the year 2013

The chart below presents the breakdown between creditor insurance and other protection businesses:

Protection 2013 GWP⁽¹⁾ Breakdown by Product

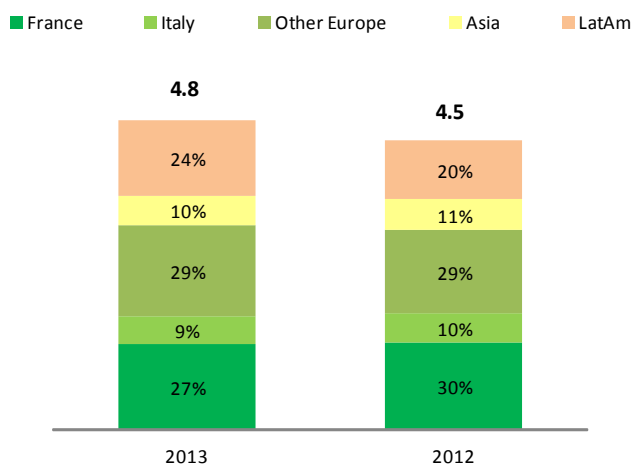


* Other: Collective Protection, GAP, Budget Income protection, Personal Possession protection, travel insurance, assistance and services

The Issuer intends to further develop protection insurance in the years to come as this is likely to be in line with the growing need for equipment in the emerging markets and the demographic evolutions in mature economies.

The chart below presents the main contributors in protection by geographic zone:

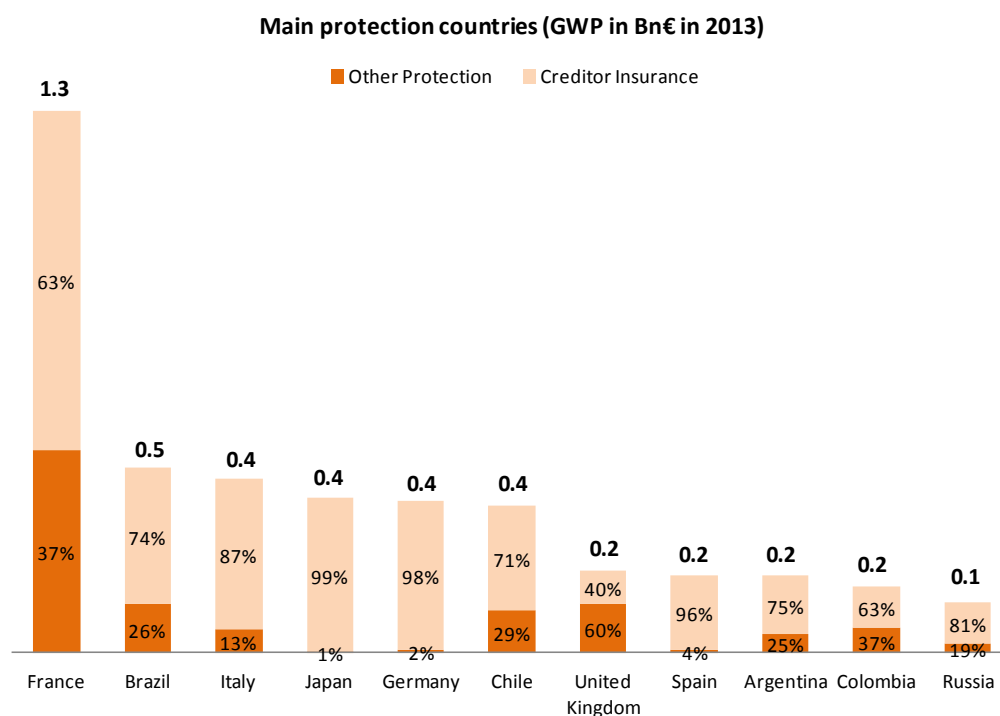
Protection GWP by geographic area (in Bn€ in 2013)



GWP in Bn€	2013	2012
France	1.3	1.4
Italy	0.4	0.5
Other Europe	1.4	1.3
Asia	0.5	0.5
Latin America	1.2	0.9
Total	4.8	4.5

The Issuer had a GWP of 4.8 billion euros in 2013 for the protection activity. This represents a 7% increase compared to 2012. The growth was driven by Latin America, meanwhile European markets have suffered from the economic environment and Asia from negative forex impacts¹².

