



# BNP PARIBAS

## US\$1,500,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes

**Issue Price for the Notes: 100%**

BNP Paribas ("**BNP Paribas**" or the "**Issuer**") is offering US\$ 1,500,000,000 principal amount of its Perpetual Fixed Rate Resettable Additional Tier 1 Notes (the "**Notes**"). The Notes will be issued by BNP Paribas and will constitute direct, unsecured and deeply subordinated obligations of the Issuer, as described in Condition 4 (*Status of the Notes*) in "*Terms and Conditions of the Notes*."

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

The Notes will bear interest on their Prevailing Outstanding Amount (as defined in Condition 2 (*Interpretation*) in "*Terms and Conditions of the Notes*") at the applicable Rate of Interest from (and including) August 19, 2015 (the "**Issue Date**") and interest shall be payable semi-annually in arrears on February 19 and August 19 in each year (each an "**Interest Payment Date**") from (and including) February 19, 2016 to (but excluding) August 19, 2025 (the "**First Call Date**") at the rate of 7.375% per annum.

The rate of interest will reset on the First Call Date and on each five-year anniversary thereafter (each, a "**Reset Date**"). The rate of interest for each Interest Period occurring after each Reset Date will be equal to the Reset Rate of Interest which amounts to the sum of (a) the 5-year Mid-Swap Rate plus (b) the Margin (5.15 per cent.), as determined by the Calculation Agent, as described in "*Terms and Conditions of the Notes*".

The Issuer may elect or may be required to cancel the payment of interest on the Notes (in whole or in part) on any Interest Payment Date as set out in "*Terms and Conditions of the Notes – Cancellation of Interest Amounts*". Interest that is cancelled will not be due on any subsequent date, and the non-payment will not constitute a default by the Issuer.

The Notes are perpetual obligations and have no fixed maturity date. Holders do not have the right to call for their redemption. The Issuer is not required to make any payment of the principal amount of the Notes at any time prior to the time a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason. The Issuer may, subject to the prior approval of the Relevant Regulator, redeem the Notes in whole, but not in part, on the First Call Date or any Interest Payment Date thereafter at their Original Principal Amount or at any time following the occurrence of a Capital Event or a Tax Event at the Prevailing Outstanding Amount (each term as defined in "*Terms and Conditions of the Notes*").

**The Prevailing Outstanding Amount of the Notes will be written down if the Issuer's CET 1 Ratio on a consolidated basis falls below 5.125 per cent (each term as defined in Condition 2 (*Interpretation*) in "*Terms and Conditions of the Notes*").** Holders may lose some or all of their investment as a result of a Write Down. Following such reduction, some or all of the principal amount of the Notes may, at the Issuer's discretion, be reinstated, up to the Original Principal Amount, if certain conditions are met. See Condition 6 (*Write-Down and Reinstatement*) in "*Terms and Conditions of the Notes*". If a Capital Event or a Tax Event has occurred and is continuing, the Issuer may further substitute all of the Notes or vary the terms of all of the Notes, without the consent or approval of Holders, so that they become or remain Compliant Securities (as defined in Condition 7.5 (*Substitution/Variation*)).

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

Application has been made to list and admit to trading the Notes, as of their issue date or as soon as practicable thereafter, on the regulated market of Euronext in Paris. Euronext Paris is a regulated market within the meaning of the Directive 2004/39/EC of the European Parliament and of the Council dated April 21, 2004.

The Notes are expected to be rated BB+ by Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**"), Ba1 by Moody's Investors Services Ltd. ("**Moody's**") and BBB- by Fitch France S.A.S. ("**Fitch France**"). Each of Standard & Poor's, Moody's and Fitch France is established in the European Union ("**EU**") and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Prospectus. This list is available on the ESMA website at [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

**Investing in the Notes involves certain risks. See "*Risk Factors*" beginning on page 27 below for risk factors relevant to an investment in the Notes.**

The Notes will be issued in registered form in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. Delivery of the Notes will be made on or about August 19, 2015, in book-entry form only, through the facilities of The Depository Trust Company ("**DTC**"), for the accounts of its participants, including Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), and Euroclear Bank S.A./N.V. ("**Euroclear**").

**The Notes have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Accordingly, the Issuer is offering the Notes only (1) to qualified institutional buyers ("QIBs") within the meaning of Rule 144A under the Securities Act ("Rule 144A") and (2) outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S"). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

**The Notes are not intended to be sold and should not be sold to retail clients in the EEA, as defined in the rules set out in the Temporary Marketing Restriction (Contingent Convertible Securities) Instrument 2014 or the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (together, the "MR Rules"), as amended or replaced from time to time, other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to the section headed "*Restrictions on marketing and sales to retail investors*" on page iv of the Prospectus for further information.**

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

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

**Sole Bookrunner and Global Coordinator  
BNP PARIBAS**

**Joint Lead Managers**

COMMERZBANK Credit Suisse HSBC Standard Chartered Bank TD Securities UBS Investment Bank UniCredit Bank

**Co-Managers**

BB Securities Bradesco BBI CIBC Scotiabank Swedbank AB

The date of this Prospectus is August 13, 2015.

The Issuer is responsible for the information contained and incorporated by reference in this Prospectus. The Issuer has not authorized anyone to give prospective investors any other information, and the Issuer takes no responsibility for any other information that others may give to prospective investors. Prospective investors should carefully evaluate the information provided by the Issuer in light of the total mix of information available to them, recognizing that the Issuer can provide no assurance as to the reliability of any information not contained or incorporated by reference in this Prospectus. The information contained or incorporated by reference in this Prospectus is accurate only as of the date hereof, regardless of the time of delivery or of any sale of the Notes. It is important for prospective investors to read and consider all information contained in this Prospectus, including the documents incorporated by reference herein, in making an investment decision. Prospective investors should also read and consider the information in the documents to which the Issuer have referred them under the caption “*Documents Incorporated by Reference*” in this Prospectus.

This Prospectus has been prepared by the Issuer solely for use in connection with the placement of the Notes. The Issuer and the Managers reserve the right to reject any offer to purchase for any reason.

**Neither the Securities and Exchange Commission (the “SEC”), any state securities commission nor any other regulatory authority, has approved or disapproved of the Notes; nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.**

The Notes are not insured by the U.S. Federal Deposit Insurance Corporation or any other governmental deposit insurance agency.

The Notes have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America 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. The Notes are being offered and sold only (i) to qualified institutional buyers as defined in Rule 144A, in a transaction exempt from the registration requirements of the Securities Act, and (ii) outside of the United States of America to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S.

In addition, until forty (40) calendar days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act unless it is made pursuant to Rule 144A.

The distribution of this Prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law. The Issuer and the Managers require persons in whose possession this Prospectus comes to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful.

The Issuer is offering to sell, and is seeking offers to buy, the Notes only in jurisdictions where offers and sales are permitted. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Neither the delivery of this Prospectus nor any sale made under it implies that there has been no change in the Issuer’s affairs or that the information contained or incorporated by reference in this Prospectus is correct as of any date after the date of this Prospectus.

Prospective investors must:

- comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this Prospectus and the purchase, offer or sale of the Notes; and
- obtain any consent, approval or permission required to be obtained by them for the purchase, offer or sale by them of the Notes under the laws and regulations applicable to them in force

in any jurisdiction to which they are subject or in which they make such purchases, offers or sales; and neither the Issuer nor the Managers shall have any responsibility therefor.

By purchasing the Notes, investors will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading “*Notice to U.S. Investors*” in this Prospectus. Investors should understand that they may be required to bear the financial risks of their investment for an indefinite period of time.

### **Restrictions on marketing and sales to retail investors**

The Notes discussed in the Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors

In particular, in August 2014, the U.K. Financial Conduct Authority (the “FCA”) published the Temporary Marketing Restriction (Contingent Convertible Securities) Instrument 2014 (the “**TMR**”), which took effect on October 1, 2014, and, in June 2015, published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which will replace the TMR from October 1, 2015 (the “**PI**”).

Under the rules set out in the TMR (as amended or replaced from time to time, the “**TMR Rules**”) and in the PI (as amended or replaced from time to time, the “**PI Rules**”) and, together with the TMR Rules, the “**MR Rules**”):

- i. certain contingent write-down or convertible securities (including any beneficial interests therein), such as the Notes must not be sold to retail clients in the EEA; and
- ii. until October 1, 2015, nothing may be done that would or might result in the buying of such securities (or the holding of a beneficial interest in such securities) by a retail client in the EEA (in each case within the meaning of the TMR Rules) or
- iii. from October 1, 2015, there must not be any communication or approval of an invitation or inducement to participate in, acquire or underwrite such securities (or the beneficial interest in such securities) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (in each case, within the meaning of the PI Rules), other than in accordance with the limited exemptions set out in the applicable MR Rules.

The Managers or their affiliates are required to comply with the applicable MR Rules. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or the Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Managers that

1. it is not a retail client in the EEA (as defined in the applicable MR Rules);
2. whether or not it is subject to the MR Rules, it will not
  - (A) sell or offer the Notes (or any beneficial interest therein) to retail clients in the EEA or
  - (B) either
    - (x) until October 1, 2015, do anything (including the distribution of this document) that would or might result in the buying of the Notes or the holding of a beneficial interest in the Notes by a retail client in the EEA (in each case within the meaning of the TMR Rules) or

(y) from October 1, 2015, communicate (including the distribution of this document) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (in each case within the meaning of the PI Rules),

in any such case other than (i) in relation to any sale or offer to sell Notes (or any beneficial interests therein) to a retail client in or resident in the United Kingdom, in circumstances that do not and will not give rise to a contravention of the applicable MR Rules by any person and/or (ii) in relation to any sale or offer to sell Notes (or any beneficial interests therein) to a retail client in any EEA member state other than the United Kingdom, where (a) it has conducted an assessment and concluded that the relevant retail client understands the risks of an investment in the Notes (or such beneficial interests therein) and is able to bear the potential losses involved in an investment in the Notes (or such beneficial interests therein) and (b) it has at all times acted in relation to such sale or offer in compliance with the Markets in Financial Instruments Directive (2004/39/EC) ("**MiFID**") to the extent it applies to it or, to the extent MiFID does not apply to it, in a manner which would be in compliance with MiFID if it were to apply to it; and

3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) any such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Prospective investors acknowledge that they have not relied on the Managers or any person affiliated with the Managers in connection with their investigation of the accuracy of such information or their investment decision. In making an investment decision, prospective investors must rely on their own examination of the Issuer and the terms of this offering, including the merits and risks involved.