The Issuer portfolio's geographic origin in the protection activity is diversified. Five countries in three different continents have recorded annual GWP above 0.4 billion euros in 2013. The chart below presents a breakdown of the GWP between creditor insurance and other protection in the countries in which the Issuer has the most activity¹³:



5.4 Results

The Issuer has recorded a 2013 net result under French GAAP (*General Accepted Accounting Principles*) of 387.5 million euros which represents an increase of 1% compared to 2012.

¹² Source: 2013 consolidated financial statements & BNP Paribas Cardif management accounting data.

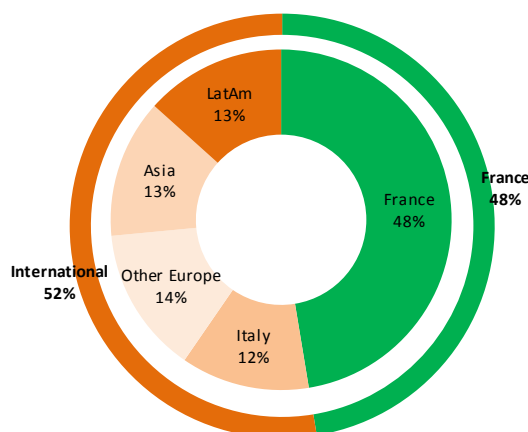
¹³ Source: 2013 consolidated financial statements & BNP Paribas Cardif management accounting data.

	P/L (M€)	2012	2013	Var	%
	Earned premiums	18,457.7	19,710.5	1,253	7%
	Operating revenues net of technical charges and reinsurance	4,768.6	4,946.1	178	4%
	Management expenses & expenses from other activities	(4,141.9)	(4,274.7)	(133)	3%
	Net operating income	626.6	671.4	45	7%
	Other income and expenses & exceptional results	7.1	13.8	7	95%
A	Corporate Income tax	(286.7)	(320.6)	(34)	12%
	NET INCOME FROM CONSOLIDATED COMPANIES	347.1	364.6	18	5%
	Income arising from investments in associates	42.0	30.8	(11)	-27%
	Goodwill amortization	(4.9)	(7.2)	(2)	48%
B	NET CONSOLIDATED INCOME AFTER TAX	384.2	388.2	4	1%
	Minority interests	(0.8)	(0.8)	(0)	0%
	NET CONSOLIDATED INCOME - GROUP SHARE	383.4	387.5	4	1%
C= B-A	PRE TAX INCOME	670.9	708.8	38	6%

The net operating income amounted to 671.4 million euros in 2013 which represents an increase of 7.1% compared to 2012 with a growth of management costs limited to 3% whereas revenues have increased by 4%.

The chart below sets out the contribution of each geographic area to the 2013 net income from consolidated companies (excluding BNP Paribas Cardif as a holding):

Net income after tax from consolidated companies breakdown by geographic area in December 2013



5.5 Risk management and Investment policies

5.5.1 BNP Paribas Cardif Group risk management system

BNP Paribas Cardif Group manages its risks in accordance with its intended risk profile and its risk preferences:

- insurance risks profile is defined by two indicators: (i) maximum deviation between pre-tax income and budget at the 90% quantile, and (ii) the target solvency ratio in the current regulatory environment, that is Directive 73/239/EEC of 24 July 1973 on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct insurance

other than life assurance (the **Solvency 1 Directive**), as implemented under French law in the French insurance code;

- as at 31 December 2013, the so-called Solvency 1 ratio (defined in the Solvency 1 Directive as implemented under French law) stands at 117.3% before unrealized gains on assets. If one includes the unrealized gains, the Solvency 1 ratio is above 140%. BNP Paribas Cardif Group's risk preferences can be summarized in the three following principles:
 - (a) control the general fund's contribution to growth in savings products in order to limit the proportion of market risk;
 - (b) support the growing use of protection products by the Issuer; and
 - (c) expansion in the property & casualty market to increase the relative proportion of underwriting risk and the diversification effect for the Issuer.

The main risk decision-taking or monitoring committees are:

- the Insurance Risk Management Committee which covers all risks and is responsible for defining the risk policy and for overseeing the key risks. It monitors progress in BNP Paribas Cardif Group's transition towards the future Solvency 2 Directive, alongside "Valor", the dedicated structure for this purpose set up in 2009;
- Various committees take decisions in relation to the risks of the Issuers:
 - (a) the underwriting committee for risks outside the limits granted to the local and regional entities;
 - (b) the new business committee for new underwriting risks and underwriting risks that are not new for BNP Paribas Cardif Group but new for a particular entity; and
 - (c) the new asset class committee for investments in new types of asset;
 - (d) the insurance asset liability management committee covers market risks and is responsible for defining the strategic asset allocation;
 - (e) the exposure monitoring committee oversees underwriting risks and the credit risk on receivables arising from insurance business;
 - (f) the asset credit risk committee monitors credit risk on issuers of financial instruments; and
 - (g) the operational risk committee monitors actual and potential incidents.

5.5.2 Financial risks

Financial risks arise mainly in the Savings business, where technical reserves represented over 95% of the insurance subsidiaries' liabilities in 2013. The main financial risks fall into four categories:

- a) Interest rate risks.

In France, the Issuer has to book a provision for future adverse deviation (*provision pour aléas financiers*) when the total amount of technical interest plus the guaranteed return payable to policyholders through technical reserves is not covered by 80% of the return on the admissible assets. No provision for future adverse deviation was booked on 31 December for the years 2011, 2012 or 2013 as the returns

guaranteed by the insurance subsidiaries were low and the guarantees were for short periods, resulting in only limited exposure.

b) Liquidity risks

Liquidity risk is managed centrally by the BNP Paribas Cardif Group's asset liability management unit, which coordinates its activities with the BNP Paribas ALM treasury department. Regular asset-liability matching reviews are performed to measure and manage the financial risks, based on medium and/or long-term income statement and balance sheet projections prepared according to various economic scenarios.

c) Counterparty risks

BNP Paribas Cardif Group tries to maintain a balanced spread of bond exposure between sovereign risk and corporate risk (each representing 50% of the portfolio of Cardif Assurance Vie). Euro-zone portfolios focus on issuers with an average rating better than A. Limits by issuer and rating type (investment grade, high-yield) are monitored regularly. Issuer credit quality is also reviewed frequently. The Issuer has limited exposure (less than 10%) to sovereign risks in the peripheral Euro-zone countries.

BNP Paribas Cardif Bonds exposures by country

31 December 2013														31 December 2012	
in millions of euros	Govies		Agencies & supra sovereign		Financial Corporate		Covered		Other Corporate		Total		Total		
By country	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	
France	12 796	14 045	2 766	3 056	9 866	10 679	3 875	4 394	3 392	3 724	32 697	35 899	31 141	34 813	
Italy	4 420	4 854	230	241	1 301	1 339	572	610	1 210	1 290	7 733	8 333	6 734	7 078	
Netherlands	1 006	1 164	423	465	1 771	1 929	146	167	334	372	3 680	4 097	4 998	5 683	
Spain	2 101	2 192	0	0	802	791	1 378	1 449	455	487	4 736	4 917	2 803	2 703	
Germany	1 126	1 289	24	29	193	210	253	264	925	1 024	2 521	2 816	1 930	2 226	
Austria	1 701	1 955	0	0	0	0	0	0	0	0	1 701	1 955	1 708	2 051	
Belgium	3 785	4 069	94	98	273	279	51	51	103	111	4 306	4 608	3 246	3 690	
United-Kingdom	0	0	0	0	1 899	2 107	395	458	35	38	2 329	2 603	2 935	3 278	
Ireland	642	691	0	0	32	32	33	34	33	37	739	795	1 525	1 543	
United States	0	0	0	0	1 393	1 521	51	57	777	833	2 222	2 410	2 083	2 289	
Portugal	270	252	153	156	0	0	0	0	177	169	600	577	998	878	
Other	1 368	1 539	872	961	1 451	1 577	49	55	1 119	1 241	4 859	5 373	5 056	5 649	
Total	29 216	32 048	4 561	5 007	18 980	20 464	6 803	7 538	8 562	9 326	68 122	74 383	65 159	71 881	