The Managers are not making any representation or warranty, express or implied, as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus. Prospective investors should not rely upon the information contained or incorporated by reference in this Prospectus as a promise or representation by the Managers, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness of such information.

Neither the Managers, nor the Issuer, nor any of their respective representatives, are making any representation to prospective investors regarding the legality of an investment in the Notes. Prospective investors should consult with their own advisers as to legal, tax, business, financial and related aspects of an investment in the Notes. Investors must comply with all laws applicable in any place in which they buy, offer or sell the Notes or possess or distribute this Prospectus, and they must obtain all applicable consents and approvals. Neither the Managers nor the Issuer shall have any responsibility for any of the foregoing legal requirements.

The Issuer and the Managers reserve the right to withdraw this offering at any time before closing, to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the amount of Notes offered by this Prospectus.

Notwithstanding anything herein to the contrary, investors may disclose to any and all persons, without limitation of any kind, the U.S. federal or state income tax treatment and tax structure of this offering and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure. However, any information relating to the U.S. federal income tax treatment or tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable any person to comply with applicable securities laws. For this purpose, “**tax structure**” means any facts relevant to the U.S. federal or state income tax treatment of this offering but does not include information relating to the identity of the issuer of the Notes, the issuer of any assets underlying the Notes, or any of their respective affiliates that are offering the Notes.

### **AVAILABLE INFORMATION**

To permit compliance with Rule 144A in connection with sales of the Notes, for as long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish upon the request of a holder of the Notes or of a beneficial owner of an interest therein, or to a prospective purchaser of such Notes or beneficial interests designated by a holder of the Notes or a beneficial owner of an interest therein to such holder, beneficial owner or prospective purchaser, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act, if at the time of such request, the Issuer is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the “**Exchange Act**”), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE UNIFORM SECURITIES ACT (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

### **NOTICE TO PROSPECTIVE INVESTORS**

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers to subscribe for, or purchase, any Notes.

The Managers have not separately verified the information contained in this Prospectus. None of the Managers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Managers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Managers.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes it purchased occurs in compliance with applicable laws and regulations.

In connection with the issue of the Notes, the Manager(s) named as the stabilizing manager(s) (if any) (the “**Stabilizing Manager(s)**”) (or persons acting on behalf of any Stabilizing Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager(s)) will undertake stabilization action. In connection with any series of Notes listed on a regulated market in the European Union, any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of 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 relevant series of Notes and sixty (60) calendar days after the date of the allotment of the relevant series of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

This Prospectus is only being distributed to, and is only directed at, persons in the United Kingdom who are “qualified investors” as defined in Section 86(7) of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) or otherwise in circumstances which do not require the publication by the Issuer of a prospectus pursuant to section 85(1) of the FSMA. In the United Kingdom, this Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, persons (i) having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or other persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as “**relevant persons**”). Persons who are not relevant persons should not take any action on the basis of this Prospectus and should not act or rely on it.

This Prospectus has been prepared on the basis that any offer of the Notes in any Member State of the European Economic Area (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer neither the Issuer nor any Manager have authorized, nor do they authorize, the making of any offer of the Notes in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.

As used herein, the expression “**Prospectus Directive**” means Directive 2003/71/EC, as amended.

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## PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

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

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

The consolidated financial statements as of and for the year ended December 31, 2014 of BNP Paribas were audited by statutory auditors who issued an audit report which is incorporated by reference in the Prospectus. This report contains an emphasis of matter paragraph (*paragraphe d'observations*) referring to note 3.g to the consolidated financial statements which outlines the costs related to the comprehensive settlement with US authorities.

The consolidated financial statements as of and for the six months ended June 30, 2015 of BNP Paribas were reviewed by statutory auditors who issued a report which is incorporated by reference in the Prospectus. This report contains an emphasis of matter paragraph (*paragraphe d'observations*).

### BNP Paribas

16 boulevard des Italiens  
75009 Paris  
France

Represented by Lars Machenil  
in his capacity as Chief Financial Officer

Dated August 12, 2015



In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement général*), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa n°15-449 on August 13, 2015. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information in it is coherent.” It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

## **LIMITATIONS ON ENFORCEMENT OF CIVIL LIABILITIES**

The Issuer is a *société anonyme* duly organized and existing under the laws of France, and many of its assets are located in France. Many of its subsidiaries, legal representatives and executive officers and certain other parties named herein reside in France, and substantially all of the assets of these persons are located in France. As a result, it may not be possible, or it may be difficult, for a Holder or beneficial owner of the Notes located outside of France to effect service of process upon the Issuer or such persons in the home country of the Holder or beneficial owner or to enforce against the Issuer or such persons judgments obtained in non-French courts, including those judgments predicated upon the civil liability provisions of the U.S. federal or state securities laws.

## FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference herein, contains forward-looking statements. Such items in this Prospectus include, but are not limited to, statements made under “*Risk Factors*.” Such statements can be generally identified by the use of terms such as “anticipates,” “believes,” “could,” “expects,” “may,” “plans,” “should,” “will” and “would,” or by comparable terms and the negatives of such terms. By their nature, forward looking statements involve risk and uncertainty, and the factors described in the context of such forward looking statements in this Prospectus could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements. The Issuer has based forward-looking statements on its expectations and projections about future events as of the date such statements were made. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group, including, among other things:

Risks related to the macroeconomic and market environment:

- Difficult market and economic conditions have had and may continue to have a material adverse effect on the operating environment for financial institutions and hence on the Issuer’s financial condition, results of operations and cost of risk;
- The Issuer’s access to and cost of funding could be adversely affected by a resurgence of the euro zone sovereign debt crisis, worsening economic conditions, rating downgrades, increases in credit spreads or other factors;
- Significant interest rate changes could adversely affect the Issuer’s revenues or profitability;
- The soundness and conduct of other financial institutions and market participants could adversely affect the Issuer;
- The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility;
- The Issuer may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns;
- Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses;

Regulatory risks:

- Laws and regulations adopted in response to the global financial crisis may materially impact the Issuer and the financial and economic environment in which it operates;
- The Issuer is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates;
- The Issuer may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations;

Risks related to the Issuer, its strategy, management and operations:

- Risks related to the implementation of the Issuer’s strategic plan;
- The Issuer may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions;
- Intense competition by banking and non-banking operators could adversely affect the Issuer’s revenues and profitability;

- A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect the Issuer's results of operations and financial condition;
- Notwithstanding the Issuer's risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses;
- The Issuer's hedging strategies may not prevent losses;
- The Issuer's competitive position could be harmed if its reputation is damaged;
- An interruption in or a breach of the Issuer's information systems may result in material losses of client or customer information, damage to the Issuer's reputation and lead to financial losses;
- Unforeseen external events may disrupt the Issuer's operations and cause substantial losses and additional costs; and
- Other factors as described under "*Risk Factors*".

## **CERTAIN TERMS USED IN THIS PROSPECTUS**

When used in this Prospectus, the terms “**BNP Paribas**” and the “**Issuer**” refer to the issuer of the Notes, BNP Paribas. The “**BNP Paribas Group**” or the “**Group**” refer to BNP Paribas and its consolidated subsidiaries and associates.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents, which have been previously published and the French versions of which have been filed with the AMF as competent authority in France for the purposes of the Prospectus Directive and shall be incorporated in, and form part of, this Prospectus (the “**Documents Incorporated by Reference**”):

- a. the English version of the Issuer’s 2014 registration document (*Document de référence et rapport financier annuel*), published by the Issuer (the “**BNPP 2014 Registration Document**”), other than Chapter 6 (Information on the Parent Company Financial Statements), Chapter 7 (A Responsible Bank: Information on the Economic, Social, Civic and Environmental Responsibility of BNP Paribas), Chapter 8 (General Information), Chapter 10 (Person Responsible for the Registration Document) and Chapter 11 (Table of Concordance) thereof;
- b. the English version of the first update to the 2014 Registration Document (*actualisation du Document de référence*) (the “**First Update to the 2014 Registration Document**”);
- c. the English version of the second update to the 2014 Registration Document (*actualisation du Document de référence*) (the “**Second Update to the 2014 Registration Document**”);
- d. Chapter 3 (other than 3.6), 4 and 5 of the English version of the Issuer’s 2013 registration document (*Document de référence et rapport financier annuel*);

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

- any section entitled “Person Responsible”, “Documents on Display”, “Articles of Association” or “Table of Concordance” in any of the foregoing documents;
- any reference to a completion letter (*lettre de fin de travaux*) included in any of the foregoing documents; and
- any information relating to a profit forecast or any other forward-looking financial projections, trends or objectives included in any of the foregoing documents.

The Documents Incorporated by Reference are available on the website of the Issuer ([www.bnpparibas.com](http://www.bnpparibas.com)). Unless otherwise explicitly incorporated by reference into this Prospectus in accordance with paragraphs (a) to (c) above, the information contained on the website of the Issuer shall not be deemed incorporated by reference herein.

The following table cross-references the pages of the Documents Incorporated by Reference with the main heading required under Annex XI of the Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive. Any information not listed in the cross-reference list below but included in the Documents Incorporated by Reference is provided for information purposes only.