BNP Paribas Cardif Bonds exposures by external ratings

31 December 2013														31 December 2012	
in millions of euros	Govies		Agencies & supra sovereign		Financial Corporate		Covered		Other Corporate		Total		Total		
By country	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	Net Book value	Market Value	
AAA	1 444	1 634	691	777	1	1	2 891	3 310	18	21	5 045	5 743	8 236	9 532	
AA	19 383	21 342	3 113	3 434	1 746	1 898	1 862	2 073	873	965	26 976	29 712	19 963	23 332	
A	956	1 083	333	356	11 807	12 751	1 046	1 125	4 138	4 559	18 281	19 875	20 676	22 346	
BBB	6 521	7 046	356	372	4 545	4 848	905	928	3 066	3 305	15 393	16 499	14 065	14 527	
BB	912	943	68	68	632	714	96	100	309	323	2 016	2 147	2 064	1 995	
B	0	0	0	0	7	7	0	0	54	44	61	51	7	6	
CCC	0	0	0	0	32	26	0	0	0	0	32	26	32	23	
NR	0	0	0	0	133	137	2	3	104	109	239	248	114	118	
Total	29 216	32 048	4 561	5 007	18 980	20 464	6 803	7 538	8 562	9 326	68 122	74 383	65 159	71 881	

Entities of the BNP Paribas Cardif Group no longer hold Greek government debt since October 2012.

d) Risks related to investment portfolio

BNP Paribas Cardif Group has a limited exposure to the risk of a fall in asset values (fixed-income, credit, equities, real estate). Cardif Assurance Vie's unrealised gains and losses can be described as follows:

► **TABLE 65: CARDIF ASSURANCE VIE UNREALISED GAINS AND LOSSES**

In millions of euros		31 December 2013	31 December 2012
	Govies	2,833	3,442
	Agencies & supra sovereign	445	449
	Financial Corporate	1,484	1,119
	Covered	735	637
	Other Corporate	765	1,075
TOTAL BONDS		6,262	6,722
	Equity	1,202	210
	Real estate	790	675
	Alternatives	99	12
	Other	67	20
TOTAL OTHER ASSETS		2,158	916
TOTAL		8,420	7,638

5.5.3 Insurance risks

Underwriting risks arise mainly in the Savings business due to surrender risks. There are three types of underwriting risks:

a) Savings – surrender risk

Savings contracts include a surrender clause allowing policyholders to request reimbursement of all or part of their accumulated savings. The Issuer is exposed to the risk of surrender volumes being higher than the forecasts used for asset liability management purposes, which may force the Issuer to sell assets at a loss. The surrender risk is limited however due to the following:

- policyholder behavior is monitored on an ongoing basis in order to regularly align the duration of the assets with that of the corresponding liabilities and reduce the risk of abrupt and large-scale asset sales;
- policyholders are paid dividends that raise the total return to a level in line with market benchmarks. The policyholders' surplus reserve is the mechanism in France that enables the surplus actually paid out to be pooled and spread between generations of policyholders; and
- the return on financial assets is protected through the use of hedging instruments.

b) Unit-linked contracts with a guaranteed minimum benefit

Unit linked liabilities are equal to the sum of the market values of the assets held in the unit-linked portfolios. The Issuer's liability is therefore covered by corresponding assets. The match between unit-linked liabilities and the related assets is controlled at monthly intervals. The capital guarantee is subject to certain limits.

c) Protection

These risks result mainly for the Issuer from the sale of creditor insurance and other personal risk insurance (individual death and disability, extended warranty, annuity policies). The actuarial oversight system set up by the Issuer to prevent and control actuarial risks is based on guidelines. Risk exposures are monitored at quarterly intervals by BNP Paribas Cardif Group's executive committee, based on an analysis of loss ratios.