<b>BNPP 2014 REGISTRATION DOCUMENT</b>	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
<b>3. Risk Factors</b>	
3.1. Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 245 to 364 of the BNPP 2014 Registration Document
<b>4. Information about the Issuer</b>	
4.1. History and development of the Issuer:	Page 5 of the BNPP 2014 Registration Document
4.1.1. The legal and commercial name of the Issuer;	Page 487 of the BNPP 2014 Registration Document
4.1.2. The place of registration of the Issuer and its registration number;	Page 487 of the BNPP 2014 Registration Document
4.1.3. The date of incorporation and the length of life of the Issuer, except where indefinite;	Page 487 of the BNPP 2014 Registration Document
4.1.4. - the domicile and legal form of the Issuer, - the legislation under which the Issuer operates, - its country of incorporation, and - the address and telephone number of its registered office (or principal place of business if different from its registered office).	Pages 487 and 506 (back cover) of the BNPP 2014 Registration Document
4.1.5. Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	Page 129 of the BNPP 2014 Registration Document
<b>5. Business Overview</b>	
5.1.1. A brief description of - the Issuer's principal activities stating, - the main categories of products sold and/or services performed.	Pages 6 to 15, 168 to 171 and 480 to 486 of the BNPP 2014 Registration Document
5.1.2. An indication of any significant new products and/or activities.	Pages 6 to 15, 168 to 171 and 480 to 486 of the BNPP 2014 Registration Document

5.1.3. A brief description of the principal markets in which the Issuer competes.	Pages 6 to 15, 168 to 171 and 480 to 486 of the BNPP 2014 Registration Document
5.1.4. The basis for any statements in the registration document made by the Issuer regarding its competitive position.	Pages 6 to 15 of the BNPP 2014 Registration Document
<b>6. Organisational Structure</b>	
6.1. If the Issuer is part of a group, a brief description of the group and of the Issuer's position within it.	Page 4 of the BNPP 2014 Registration Document
6.2. If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Pages 231 to 239 and 417 to 419 of the BNPP 2014 Registration Document
<b>8. Profit Forecasts or Estimates</b>	
<p>8.1. A statement setting out the principal assumptions upon which the Issuer has based its forecast, or estimate.</p> <p>There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.</p>	Pages 130 to 132 of the BNPP 2014 Registration Document
<p>8.2. A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the Issuer.</p> <p>Where financial information relates to the previous financial year and only contains non-misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements:</p> <p>(a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;</p>	NA



<p>(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;</p> <p>(c) this financial information has not been audited.</p>	
8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	NA
<b>9. Administrative, Management, and Supervisory Bodies</b>	
<p>9.1. Names, business addresses and functions in the Issuer of the following persons, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>	Pages 30 to 45 and 104 of the BNPP 2014 Registration Document
<p>9.2. Administrative, Management, and Supervisory bodies conflicts of interests.</p> <p>Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated.</p> <p>In the event that there are no such conflicts, make a statement to that effect.</p>	Pages 45 to 73 and 77 of the BNPP 2014 Registration Document
<b>10. Major Shareholders</b>	
10.1. To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 16 to 17 of the BNPP 2014 Registration Document
10.2. A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.	Page 17 of the BNPP 2014 Registration Document
<b>2014 financial statements</b>	
Profit and loss account for the year ended December 31, 2014	Page 138 of the BNPP 2014 Registration Document

Statement of net income and changes in assets and liabilities recognised directly in equity	Page 139 of the BNPP 2014 Registration Document
Balance sheet at December 31, 2014	Page 140 of the BNPP 2014 Registration Document
Cash flow statement for the year ended December 31, 2014	Page 141 of the BNPP 2014 Registration Document
Statement of changes in shareholders' equity between January 1, 2013 and 31 December 31, 2014	Pages 142 to 143 of the BNPP 2014 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 144 to 240 of the BNPP 2014 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended December 31, 2014	Pages 241 to 242 of the BNPP 2014 Registration Document
Chapter 5 ("Risks and Capital Adequacy")	Pages 243 to 382 of the BNPP 2014 Registration Document

<b>2013 Registration Document</b>	
Profit and loss account for the year ended December 31, 2013	Page 124 of the 2013 Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity	Page 125 of the 2013 Registration Document
Balance sheet at December 31, 2013	Page 126 of the 2013 Registration Document
Cash flow statement for the year ended December 31, 2013	Page 127 of the 2013 Registration Document
Statement of changes in shareholders' equity between January 1, 2012 and December 31, 2013	Pages 128 to 129 of the 2013 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 130 to 221 of the 2013 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended December 31, 2013	Pages 222 to 223 of the 2013 Registration Document
Chapter 5 ("Risks and Capital Adequacy")	Pages 225 to 347 of the 2013 Registration Document

<b><i>First Update to the 2014 Registration Document</i></b>	
Quarterly Financial Information	Pages 4 to 65 of the First Update to the 2014 Registration Document
Additional Information	Pages 68 to 81 of the First Update to the 2014 Registration Document
Statutory Auditors	Page 82 of the First Update to the 2014 Registration Document

<b><i>Second Update to the 2014 Registration Document</i></b>	
<b>1. Half year management report</b>	Pages 3 to 67 of the Second Update to the 2014 Registration Document
1.1 Group presentation	Page 3 of the Second Update to the 2014 Registration Document
1.2 2015 first half results	Pages 4 to 67 of the Second Update to the 2014 Registration Document
1.3 Long term and short term credit ratings	Page 66 of the Second Update to the 2014 Registration Document
1.4 Related parties	Page 66 of the Second Update to the 2014 Registration Document
1.5 Risk factors	Page 66 of the Second Update to the 2014 Registration Document
1.6 Recent events	Page 66 of the Second Update to the 2014 Registration Document
<b>2. Financial information as at June 30, 2015</b>	Pages 68 to 149 of the Second Update to the 2014 Registration Document
2.1 Profit and loss account for the first half of 2015	Page 70 of the Second Update to the 2014 Registration Document
2.2 Statement of net income and changes in assets and liabilities recognized directly in equity	Page 71 of the Second Update to the 2014 Registration Document
2.3 Balance sheet at June 30, 2015	Page 72 of the Second Update to the 2014 Registration Document
2.4 Cash flow statement for the first half of 2015	Page 73 of the Second Update to the 2014 Registration Document
2.5 Statement of changes in shareholders'	Pages 74 and 75 of the Second Update to the

equity between January 1, 2014 and June 30, 2015	2014 Registration Document
2.6 Notes to the financial statements (prepared in accordance with IFRS as adopted by the European Union)	Pages 76 to 101 of the Second Update to the 2014 Registration Document
2.7 Statutory auditors' review report on the 2014 interim financial information	Pages 150 and 151 of the Second Update to the 2014 Registration Document
<b>3. Additional information</b>	Pages 157 to 164 of the Second Update to the 2014 Registration Document
3.1 Ownership structure at June 30, 2015	Page 157 of the Second Update to the 2014 Registration Document
3.2 Changes in BNP Paribas' capital	Page 157 of the Second Update to the 2014 Registration Document
3.6 Significant changes	Page 164 of the Second Update to the 2014 Registration Document
3.7 Trends	Page 164 of the Second Update to the 2014 Registration Document

## PRESENTATION OF FINANCIAL INFORMATION

In this Prospectus, references to “euro,” “EUR” and “€” refer to the lawful currency of the European Union introduced at the start of the third stage of European economic and monetary union on January 1, 1999 pursuant to the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam. References to “US\$,” “\$,” “U.S. dollars” and “dollars” are to the lawful currency of the United States of America. References to “cents” are to United States cents. Certain financial information contained herein are presented in euros. See “*Exchange Rate and Currency Information.*”

The audited consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014 and 2013 and the unaudited consolidated financial statements as of June 30, 2015 and for the six months ended June 30, 2015 have been prepared in accordance with international financial reporting standards (“IFRS”) as adopted by the European Union. The Group’s fiscal year ends on December 31, and references in this Prospectus to any specific fiscal year are to the twelve-month period ended December 31 of such year.

Due to rounding, the numbers presented throughout this Prospectus may not add up precisely, and percentages may not reflect precisely absolute figures.

## EXCHANGE RATE AND CURRENCY INFORMATION

The following table shows the period-end, average, high and low exchange rates based on the Noon Buying Rate in New York City for cable transfers in foreign currencies as certified by the Federal Reserve Bank of New York (the “**Noon Buying Rate**”) for the euro, expressed in U.S. dollars per one euro, for the periods and dates indicated. On August 7, 2015, the Noon Buying Rate was U.S. \$1.10 per one euro.

<b>Month</b> <b>U.S. dollar/Euro</b>	<b>Period</b> <b>End</b>	<b>Average</b> <b>Rate*</b>	<b>High</b>	<b>Low</b>
August 2015 (through August 7, 2015) ...	1.10	1.09	1.10	1.09
July 2015 .....	1.10	1.10	1.12	1.08
June 2015 .....	1.12	1.12	1.14	1.09
May 2015 .....	1.10	1.12	1.14	1.09
April 2015 .....	1.12	1.08	1.12	1.06
March 2015 .....	1.07	1.08	1.12	1.05
February 2015 .....	1.12	1.14	1.15	1.12
January 2015 .....	1.13	1.16	1.20	1.13
December 2014 .....	1.21	1.23	1.25	1.21
November 2014 .....	1.24	1.25	1.26	1.24

  

<b>Year</b> <b>U.S. dollar/Euro</b>	<b>Period</b> <b>End</b>	<b>Average</b> <b>Rate*</b>	<b>High</b>	<b>Low</b>
2015 (through August 7, 2015) .....	1.10	1.10	1.2	1.05
2014 .....	1.21	1.33	1.39	1.21
2013 .....	1.38	1.33	1.38	1.28
2012 .....	1.32	1.29	1.35	1.21
2011 .....	1.30	1.39	1.49	1.29
2010 .....	1.32	1.33	1.38	1.30

\* The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for year average; on each business day of the month (or portion thereof) for monthly average.

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in exchange rates that may occur at any time in the future. No representations are made herein that the euro or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or euros, as the case may be, at any particular rate.

## OVERVIEW

*The following overview is qualified in its entirety by the remainder of this Prospectus, including all information incorporated by reference herein.*

### The Issuer

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

The Group operates in 75 countries and has close to 188,000 employees, including over 147,000 in Europe. It holds key positions in its two main businesses:

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

At June 30, 2015, the Group had consolidated assets of €2,138.5 billion and shareholders' equity (Group share including income for the first half of 2015) of €92.1 billion.

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

We are incorporating by reference in this Prospectus a Registration Document and its first and second updates relating to the Bank and the Group, the French versions of which were filed with the *Autorité des marchés financiers* ("**AMF**") on March 6, 2015, April 30, 2015 and August 3, 2015, respectively. See "*Documents Incorporated by Reference*."

### Regulatory Capital Ratios

As of June 30, 2015, the Group's fully-loaded Common Equity Tier 1 ratio was 10.6%, its phased in Common Equity Tier 1 ratio was 10.8%, its phased in Tier 1 ratio was 11.7% and its phased in total capital ratio was 13.0%.