Reinsurance is a complementary element of the underwriting risk management system.

Underwriting risks are covered by various technical reserves, including mathematical reserves in life insurance, the unearned premiums reserves generally calculated on an accruals basis, the outstanding claims reserves, determined by reference to reported claims, and the IBNR (claims incurred but not reported) reserves, determined on the basis of either observed settlements or the expected number of claims and the average cost per claim. The level of prudence adopted for the overall assessment of claims provisions corresponds to the 90% quantile.

5.6 Material Contracts

The BNP Paribas Cardif Group relies on the networks of banks affiliated with the BNP Paribas Group to distribute its products and has entered into agreements which govern these relations. In addition to the distribution of its products, the BNP Paribas Group has also entered into contractual outsourcing arrangements with members of the BNP Paribas Group for other important services required in connection with the day-to-day operation of the BNP Paribas Group's insurance businesses, including administrative management of life insurance policies, which is delegated to the distributors, asset management, which is delegated to specialist entities within the BNP Paribas Group.

In April 2004, entities of the BNP Paribas Group began outsourcing IT Infrastructure Management Services to the BNP Paribas Partners for Innovation (BP²I) joint venture set up with IBM France at the end of 2003. BP²I provides IT Infrastructure Management Services for various entities of the BNP Paribas Group in France including the Issuer. In mid-December 2011, BNP Paribas renewed its agreement with IBM France until end-2017. BP²I is 50% owned by BNP Paribas and IBM France.

As at 31 December 2013, BNP Paribas Cardif had a 43.2 million euros debt *vis à vis* GIE BNP Paribas Cardif.

5.7 Solvency

Under applicable French laws and regulations (articles R.334-17 and A.334-1 of the French insurance code), insurance companies must have a level of equity sufficient to cover a solvency margin based on their liabilities. In the saving insurance activity, the solvency margin is based on actuarial provisions on euro-denominated and unit of account contracts. In protection insurance activity, it is based on capital at risk (for the life business) and on revenues (for the non-life business).

As at 31 December 2012, the solvency margin of the Issuer was in excess of the consolidated solvency margin set at 5,040 million euros (361 million euros in excess). As at 31 December 2013, the consolidated solvency margin of the BNP Paribas Cardif Group calculated pursuant to article R.334-19 of the French insurance code amounted to 5,401 million euros. The global solvency margin ratio was equal to 147.2% including unrealised capital gains and losses net of insured profit sharing (1,614 million euros), as calculated under regulatory requirements.

Total assets included in the calculation of the solvency margin, after appropriation of earnings submitted to the shareholders general meeting, amounted to 6,337 million euros, which represents a margin of 117.3% (excluding unrealised capital gains and losses) pursuant to applicable regulatory requirements.

The following elements were, among others, taken into account for the calculation of the solvency margin:

- the consolidated shareholders' equity, including retained earnings, of 3,993 million euros;
- minority interests of 33 million euros;
- loans and subordinated bonds amounting to 2,586 million euros, and from technical provisions accepted under applicable French laws and regulations amounting to 638 million euros; and

- some items (intangible assets, goodwill and the portion of deferred acquisition costs not allowed as assets backing liabilities) totalling -914 million euros are deducted from the solvency margin.

BNP Paribas Cardif Group has also contracted loans in euros and other local currencies with BNP Paribas S.A for an amount equal to 1.76 billion euros as at the end of 2013, in order to have additional funding for its main subsidiaries worldwide as well as to hedge its investments against foreign exchange risk.