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

## THE OFFERING

*The following description of key features of the Notes does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus. Words and expressions defined in "Terms and Conditions of the Notes" applicable to the Notes below or elsewhere in this Prospectus shall have the same meanings in this description of key features of the Notes. References to a numbered "Condition" shall be to the relevant Condition in the "Terms and Conditions of the Notes" applicable to the Notes.*

Issuer:	BNP Paribas
Notes:	US\$1,500,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes
Issue Price:	100%
Status of the Notes:	<p>The Notes are deeply subordinated notes of the Issuer issued pursuant to the provisions of Article L. 228-97 of the <i>French Code de commerce</i>.</p> <p>The obligations of the Issuer in respect of the Notes constitute direct, unsecured and Deeply Subordinated Obligations of the Issuer and rank pari passu and without any preference among themselves and rateably with all other present or future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the present and future <i>prêts participatifs</i> granted to the Issuer and present and future <i>titres participatifs</i>, Eligible Subordinated Obligations and Unsubordinated Obligations issued by the Issuer as more fully described in Condition 4 (<i>Status of the Notes</i>).</p>
Interest and Interest Payment Dates:	<p>The Notes will bear interest from (and including) the Issue Date to (but excluding) the First Call Date at the rate of 7.375% per annum, payable semi-annually in arrears on February 19 and August 19 in each year, commencing on February 19, 2016.</p> <p>The rate of interest will reset on the First Call Date and on each Reset Date thereafter and will be equal to the then prevailing 5-Year Mid-Swap Rate plus the Margin, as determined by the Calculation Agent.</p>
Cancellation of Interest:	<p>The Issuer may elect at its full discretion to cancel (in whole or in part) the Interest Amount otherwise scheduled to be paid on an Interest Payment Date.</p> <p>The Issuer will cancel the payment of an Interest Amount (in whole or, as the case may be, in part) if the Relevant Regulator notifies in writing the Issuer that, in accordance with the Relevant Rules, it has determined that the Interest Amount (in whole or in part) should be cancelled based on its assessment of the financial and solvency situation of the Issuer.</p> <p>In any case, the maximum Interest Amounts (including any additional amounts payable pursuant to Condition 9 (<i>Taxation</i>)) that may be payable (in whole or, as the case may be, in part) under the Notes will not exceed an amount that:</p> <p>(a) when aggregated together with any interest payment or distributions which have been paid or made or which are required to be paid or made on other own funds items in the then current financial year (excluding any such interest payments on Tier 2 Capital instruments and/or which have already been provided for, by way of deduction, in the</p>



calculation of Distributable Items), is higher than the amount of Distributable Items (if any) then available to the Issuer; and

- (b) when aggregated together with other distributions of the kind referred to in Article 141(2) of the CRD IV (or, if different, any provision of French law transposing or implementing Article 141(2) of the CRD IV, as amended or replaced), would cause the Maximum Distributable Amount (if any) then applicable to be exceeded

See Condition 5.9 (*Cancellation of Interest Amounts*).

**Write-Down:**

The Prevailing Outstanding Amount of the Notes will be written down if the Issuer's CET 1 Ratio on a consolidated basis falls below 5.125 per cent. (all as defined in Condition 2 (*Interpretation*) in "*Terms and Conditions of the Notes*"). Holders may lose some or all of their investment as a result of a Write-Down.

**Reinstatement:**

After a Write-Down of the Prevailing Outstanding Amount of the Notes, if a positive Group Net Income (the "**Relevant Group Net Income**") is recorded, at any time while the Prevailing Outstanding Amount is less than the Original Principal Amount, the Issuer may, at its discretion reinstate some or all of the principal amount of the Notes (a "**Reinstatement**"), subject to compliance with the Relevant Rules (including the Maximum Distributable Amount (if any) and, for such purpose, the amount of such Reinstatement shall be aggregated together with other distributions of the Issuer and the Group of the kind referred to in Article 141(2) of the CRD IV or, if different, any transposing or implementing Article 141(2) of the CRD IV as amended or replaced), on a *pro rata* basis with all other Discretionary Temporary Loss Absorption Instruments (if any) which would, following such Reinstatement, constitute Additional Tier 1 Capital.

At no time may the Prevailing Outstanding Amount exceed the Original Principal Amount of the Notes.

Unless the Relevant Rules provide otherwise, a Reinstatement of the principal amount of the Notes will not be effected at any time in circumstances where the aggregate amount of the principal of the Notes to be so reinstated combined with the sum of:

- (i) any previous Reinstatement of the Notes out of the Relevant Group Net Income since the Reference Date,
- (ii) the aggregate amount of any interest on the Notes that has been paid since the Reference Date on the basis of a Prevailing Outstanding Amount that is lower than the Original Principal Amount,
- (iii) the aggregate amount of the increase in principal amount of the Written Down Additional Tier 1 Instruments to be written-up out of the Relevant Group Net Income concurrently with the Reinstatement and (if applicable) any previous increase in principal amount of such Written Down Additional Tier 1 Instruments out of the Relevant Group Net Income since the Reference Date; and
- (iv) the aggregate amount of any interest on such Written Down Additional Tier 1 Instruments that has been paid since the Reference Date on the basis of a prevailing principal amount that is lower than the original principal amount at which such Written Down Additional Tier 1 Instruments were issued;

would exceed the Maximum Reinstatement Amount.

**“Maximum Reinstatement Amount”** means, with respect to a Reinstatement of the principal amount of the Notes pursuant to Condition 6.3 (*Reinstatement*), the Relevant Group Net Income multiplied by the sum of (A) the Original Principal Amount of the Notes and (B) the initial principal amount of all outstanding Written Down Additional Tier 1 Instruments, divided by the Tier 1 Capital of the Group as at the date of the relevant Reinstatement;

Maximum Distributable Amount:

The Maximum Distributable Amount is an amount determined in accordance with Article 141 of the CRD IV, based on whether certain capital buffers are maintained by the Group. If any such capital buffer is not maintained, the Maximum Distributable Amount will generally be equal to a percentage of the current period's net income, group share, with the percentage depending on the extent to which the relevant capital ratios are below the capital buffer levels.

The Maximum Distributable Amount will serve as an effective cap on payments and distributions of the kind referred to in Article 141(2) of the CRD IV. These generally include the reinstatement of the principal amount of the Notes and similar instruments, interest payments on the Notes and similar instruments, other payments and distributions on Tier 1 instruments, and certain bonuses paid by entities in the Group.

The Maximum Distributable Amount is a novel concept, and the relevant capital buffers currently are not scheduled to apply until 2016, at the earliest. This timetable could be accelerated by regulators, and the terms governing the Maximum Distributable Amount may be interpreted by regulators in a manner that might affect payments on the Notes. As a result, it is difficult to predict how the Maximum Distributable Amount will impact Holders of the Notes. See *“Regulatory Capital Ratios”* and *“Risk Factors—Risk Factors Relating to the Notes— Many aspects of the manner in which the CRD IV Rules will be implemented remain uncertain.”*

Undated Securities:

The Notes have no fixed maturity and Holders do not have the right to call for their redemption. The Issuer is not required to make any payment of the principal amount of the Notes at any time prior to the time a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason.

Optional Redemption by the Issuer on the First Call Date or any Interest Payment Date Thereafter:

The Issuer may (at its option but subject to Condition 7.8 (*Conditions to Redemption and Purchase*)) redeem the then outstanding Notes, on the relevant Optional Redemption Date in whole at their Original Principal Amount, together with accrued interest.

Optional Redemption by the Issuer upon the Occurrence of a Tax Event or a Capital Event:

Subject as provided herein, in particular to the provisions of Condition 7.8 (*Conditions to Redemption and Purchase*), upon the occurrence of a Capital Event or a Tax Event, the Issuer may, at its option at any time, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount together with accrued interest thereon.

**“Capital Event”** means the determination by the Issuer, that as a result of a change in the Relevant Rules becoming effective on or after the Issue Date, which change was not reasonably foreseeable

by the Issuer as at the Issue Date, it is likely that all or part of the aggregate outstanding nominal amount of the Notes will be excluded from the own funds of the Group or reclassified as a lower form of own funds of the Group.

**“Tax Event”** means a Tax Deduction Event, a Withholding Tax Event or a Gross-Up Event (each as defined in Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*)).

Substitution and Variation:

Following the occurrence of a Special Event, the Issuer may, as an alternative to an early redemption of the Notes, at any time, without the consent of the Holders and subject to (i) receiving any consent required from, the Relevant Regulator, and (ii) having given no less than fifteen (15) nor more than forty-five (45) calendar days’ notice to the Fiscal Agent and the Holders (in accordance with Condition 16 (*Notices*)) either (x) substitute new notes for the Notes whereby such new notes shall replace the Notes or (y) vary the terms of the Notes, so that the Notes may become or remain Compliant Securities.

If the Issuer has given a notice to the Holders of substitution or variation of the Notes, and, after giving such notice but prior to the date of such substitution or variation, as applicable, the Issuer determines that a Trigger Event has occurred, the Issuer shall, in consultation with the Relevant Regulator, determine whether or not the proposed substitution or variation, as applicable, will proceed and, if so, whether any amendments to the terms and/or timing of such substitution or variation, as applicable, will be made.

**“Special Event”** means any of a Tax Event or a Capital Event.

Purchases:

The Issuer or any of its subsidiaries may, subject to the provisions of Condition 7.8 (*Conditions to Redemption and Purchase*), purchase Notes at any price in the open market or otherwise and at any price in accordance with applicable laws and regulations.

Conditions to Redemption and Purchase:

The Issuer may not redeem the Notes or substitute or modify the terms of the Notes as described above, or purchase the Notes, unless the Relevant Regulator first provides its prior written approval and provided that certain other conditions contained in Condition 7.8 (*Conditions to Redemption and Purchase*) are met.

Events of Default:

None.

Negative Pledge:

None.

Cross Default:

None.

Consent to Bail-In:

By its acquisition of the Notes, each Holder acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of the Bail-In Power (as defined in Condition 18 (*Bail-In Power*)) by a Relevant Resolution Authority (as defined in Condition 18 (*Bail-In Power*)).

This is in addition to the terms of the Notes that provide for a Write-Down of the principal amount as described above under “Write-Down.” The Bail-In Power may be exercised by the Relevant Resolution Authority even if the CET1 Ratio of the Group remains above the relevant threshold levels. In addition, if the Bail-In Power is exercised, the Issuer will not have the ability to institute a reinstatement of the principal amount of the Notes upon a Reinstatement.

Meetings of Holders and

The Agency Agreement contains provisions for the Issuer to call meetings of Holders to consider matters affecting their interests

Modifications:	<p>generally and for soliciting the consent of Holders for such matters without calling a meeting. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at any relevant meeting or who did not consent to the relevant matter and Holders who voted in a manner contrary to the majority.</p> <p>The Issuer may also make any modification to the Notes without the consent of the Holders in certain cases provided in Condition 14 (<i>Meetings of Holders; Modification; Supplemental Agreements</i>) of the Terms and Conditions of the Notes. Any such modification shall be binding on the Holders.</p> <p>Certain modifications to the terms of the Notes (including revisions to the principal and interest payable thereon) may not be made without the prior consent of each Holder affected thereby, as provided in Condition 14.1 (<i>Modification and Amendment</i>) of the Terms and Conditions of the Notes.</p> <p>Any proposed modification of any provision of the Notes can only be effected subject to the prior approval of the Relevant Regulator.</p>
Further Issues	<p>Subject to the prior information of the Relevant Regulator, the Issuer may from time to time without the consent of the Holders to issue further notes, such further notes forming a single series with the Notes so that such further notes and the Notes carry rights identical in all respects (or in all respects save for their issue date, interest commencement date, issue price and/or the amount and date of the first payment of interest thereon).</p>
Taxation:	<p>All payments of principal and interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In the event a payment of interest by the Issuer in respect of the Notes is subject to such withholding or deduction, the Issuer shall, save in certain limited circumstances provided in Condition 9 (<i>Taxation</i>), pay such additional amounts as will result in receipt by the Holders, as the case may be, of such amounts of interest as would have been received by them had no such withholding or deduction been required.</p>
Form of the Notes:	<p>The Notes will be issued in fully-registered form. The Notes will be represented by one or more Global Notes registered in the name of a nominee for DTC. Definitive notes will not be issued except in the limited circumstances described herein.</p>
Denominations:	<p>The Notes will be issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000.</p>
Rating:	<p>The Notes are expected to be rated BB+ by Standard &amp; Poor's Credit Market Services France SAS, Ba1 by Moody's Investors Services Ltd. and BBB- by Fitch France S.A.S. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.</p>
Global Note Codes:	<p>Rule 144A Global Note:  CUSIP: 05565AAN3  ISIN: US05565AAN37  Regulation S Global Note:</p>

CUSIP: F1R15XK36  
ISIN: USF1R15XK367

Use of Proceeds:	The Issuer intends to use the net proceeds of the issuance of the Notes, estimated to be US\$1,485,000,000 (after deducting underwriting discounts and before other expenses), for general corporate purposes.
Notice to U.S. Investors:	The Notes have not been registered under the Securities Act and are subject to restrictions on transfer as described under “ <i>Notice to U.S. Investors.</i> ”
No Prior Market:	The Notes will be new securities for which there is no market. Although the Managers have informed the Issuer that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market-making at any time without notice. Accordingly, a liquid market for the Notes may not develop or be maintained.
Listing:	Application has been made for the Notes to be admitted to trading on Euronext Paris.
Governing Law:	The Notes will be governed by, and construed in accordance with, the laws of the State of New York, except for Condition 4 ( <i>Status of the Notes</i> ) which will be governed by, and construed in accordance with, French law.
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfill its obligations under the Notes. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with the Notes. These are set out under “ <i>Risk Factors.</i> ”
Sole Bookrunner and Global Coordinator:	BNP Paribas Securities Corp.
Joint Lead Managers:	Commerz Markets LLC Credit Suisse Securities (USA) LLC HSBC Securities (USA) Inc. Standard Chartered Bank TD Securities (USA) LLC UBS Securities LLC UniCredit Bank AG
Co-Managers:	Banco Bradesco BBI S.A. BB Securities Ltd, CIBC World Markets Corp. CIBC World Markets Corp. Scotia Capital (USA) Inc. Swedbank AB (publ)
Fiscal Agent, Calculation Agent, Transfer Agent, Registrar and Paying Agent:	The Bank of New York Mellon

## SELECTED FINANCIAL INFORMATION

The following tables present selected financial data concerning the Group as of and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010 as well as selected financial data concerning the Group as of and for the six months ended June 30, 2015. This financial data (except for the restated income statement for the year ended December 31, 2013) have been derived from, and should be read in conjunction with, the audited consolidated financial statements of the Group as of and for the years ended December 31, 2014, December 31, 2013 and December 31, 2012, including comparative columns for the year ended December 31, 2011 and the unaudited consolidated financial statements of the Group as of and for the six months ended June 30, 2015. Such financial statements, which are incorporated by reference to this Prospectus, were prepared in accordance with IFRS as adopted by the European Union.

### BNP Paribas Group

(in millions of euros, except share data)

	Six months ended June 30,	Year ended December 31,				
	2015	2014 <sup>(1)</sup>	2013 <sup>(2)</sup>	2012 <sup>(3)</sup>	2011	2010
<b>Income Statement (EU-IFRS)</b>						
Net interest income .....	11,128	20,319	19,451	21,745	23,981	24,060
Net commission income .....	3,850	7,388	6,845	7,532	8,419	8,486
Net gain on financial instruments at fair value through profit or loss .....	3,557	4,631	4,602	3,312	3,733	5,109
Net gain on available-for-sale financial assets and other financial assets not measured at fair value .....	976	1,969	1,626	1,624	280	452
Net income from other activities .....	2,633	4,861	4,762	4,859	5,971	5,773
<b>Revenues</b> .....	<b>22,144</b>	<b>39,168</b>	<b>37,286</b>	<b>39,072</b>	<b>42,384</b>	<b>43,880</b>
Operating expense and depreciation .....	(14,891)	(26,526)	(25,317)	(26,543)	(26,116)	(26,517)
<b>Gross operating income</b> .....	<b>7,253</b>	<b>12,642</b>	<b>11,969</b>	<b>12,529</b>	<b>16,268</b>	<b>17,363</b>
Cost of risk .....	(1,947)	(3,705)	(3,643)	(3,941)	(6,797)	(4,802)
Costs related to the comprehensive settlement with US authorities .....	-	(6,000)	(798)	-	-	-
<b>Operating income</b> .....	<b>5,306</b>	<b>2,937</b>	<b>7,528</b>	<b>8,588</b>	<b>9,471</b>	<b>12,561</b>
Share of earnings of associates .....	301	408	537	489	80	268
Net gain on non-current assets .....	630	155	287	1,792	206	269
Change in value of goodwill .....	-	(351)	(251)	(490)	(106)	(78)
Income taxes .....	(1,846)	(2,642)	(2,680)	(3,061)	(2,757)	(3,856)
Minority interests .....	188	350	603	(754)	844	1,321
<b>Net income attributable to equity holders</b> .....	<b>4,203</b>	<b>157</b>	<b>4,818</b>	<b>6,564</b>	<b>6,050</b>	<b>7,843</b>
Basic earnings per share .....	3.22	(0.07)	3.68	5.17	4.82	6.33
Diluted earnings per share .....	3.22	(0.07)	3.67	5.16	4.81	6.32

(1) Restated according to the IFRIC 21 interpretation. For further information, see notes 1.a and 2 to the Issuer's consolidated financial statements appearing in the Second Update to the 2014 Registration Document, incorporated by reference herein.

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

(3) Restated in accordance with the amendment to IAS 19. For further information, see notes 1.a and 2 to the Issuer's consolidated financial statements appearing in Chapter 4 of its 2013 Registration Document, incorporated by reference herein.

<b>BNP Paribas Group Balance Sheet (EU-IFRS)</b>	<b>At June 30, 2015</b>	<b>At December 31, 2014<sup>(1)</sup></b>	<b>At December 31, 2013<sup>(2)</sup></b>	<b>At December 31, 2012<sup>(3)</sup></b>	<b>At December 31, 2011</b>	<b>At December 31, 2010</b>
<i>(in millions of euros)</i>						
<i>Assets</i>						
Cash and amounts due from central banks and post office banks.....	99,423	117,473	100,787	103,190	58,382	33,568
Financial assets at fair value through profit or loss.....						
Trading securities .....	206,138	156,546	157,735	143,465	157,624	222,347
Loans and repurchase agreements .....	179,941	165,776	152,036	146,899	153,799	211,629
Instruments designated at fair value through profit or loss.....	83,688	78,827	68,185	62,800	57,073	51,186
Derivative financial instruments .....	359,092	412,498	305,755	410,635	451,967	347,783
Derivatives used for hedging purposes.....	17,068	19,766	8,368	14,267	9,700	5,440
Available-for-sale financial assets .....	267,055	252,292	199,056	192,506	192,468	219,958
Loans and receivables due from credit institutions .....	43,803	43,348	57,545	40,406	49,369	62,718
Loans and receivables due from customers.....	697,405	657,403	612,455	630,520	665,834	684,686
Remeasurement adjustment on interest-rate risk hedged portfolios.....	4,590	5,603	3,568	5,836	4,060	2,317
Held-to-maturity financial assets .....	8,436	8,965	9,881	10,284	10,576	13,773
Current and deferred tax assets .....	8,258	8,628	8,850	8,732	11,570	11,557
Accrued income and other assets .....	121,920	110,088	88,656	99,207	93,540	83,124
Policyholders' surplus reserve			-	-	1,247	-
Equity-method investments....	7,350	7,371	6,561	7,031	4,474	4,798
Investment property.....	1,593	1,614	1,772	927	11,444	12,327
Property, plant and equipment.....	18,726	18,032	16,929	17,319	18,278	17,125
Intangible assets .....	2,999	2,951	2,537	2,585	2,472	2,498
Goodwill.....	11,024	10,577	9,846	10,591	11,406	11,324
<b>Total Assets .....</b>	<b>2,138,509</b>	<b>2,077,758</b>	<b>1,810,522</b>	<b>1,907,200</b>	<b>1,965,283</b>	<b>1,998,158</b>

(1) Restated according to the IFRIC 21 interpretation. For further information, see notes 1.a and 2 to the Issuer's consolidated financial statements appearing in the Second Update to the 2014 Registration Document, incorporated by reference herein.