5.8 Ratings

BNP Paribas Cardif Group is rated by Standard & Poors.

- BNP Paribas Cardif: Issuer Credit Rating is A.
- Cardif Assurance Vie, its main life subsidiary: Financial Strength Rating and Issuer Credit Rating is A+.
- Cardif Assurance Risques Divers, its main non life subsidiary: Financial Strength Rating and Issuer Credit Rating is A+.

Cardif Assurance Vie and Cardif Assurance Risques Divers have accordingly the same issuer credit ratings as BNP Paribas Group.

6. Litigation and Arbitration Proceedings

As of the date of this Prospectus, the Issuer is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had during the period of 12 months immediately preceding the date of this Prospectus, a significant effect on the Issuer's or the BNP Paribas Cardif Group's financial condition or profitability.

7. Statutory auditors

Principal auditors:

Since the 14th May 2013 and for a period of 6 years:

PRICEWATERHOUSECOOPERS AUDIT, 63, rue de Villiers 92208 Neuilly sur Seine Cedex, and represented by Michel Laforce and Patrice Morot.

Since 11 May 2012 and for a period ending on 31 December 2014:

DELOITTE ET ASSOCIES, 185, avenue Charles de Gaulle 92524 Neuilly-sur-Seine Cedex, and represented by Jérôme Lemierre.

Substitute auditors:

Since 14 May 2013 and for a period of 6 years:

Anik Chaumartin, 63, rue de Villiers 92208 Neuilly sur Seine, Cedex.

Since 11 May 2012 and for a period ending on the 31 December 2014:

BEAS, 195, avenue Charles de Gaulle 92200 Neuilly sur Seine Cedex, and represented by Mireille Berthelot.

8. Recent developments

8.1 General

Performance trend (unaudited figures for the six months period ended on 30 June 2014):

The Issuer's GWP (BNP Paribas Cardif Group statutory scope) amounted to 10.9 billion euros as at 30 June 2014, a 4% increase compared to June 2013. This development is largely due to the savings activity in Italy and to the constant growth of the protection activity in Asia (a 3% increase in Japan compared to 2013) and Latin America (a 13% increase in Brazil compared to 2013, a 5% increase in Chile compared to 2013).¹⁴

More generally the Insurance business of BNP Paribas Group, to which BNP Paribas Cardif Group belongs, has seen a 3.4% increase of its net profit before tax¹⁵.

8.2 Acquisition

Since the beginning of the year, continuing its diversifying strategy in Protection, BNP Paribas Cardif Group has announced agreements to acquire 3 new companies:

- In France, the Issuer announced on 23 July 2014 that it had entered into an agreement with the Europ Assistance Group for the acquisition of Icare SA, an insurance company specialized in marketing and managing insurance cover and services for the automotive market in France;
- In Italy, the Issuer announced on 6 August 2014 that it had entered into an agreement with UBI Banca to acquire the remaining 50% - 1 share of UBI Assicurazioni, one of the significant non-life bancassurance players in the Italian market. On completion, the Issuer and Ageas will jointly own 100% of UBI Assicurazioni (with Ageas holding 50% + 1 share, and BNP Paribas Cardif holding 50% - 1 share). This transaction is subject to regulatory approval and is expected to close in 2014; and
- In South Korea, the Issuer announced on 30 July 2014 that it had entered into an agreement to acquire an 85% stake in Ergo Daum Direct, an insurance company specialized in non life products (with Axa retaining a 15% stake). This joint venture should be offering general insurance products to Korean consumers from September 2014 under the name BNP Paribas Cardif General Insurance.

¹⁴ Source: Management accounting data on the statutory scope of the BNP Paribas Cardif Group.