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

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<b>BNP Paribas Group Balance Sheet (EU-IFRS)</b>	<b>At June 30, 2015</b>	<b>At December 31, 2014<sup>(1)</sup></b>	<b>At December 31, 2013<sup>(2)</sup></b>	<b>At December 31, 2012<sup>(3)</sup></b>	<b>At December 31, 2011</b>	<b>At December 31, 2010</b>
<i>(in millions of euros)</i>						
<i>Liabilities and Shareholders' Equity</i>						
Due to central banks and post office banks .....	5,841	1,680	662	1,532	1,231	2,123
Financial liabilities at fair value through profit or loss						
Trading securities .....	91,671	78,912	69,792	52,432	100,013	102,060
Borrowings and repurchase agreements .....	227,203	196,733	202,662	203,063	173,271	224,532
Instruments designated at fair value through profit or loss .....	62,847	57,632	47,342	43,530	42,044	53,021
Derivative financial instruments .....	356,104	410,250	301,439	404,598	447,467	345,492
Derivatives used for hedging purposes .....	21,232	22,993	12,139	17,286	14,331	8,480
Due to credit institutions .....	93,424	90,352	84,594	111,735	149,154	167,985
Due to customers .....	687,365	641,549	553,497	539,513	546,284	580,913
Debt securities .....	185,036	187,074	186,686	173,198	157,786	208,669
Remeasurement adjustment on interest-rate risk hedged portfolios .....	3,182	4,765	924	2,067	356	301
Current and deferred tax liabilities .....	2,903	2,920	2,477	2,943	3,489	3,745
Accrued expenses and other liabilities .....	96,429	87,722	78,381	86,691	81,010	65,229
Technical reserves of insurance companies .....	182,904	175,214	155,226	147,992	133,058	114,918
Provisions for contingencies and charges .....	11,670	12,337	11,922	11,380	10,480	10,311
Subordinated debt .....	14,575	13,936	11,824	15,223	19,683	24,750
Minority interests in consolidated subsidiaries .....	4,045	4,231	3,522	8,573	10,256	10,997
Shareholders' equity (group share) .....	92,078	89,458	87,433	85,444	75,370	74,632
<b>Total Liabilities and Shareholders' Equity .....</b>	<b><u>2,138,509</u></b>	<b><u>2,077,758</u></b>	<b><u>1,810,522</u></b>	<b><u>1,907,200</u></b>	<b><u>1,965,283</u></b>	<b><u>1,998,158</u></b>

(1) Restated according to the IFRIC 21 interpretation. For further information, see notes 1.a and 2 to the Issuer's consolidated financial statements appearing in the Second Update to the 2014 Registration Document, incorporated by reference herein.

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

(3) Restated in accordance with the amendment to IAS 19. For further information, see notes 1.a and 2 to the Issuer's consolidated financial statements appearing in Chapter 4 of its 2013 Registration Document, incorporated by reference herein.



BNP Paribas Group Capital Ratios (EU-IFRS) <sup>1</sup>	At June 30,	At December 31,				
	<u>2015</u> <sup>(1)</sup>	<u>2014</u> <sup>(1)</sup>	<u>2013</u> <sup>(1)</sup>	<u>2012</u> <sup>(2)</sup>	<u>2011</u>	<u>2010</u>
Total ratio .....	13.0%	12.6%	12.5%	15.5%	14.0%	14.5%
Tier 1 ratio .....	11.7%	11.5%	11.7%	13.6%	11.6%	11.4%
Risk-weighted assets (in billions of euros) .....	630	614	622	552	614	601

(1) Basel 3 ratios, taking into consideration CRR transitory provisions (but with full deduction of goodwill). Subject to the provisions of article 26.2 of (EU) regulation n° 575/2013.

(2) Restated in accordance with the amendment to IAS 19. For further information, see notes 1.a and 2 to the Issuer's consolidated financial statements appearing in Chapter 4 of its 2013 Registration Document, incorporated by reference herein.

<sup>1</sup> The ratios included in this table are calculated on the basis of the capital adequacy regulations in effect at the end of the relevant fiscal year (i.e., ratios at December 31, 2011 were calculated in accordance with Basel 2.5, whereas ratios for all previous years were calculated in accordance with Basel 2). See "Capitalization".

## RISK FACTORS

*Prior to making an investment decision, prospective investors should consider carefully all of the information set out and incorporated by reference in this Prospectus, including in particular the following risk factors. This section is not intended to be exhaustive and prospective investors should make their own independent evaluations of all risk factors and also read the detailed information set out elsewhere in this Prospectus. Terms defined in "Terms and Conditions of the Notes" shall have the same meaning where used below.*

### RISKS RELATING TO THE ISSUER AND ITS OPERATIONS

#### Risks Related to the Macroeconomic and Market Environment

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

As a global financial institution, the Issuer's businesses are highly sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. In recent years, the Issuer has been, and may again in the future be, confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign debt, the capital markets, credit or liquidity, regional or global recessions, sharp fluctuations in commodity prices, currency exchange rates or interest rates, volatility in prices of financial derivatives, inflation or deflation, restructurings or defaults, corporate or sovereign debt rating downgrades or adverse political and geopolitical events (such as natural disasters, pandemics, societal unrest, geopolitical tensions, acts of terrorism and military conflicts). Such disruptions, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Issuer's financial condition, results of operations or cost of risk. In 2015, the macroeconomic environment is expected to be subject to various specific risks, including geopolitical tensions and financial market volatility along with weak growth in the euro zone. Measures taken or that may be taken by central banks to stimulate growth and prevent deflation, including the "quantitative easing" measures announced by the European Central Bank ("ECB") on January 22, 2015, could have negative effects on the banking industry possibly bringing margin pressure but not necessarily lending volume growth.

Moreover, a resurgence of a sovereign debt crisis in Europe, including in Greece following the elections in late January, cannot be ruled out. European markets have experienced significant disruptions in recent years as a result of concerns regarding the ability of certain countries in the euro zone to refinance their debt obligations. At several points in recent years these disruptions caused tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union. The Issuer holds and in the future may hold substantial portfolios of sovereign obligations issued by the governments of, and has and may in the future have substantial amounts of loans outstanding to borrowers in certain of the countries that have been most significantly affected by the crisis in recent years. The Issuer also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis had, and could again in the future have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and more generally on the environment in which the Issuer operates.

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

***The Issuer's access to and cost of funding could be adversely affected by a resurgence of the euro zone sovereign debt crisis, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.***

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

The Issuer's cost of funding may also be influenced by the credit rating of France or the credit rating of the Issuer's long-term debt, both of which have been subject to downgrades in recent years. Further downgrades in the Issuer's or France's credit ratings may increase the Issuer's borrowing cost.

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

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

The amount of net interest income earned by the Issuer during any given period significantly affects its overall revenues and profitability for that period. Interest rates are affected by many factors beyond the Issuer's control, such as the level of inflation and the monetary policies of states, and government decisions relating to regulated savings rates (for example in France the Savings Account A (*Livret A*) or Housing Savings Plan (*Plan d'Epargne Logement*)). Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in the Issuer's net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to the Issuer's short-term financing may adversely affect the Issuer's profitability.

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

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

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous

financial institutions globally, including the Issuer, have announced losses or exposure to losses in substantial amounts. Potentially significant additional potential exposure is also possible in the form of litigation and claims in the context of the bankruptcy proceedings of Bernard Madoff Investment Services (BMIS) (a number of which are pending against the Issuer), and other potential claims relating to counterparty or client investments made, directly or indirectly, in BMIS or other entities controlled by Bernard Madoff, or to the receipt of investment proceeds from BMIS.

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

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

The Issuer maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by extreme volatility in these markets, i.e., the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels, such as occurred during the height of the 2008/2009 financial crisis. Moreover, volatility trends that prove substantially different from the Issuer's expectations may lead to losses relating to a broad range of other products that the Issuer uses, including swaps, forward and future contracts, options and structured products.

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

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

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

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

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

In some of the Issuer's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments

can lead to material losses if the Issuer cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that the Issuer calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant losses that the Issuer did not anticipate.

## **Regulatory Risks**

***Laws and regulations adopted in response to the global financial crisis may materially impact the Issuer and the financial and economic environment in which it operates.***

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

In 2013 and 2014, France made significant changes to its legal and regulatory framework applicable to banking institutions. The French banking law of July 26, 2013 on the separation and regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) and the related implementing decrees and orders specified the required separation between financing operations activities and so-called “speculative” operations that must henceforth be conducted by ring-fenced subsidiaries subject to specific capital and liquidity requirements on a stand-alone basis, as from July 1, 2015. This banking law also introduced a mechanism for preventing and resolving banking crises, which is now supervised by the French banking regulator (*Autorité de contrôle prudentiel et de résolution*, “**ACPR**”) with expanded powers. In the event of a failure, the law provides for mechanisms such as the powers to require banks to adopt structural changes, issue new securities, cancel outstanding equity or subordinated debt securities and convert subordinated debt into equity, and to require the intervention of the French Deposit Guarantee and Resolution Fund (*Fonds de Garantie des Dépôts et de Résolution*). The Ordinance of February 20, 2014 for the adaptation of French law to EU law with respect to financial matters (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) provided in particular for the strengthening of the governance rules within banking institutions, a reinforced and harmonized at the EU level sanctions regime, an extended scope of prudential surveillance with in particular additional prudential requirements, a harmonization of the rules relating to the approval of credit institutions within the European Union, and an update of the rules relating to the consolidated surveillance and the exchange of information. Transposition into French law of the EU Bank Recovery and Resolution Directive of May 15, 2014 (“**BRRD**”), which is scheduled to take place in 2015, will lead to a modification of the French resolution mechanism and will strengthen the tools to prevent and resolve banking crisis in order to ensure that any losses are borne in priority by banks’ creditors and shareholders (such mechanism being known as the “bail-in” or “write-down” procedure).