¹⁵ Source: BNP Paribas Group 2014, 2nd quarter Results Presentation.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in France or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

1. EU SAVINGS DIRECTIVE

Under the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the **Savings Directive**), Member States, subject to a number of conditions being met, are required to provide to the tax authorities of other Member States details of payments of interest and other similar income made or secured by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State and to certain limited types of entities established in that other Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the **Amending Savings Directive**). Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Amending Savings Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

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 rate of such withholding tax is 35 per cent. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. Luxembourg has announced its intention to elect out of the withholding system with effect from 1 January 2015, in favour of automatic exchange of information under the Savings Directive

The end 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).

2. FRANCE

2.1 Withholding Tax

The following is a basic summary of certain withholding tax considerations that may be relevant to Noteholders who do not concurrently hold shares of the Issuer or are affiliated with the Issuer within the meaning of article 39,12 of the French Code général des impôts. Persons who are in doubt as to their tax position should consult a professional tax adviser.

Withholding Tax

Payments of interest and other revenues made by the Issuer with respect to the Notes are not subject to the withholding tax provided under Article 125 A III of the *Code général des impôts* unless such payments are made in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to exceptions, certain of which are set forth below, and to the more favourable provisions of an applicable double tax treaty).

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues on such Notes will not 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 to a bank account opened in a financial institution located in 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 Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to more favourable provisions of any applicable double tax treaty).

- (i) Notwithstanding the foregoing, the law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts*, nor the Deductibility Exclusion will apply in respect of the Notes if the Issuer can prove that (i) the principal purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non Cooperative State, and (ii) in respect of the Deductibility Exclusion, the interest or other revenues on the relevant Notes relate to genuine transactions and are not in an abnormal or exaggerated amount (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 no. 70 and 80, BOI-IR-DOMIC-10-20-20-60-20140211 no. 10 and BOI-ANX-000364-20120912 no. 20, 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 *inter alia*, 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.

Consequently, payments of interest and other revenues made by the Issuer under the Notes will not be subject to the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* and the Deductibility Exclusion will not apply to such payments.

Payment to individuals fiscally domiciled in France

Pursuant to Article 125 A I of the French *Code général des impôts* and subject to certain limited exceptions, interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

2.2 EU Savings Directive

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts* and Article 49 I *ter* to 49 I *sexies* of the Schedule III to the French *Code général des impôts*. Article 242 *ter* of the French *Code général des impôts* 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.

3. LUXEMBOURG TAXATION

The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes. Please note that it has been announced by Luxembourg that as of 1 January 2015 it would switch from the withholding system to the exchange of information system.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

3.1 Non Luxembourg tax resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the **Savings Laws**), there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Under the Savings Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity which is resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

3.2 Luxembourg resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of

Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg or certain foreign residual entities established in an EU Member State or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law would be subject to 10 per cent withholding tax.

When used in this section, "interest", residual entity", and "paying agent" have the meaning given thereto in the Saving Laws.

4. U.S. 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 30% withholding tax with respect to certain payments to (a) 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 (b) 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 Participating FFI (a **Recalcitrant Holder**). The Issuer is classified as an FFI. This withholding would potentially apply to payments in respect of any Notes that are issued on or after the "grandfathering date", which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally 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. 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 (a **US-France IGA**).

The Issuer expects to be treated as a Reporting FI pursuant to the US-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (a) 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 (b) an investor is a Recalcitrant Holder.

While the Notes are held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer or any paying agent, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs 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. If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and 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 that they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

Banca IMI S.p.A., Banco Santander, S.A., BNP Paribas, HSBC Bank plc, Lloyds Bank plc, Mediobanca-Banca di Credito Finanziario SpA, The Royal Bank of Scotland plc (the **Joint Lead Managers**) have, pursuant to a subscription agreement (the **Subscription Agreement**) dated 21 November 2014 agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Notes at the issue price of 100.00% of the total principal amount of the Notes, less a combined management and underwriting commission agreed between the Issuer and the Joint Lead Managers. The Issuer has agreed to indemnify the Joint Lead 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 being made to the Issuer.

General selling restrictions

No action has been taken or will be taken by the Joint Lead Managers that would, or is intended to, permit a public offering of the Notes or the possession or distribution of this Prospectus or any other offering material in relation to the issue of the Notes in any country or jurisdiction where action for that purpose is required.

Each of the Joint Lead Managers has represented, warranted and agreed that it will comply with all applicable laws and regulations in force in any jurisdiction in or from which it purchases, offers or sells Notes or possesses or distributes the Prospectus (as supplemented and amended as the case may be) or any part of it or any other offering material relating to the Notes, and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes such purchases, offers or sales. None of Joint Lead Manager who has complied with such representation shall have any responsibility for any breach of such representation by another Joint Lead Manager.

None of the Joint Lead Managers will offer, sell or deliver, directly or indirectly, any Notes or distribute the Prospectus or any offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and which will not impose any obligations on the Issuer and all offers, sales and deliveries of Notes and distributions of the Prospectus or any offering materials relating to the Notes by each of the Joint Lead Managers will be made on the same terms.

Neither the Issuer nor any of the Joint Lead Managers represent that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction that would permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required.

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may not be offered or sold, directly or indirectly, in the United States, or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. Terms used in this paragraph and not otherwise defined in the Prospectus have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

Each of the Joint Lead Managers has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the Notes (a) as part of its distribution at any time or (b) otherwise until forty (40) calendar days after the later of the commencement of the offering and the closing date of the offering, in the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are being offered and sold only outside the United States to non-U.S. persons in compliance with Regulation S and U.S. tax law.

In addition, until forty (40) calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

United Kingdom

Each of the Joint Lead Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in an investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes only under circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each of the Joint Lead Managers and the Issuer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, other than individuals, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier*.

GENERAL INFORMATION

1. Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market.
2. The Notes have been accepted for clearance and settlement through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number 114325856. The International Securities Identification Number (**ISIN**) for the Notes is FR0012329845. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg and the address of Euroclear France is 66 rue de la Victoire, 75009 Paris.
3. Except as disclosed in this Prospectus on page 82, there has been no significant change in the financial or trading position of the Issuer and the Group since 31 December 2013.
4. There has been no material adverse change in the prospects of the Issuer and the Group since 31 December 2013.
5. The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Issuer is aware) during the twelve (12) months preceding the date of approval of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.
6. The issue of the Notes was decided by Mr. Pierre de Villeneuve, *Président-Directeur Général* of the Issuer on 20 November 2014 acting pursuant to a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 19 March 2014.
7. There are, at the date of this Prospectus, no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.
8. The net proceeds of the issue of the Notes will be used to repay €436 million of subordinated debt subscribed by BNP Paribas, subject to the prior approval of the *Autorité de contrôle prudentiel et de résolution*, and for general corporate purposes.
9. At the date of this Prospectus, there are no conflicts of interest which are material to the issue or offer of the Notes between the duties of the members of the Board of Directors to the Issuer and their private interests and/or their other duties. The Joint Lead Managers are paid commissions in relation to the issue of the Notes. Any such Joint Lead Manager and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.
10. To the knowledge of the Issuer, no person involved in the issue of the Notes has an interest material to the Issue.
11. For as long as the Notes are outstanding the following documents will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent and the Paying Agent:
 - (a) this Prospectus;
 - (b) the Agency Agreement;

- (c) the *statuts* of the Issuer; and
- (d) each of the Documents Incorporated by Reference.

The Prospectus will be published on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and the Issuer (www.bnpparibascardif.com).

- 12. As of the date of this document, the Issuer does not establish semi-annual accounts.
- 13. The statutory auditors of the Issuer are Deloitte & Associés (185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France) and PricewaterhouseCoopers Audit (Crystal Park, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France) (both entities are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*). Deloitte & Associés and PricewaterhouseCoopers Audit are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles* which is supervised by the *Compagnie Nationale des Commissaires aux Comptes*. They have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for each of the fiscal years ended 31 December 2012 and 31 December 2013.
- 14. The yield of the Notes, calculated from the Issue Date to the First Call Date is 4.032% *per annum*. It is not an indication of future yield.

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