At the European level, many of the provisions of the EU Directive and Regulation on prudential requirements dated June 26, 2013 (respectively the “**CRD IV**” and the “**CRR**”) took effect as of January 1, 2014. In this respect, many delegated and implementing acts provided for in the CRD IV and the CRR were adopted in 2014. The prudential ratio requirements of the European Banking

Authority and the designation of the Issuer as a systemically important financial institution by the Financial Stability Board increased the Issuer prudential requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. In 2011-2012, the Issuer implemented an adaptation plan in response to these requirements, including reducing its balance sheet and bolstering its capital. In addition, in November 2014, the Financial Stability Board started a consultation on a common international standard on total loss-absorbing capacity (“**TLAC**”) for global systemic banks. Ensuring and maintaining compliance with further requirements of this type that may be adopted in the future may lead the Issuer to take additional measures (including issuing additional debt) that could weigh on its profitability and adversely affect its financial condition and results of operations. Moreover, the proposal for a Regulation of the European Parliament and of the Council of January 29, 2014 on structural measures improving the resilience of EU credit institutions would prohibit certain proprietary trading activities by certain large European credit institutions and require them to conduct certain high-risk trading activities only through subsidiaries.

Regarding the European “Banking Union”, the European Union adopted, in October 2013, a Single Supervisory Mechanism under the supervision of the ECB (the “**Single Supervisory Mechanism**”); as a consequence, since November 2014 and French Ordinance dated November 6, 2014 for the adaptation of French law to the single supervisory mechanism of credit institutions (*Ordonnance portant diverses dispositions d’adaptation de la législation au mécanisme de surveillance unique des établissements de crédit*), the Issuer, along with all other significant institutions in the euro zone, are now under the direct supervision of the ECB. It is not yet possible to assess the impacts of such measures, if any, on the Issuer; however the uncertainty regarding the application of several measures by the ECB and the implementation of additional measures may be a source of additional uncertainty and a risk of non-compliance and, generally speaking, the costs incurred due to the implementation of the Single Supervisory Mechanism may have a negative impact on the Issuer’s results of operations and financial condition. Moreover, and in the context of the new supervisory role granted to the ECB, the ECB conducted in 2014 an asset quality review and performed stress tests on the principal European banks, including the Issuer. The findings of this review were released in October 2014, and despite the fact that the Issuer passed these tests and that the robustness of the Issuer’s balance sheet and the quality of its assets were confirmed, it remains possible that the ECB’s future reviews may result, in particular in the context of future stress tests, in recommendations and additional measures applicable to the Issuer. In addition to the Single Supervisory Mechanism, on April 15, 2014, the European Parliament adopted the BRRD which strengthens the tools to prevent and resolve banking crisis in order to ensure that any losses are borne in priority by banks’ creditors and shareholders and provides for the implementation of resolution funds at the national levels as of January 1, 2015 and until January 1, 2016 ; the Council of the European Union further adopted on July 14, 2014 a regulation establishing the Single Resolution Mechanism (the “**Single Resolution Mechanism**”), which provides for the establishment of the Single Resolution Board (the “**Single Resolution Board**”), as the authority in charge of the implementation of the Single Resolution Mechanism, and the establishment of a Single Resolution Fund (the “**Single Resolution Fund**”) financed by banks at the national level. The Single Resolution Mechanism will be applicable as from January 1, 2016. Pursuant to the Single Resolution Mechanism, on October 8, 2014, the European Commission adopted the delegated regulation on the provisional system of installments on contributions to cover the administrative expenditures of the Single Resolution Board during the provisional period; on December 19, 2014, the Council adopted the proposal for a Council implementing act to calculate the contributions of banks to the Single Resolution Fund, which provides for annual contributions to the Single Resolution Fund to be made by the banks calculated on the basis of their liabilities, excluding own funds and covered deposits and adjusted for risks. The Single Resolution Fund will replace national resolution funds as of January 1, 2016 implemented pursuant to the BRRD. As a consequence, the contribution to the Single Resolution Fund will be significant for the Issuer and will result in an increase in fees and as a consequence, will have a negative impact on the Issuer’s results of operations. Finally, the Directive of April 16, 2014 on deposit guarantee schemes strengthening the protection of citizens’ deposits in case of bank failures was adopted by the European Parliament on April 15, 2014.

Bank regulation in the United States has been substantially changed and expanded in the wake of the financial crisis, including most recently as follows. On October 22, 2014 the final U.S. credit risk retention rule was adopted, which will require certain sponsors of asset-backed securities (“**ABS**”) to retain not less than five percent of the credit risk of the assets collateralizing the ABS issuance. Moreover, the Board of Governors of the Federal Reserve System’s (the “**Federal Reserve**”

**Board”)** final rule imposing enhanced prudential standards on the U.S. operations of large foreign banks will require the Issuer to create a new intermediate holding company for its U.S. subsidiaries by July 1, 2016, which will be required to comply with risk-based and leverage capital requirements, liquidity requirements, supervisory stress testing and capital planning requirements as well as other prudential requirements on a stand-alone basis. Finally, the “Volcker Rule”, adopted by the U.S. regulatory authorities in December 2013, places certain restrictions on the ability of U.S. and non-U.S. banking entities to engage in proprietary trading and to sponsor or invest in private equity and hedge funds; conformance with the Volcker Rule is currently required by July 21, 2015, although the Federal Reserve Board has indicated that the conformance deadline for pre-2014 “legacy” investments in and relationships with private equity and hedge funds will be extended until July 21, 2017.

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

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

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

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

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

***The Issuer may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations.***

The Issuer is exposed to regulatory compliance risk, such as failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging legal or regulatory requirements. Besides damage to the Issuer’s reputation and private rights of action (including class actions introduced into French law in 2014),

non-compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licenses. This risk is further exacerbated by continuously increasing regulatory oversight.

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

The Issuer has received requests for information from certain regulatory authorities globally who are investigating trading in the foreign exchange market. The Issuer is cooperating with these investigations, including by conducting its own internal review of foreign exchange trading. The Issuer is also named as a defendant in a consolidated putative class action brought in the United States District Court for the Southern District of New York alleging antitrust claims relating to the alleged manipulation of foreign exchange rates. Although certain regulatory authorities have announced that they have closed their investigations concerning the Issuer without taking any measures, the Issuer is currently not in a position to estimate the outcome of these matters, including any fines that may be levied by governmental bodies or damages that may be incurred from private litigation. A number of other financial institutions are also currently being investigated in this respect and certain entered into settlements with authorities in 2014. As a result, these investigations and proceedings may expose the Issuer to substantial monetary damages and defense costs in addition to potential criminal and civil penalties, and they could accordingly have a material adverse effect on the Issuer's results of operations, financial condition or reputation.

## **Risks Related to the Issuer, its Strategy, Management and Operations.**

### ***Risks related to the implementation of the Issuer's strategic plan.***

In March 2014 the Issuer announced a plan for the 2014-2016 period (the "**Strategic Plan**") that set out various strategic objectives. The Strategic Plan contemplates a number of initiatives, including simplifying the Issuer's organization and operations, continuing to improve operating efficiency, adapting certain businesses to their economic and regulatory environment and implementing various business development initiatives.

The Strategic Plan includes a number of financial targets and objectives relating to net banking income, operating costs, net income and capital adequacy ratios, among other things. These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions. On February 5, 2015, the Issuer provided an update on the plan's implementation.

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



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

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

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

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

Competition is intense in all of the Issuer's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of the ongoing consolidation of financial services that accelerated during the financial crisis or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding. In particular, competitors subject to less extensive regulatory requirements or to less strict capital requirements, who could therefore be more competitive, may enter the market (e.g., shadow banking). If the Issuer is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Issuer and its competitors. It is also possible that the presence in the global marketplace of nationalized financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, following the 2008/2009 financial crisis or the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Issuer.

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

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

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

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

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

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

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

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

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

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

As with most other banks, the Issuer relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services (as illustrated by the launch of Hello bank! in 2014), and the development of cloud computing. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Issuer's customer relationship management, general ledger, deposit, servicing and/or loan organization systems. The Issuer cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies have over the past few years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorized access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognized until launched against a target, the Issuer may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in the Issuer's information systems and any subsequent disclosure of confidential information related to any client, counterpart or employee of the Issuer (or any other person) or any intrusion or attack against the Issuer's communication system could have an adverse effect on the Issuer's reputation, financial condition and results of operations.

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

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

## **RISKS RELATING TO THE NOTES**

*The following does not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances.*

***The Notes are complex instruments that may not be suitable for certain investors.***

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

***The Notes are deeply subordinated obligations.***

The Issuer's obligations under the Notes are unsecured and Deeply Subordinated Obligations of the Issuer and will be subordinated to the present and future *prêts participatifs* granted to the Issuer and all present and future *titres participatifs*, Eligible Subordinated Obligations and Unsubordinated Obligations of the Issuer, as more fully described in Condition 4 (*Status of the Notes*).

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of Holders of the Notes will be subordinated to the payment in full of the unsubordinated

creditors of the Issuer and any other creditors that are senior to the Notes and, subject to such payment in full, the Holders will be paid in priority to any Issuer Shares. After the complete payment of creditors whose claim ranks senior to the Notes on the judicial liquidation (*liquidation judiciaire*) or other liquidation of the Issuer, the amount payable by the Issuer in respect of the Notes shall be limited to the Prevailing Outstanding Amount and any other amounts payable in respect of the Notes (including any accrued and uncanceled interest). In the event of incomplete payment of unsubordinated creditors or other creditors whose claim ranks in priority to the Notes on the liquidation of the Issuer, the obligations of the Issuer in connection with the Notes shall terminate by operation of law. There is a substantial risk that investors in subordinated notes such as the Notes will lose all or some of their investment if the Issuer becomes insolvent.

***The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Notes.***

The terms and conditions of the Notes place no restriction on the amount of debt that the Issuer may issue that ranks senior to the Notes, or on the amount of securities it may issue that rank *pari passu* with the Notes. The issue of any such debt or securities may reduce the amount recoverable by Holders upon liquidation of the Issuer.

***The Issuer may cancel interest payments at its discretion for any reason, and will be required to cancel interest payments in certain cases.***

As the Notes are intended to qualify as Additional Tier 1 Capital instruments under the CRD IV Rules, the Issuer may elect, at its full discretion, to cancel permanently some or all of the Interest Amounts otherwise scheduled to be paid on an Interest Payment Date. In addition, the Issuer will be required to cancel permanently some or all of such Interest Amounts if and to the extent that one of the following occurs:

- Payment of the scheduled Interest Amount, when aggregated with distributions on all Tier 1 Capital instruments paid or scheduled for payment in the then current financial year, would exceed the amount of Distributable Items then applicable to the Issuer. Tier 1 Capital instruments include other instruments that qualify as Tier 1 Capital (including the Notes and other Additional Tier 1 Capital instruments).
- Payment of the scheduled Interest Amount, when aggregated with any other distributions of the kind referred to in Article 141(2) of the CRD IV that are subject to the same limit, would cause the Maximum Distributable Amount to be exceeded. Distributions referred to in Article 141(2) of the CRD IV include dividends, payments, distributions and write-up amounts on all Tier 1 instruments (including the Notes and other Additional Tier 1 Capital instruments), and certain bonuses paid to employees. The Maximum Distributable Amount is a new and complex concept that will apply if certain capital buffers are not maintained, as discussed in more detail below. It is generally equal to a percentage of the current period's net income, group share, with the percentage depending on the extent to which the relevant capital ratios are below the capital buffer levels.
- The Relevant Regulator notifies the Issuer that it has determined, in its sole discretion, that the Interest Amount should be canceled in whole or in part based on its assessment of the financial and solvency situation of the Issuer.

As of June 30, 2015, distributable retained earnings of the Issuer amounted to €20.6 billion.

The Maximum Distributable Amount is a novel concept, and its determination is subject to considerable uncertainty, as described below under “—*Many aspects of the manner in which the CRD IV Rules will be implemented remain uncertain.*” As a result, the Issuer and the Group's capital requirements are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. Holders may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and principal) on the Notes being prohibited from time to time as a result of the operation of Article 141(2) of CRD IV.

Moreover, because the Issuer is entitled to cancel Interest Amounts at its full discretion, it may do so even if it could make such payments without exceeding the limits above. Interest Amounts on the Notes may be cancelled while junior securities remain outstanding and the holders thereof

continue to receive payments. In determining any proposed dividend and the appropriate payout ratio, however, the Issuer will consider, among other things, the expectation of servicing more senior securities. The Notes are senior in rank to ordinary shares. It is the Issuer's current intention that, whenever exercising its discretion to declare ordinary share dividends, or its discretion to cancel interest on the Notes, the Issuer will take into account, among other factors, the relative ranking of these instruments in the capital structure. No assurance can be given, however, that Interest Amounts on the Notes will not be cancelled while holders of the Issuer's shares will continue to receive dividends. See "*—The Issuer's interests may not be aligned with those of investors in the Notes*".

Once an Interest Amount has been cancelled, it will no longer be payable by the Issuer or considered accrued or owed to the Holders. Cancelled Interest Amounts will not be reinstated or paid upon a Reinstatement, in liquidation or otherwise. Cancellation of Interest Amounts will not constitute a default under the Notes for any purpose or give the Holders any right to petition for the insolvency or dissolution of the Issuer. Any actual or anticipated cancellation of interest on the Notes is likely to have an adverse effect on the market price of the Notes.

In addition, to the extent that the Notes trade on Euronext Paris or other trading systems with accrued interest, purchasers of the Notes in the secondary market will pay a price that includes that accrued interest upon purchase of the Notes. If the Interest Amount scheduled to be paid on an Interest Payment Date is cancelled in whole or in part, such purchasers will not receive the relevant portion of the Interest Amount. This may adversely affect the trading price or liquidity of the Notes.

***Many aspects of the manner in which the CRD IV Rules will be implemented remain uncertain.***

Many of the defined terms in the Conditions of the Notes depend on the final interpretation and implementation of the CRD IV Rules. The CRD IV Rules are a recently-adopted set of rules and regulations that imposes a series of new requirements, many of which will be phased in over a number of years. Certain portions of the CRD IV require transposition into French law, and although the CRR is directly applicable in each Member State, the CRR leaves a number of important interpretational issues to be resolved through binding technical standards that have only recently been adopted or will be adopted in the future, and leaves certain other matters to the discretion of the Relevant Regulator. In addition, as noted in the section "*Government Supervision and Regulation of Credit Institutions in France*," the European Central Bank assumes certain supervisory responsibilities formerly handled by national regulators such as the ACPR beginning November 2014. The European Central Bank may interpret the CRD IV Rules, or exercise discretion accorded to the regulator under the CRD IV Rules (including options with respect to the treatment of assets of other affiliates) in a different manner than the ACPR. The manner in which many of the new concepts and requirements under the CRD IV Rules will be applied to the Group remains uncertain.

The determination of the Maximum Distributable Amount is particularly complex. The Maximum Distributable Amount imposes a cap on the Issuer's ability to pay interest on the Notes, and on the Issuer's ability to reinstate the Prevailing Outstanding Amount of the Notes following a Write-Down upon occurrence of a Trigger Event. There are a number of factors that render the application of the Maximum Distributable Amount particularly complex:

- It applies when certain capital buffers are not maintained. A "capital buffer" is an amount of capital that a financial institution is required to maintain beyond the minimum amount required by the Relevant Rules. If the institution fails to meet the capital buffer, it becomes subject to restrictions on payments and distributions on shares and other Tier 1 instruments (including Additional Tier 1 instruments such as the Notes), and on the payment of certain bonuses to employees. There are several different buffers, some of which are intended to encourage countercyclical behavior (with extra capital retained when profits are robust), and others of which are intended to provide additional capital cushions for institutions whose failure would result in a significant systemic risk.
- The dates as of which the different capital buffers (and thus the Maximum Distributable Amount) will apply are uncertain. It is currently expected that the capital buffers will be implemented as from 2016 and with respect to the global systemically important institutions (G-SII) buffer on a phased basis from 2016 through 2019. As a result, the potential impact of the Maximum Distributable Amount on the Notes will change over time.
- The Issuer will have the discretion to determine how to allocate the Maximum Distributable Amount among the different types of payments contemplated in Article 141(2) of the CRD IV Directive. Moreover, payments made earlier in the year will reduce the remaining Maximum

Distributable Amount available for payments later in the year, and the Issuer will have no obligation to preserve any portion of the Maximum Distributable amount for payments scheduled to be made later in a given year. Even if the Issuer attempts to do so, there can be no assurance that it will be successful, because the Maximum Distributable Amount will depend on the amount of net income earned during the course of the year, which will necessarily be difficult to predict.

Moreover, In addition to the “Pillar 1” capital requirements set out in CRD IV, CRD IV contemplates that competent authorities may require additional “Pillar 2” capital to be maintained by an institution relating to elements of risks which are not fully captured by the minimum “own funds” requirements (“**additional own funds requirements**”) or to address macro-prudential requirements.

The European Banking Authority (“**EBA**”) published guidelines on December 19, 2014 addressed to national supervisors on common procedures and methodologies for the supervisory review and evaluation process (“**SREP**”) which contained guidelines proposing a common approach to determining the amount and composition of additional own funds requirements and which is to be implemented by January 1, 2016. These guidelines contemplate that national supervisors should set by January 1, 2019 (or earlier, if they so decide at their discretion) a requirement to cover certain risks with additional own funds which is composed of at least 56% common equity tier 1 capital and at least 75% tier 1 capital and the remainder in tier 2 capital. The guidelines also contemplate that national supervisors should not set additional own funds requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro-prudential requirements. There can be no assurance as to the relationship between the “Pillar 2” additional own funds requirements and the restrictions on discretionary payments referred herein and as to how and when effect will be given to the EBA’s minimum guidelines in France, including as to the consequences for an institution of its capital levels falling below the minimum, buffer and additional requirements. There can also be no assurance as to the applicable future “Pillar 2” additional own funds requirements (since such requirements may change from time to time), as to the manner in which “Pillar 2” additional own funds requirements may be disclosed publicly in the future or that such restrictions will not cease to apply.

The implementation of Article 141(2) of CRD IV in France, including its inter-relationship with the minimum and additional capital requirements, buffers and macro-prudential tools (including the calculation of the Maximum Distributable Amount), remains uncertain in many respects. Such uncertainty can be expected to continue while the relevant authorities in the European Union and France continue to develop their approach to the application of the relevant rules.

Current regulatory proposals may also, if adopted and once implemented, impose further restrictions on the Issuer’s ability to make payments on the Notes. For example, recent proposals made by the Financial Stability Board recommend the adoption of total loss absorbing capacity (“**TLAC**”) requirements for global systemically important banks in addition to existing minimum regulatory capital requirements. The proposals currently contemplate that only common equity tier 1 capital in excess of that required to satisfy minimum TLAC requirements may count towards regulatory capital buffers, such as the combined buffer requirement introduced by CRD IV. As a result, the introduction of such additional capital requirements may impact the Issuer’s ability to meet the “combined buffer requirement”, which in turn, might impact its ability to make payments on the Notes (which could affect the market value of the Notes), as it will trigger restrictions relating to Maximum Distributable Amounts.

These issues and other possible issues of interpretation make it difficult to determine how the Maximum Distributable Amount will apply as a practical matter to limit interest payments on the Notes and the reinstatement of the Prevailing Outstanding Amount of the Notes following a Write-Down. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

***The principal amount of the Notes may be reduced to absorb losses.***

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as additional tier 1 capital of the Issuer under CRD IV. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Terms and Conditions of the Notes. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, if a Trigger Event occurs, the

Prevailing Outstanding Amount of the Notes will be written down by the Write-Down Amount, as further described in Condition 6.1 (*Write-Down*) and 6.2 (*Consequence of a Write-Down*). A Trigger Event will occur if the CET1 Ratio of the Group falls below 5.125%. If the amount by which the Prevailing Outstanding Amount is written down, when taken together with the write-down of any other Loss Absorbing Instruments, is insufficient to cure the Trigger Event, the Prevailing Outstanding Amount of the Notes will be written-down substantially (or nearly entirely). The Prevailing Outstanding Amount of the Notes may be subject to Write-Down even if holders of the Issuer's shares continue to receive dividends.

Although Condition 6.3 (*Reinstatement*) will allow the Issuer in its full discretion to reinstate written-off principal amounts up to the Maximum Reinstatement Amount if there is a Reinstatement and provided certain other conditions are met, the Issuer is under no obligation to do so. Moreover, the Issuer's ability to write up the principal amount of the Notes depends on there being sufficient Group Net Income and a sufficient Maximum Distributable Amount (after taking into account other payments and distributions of the type contemplated in Article 141(2) of the CRD IV). No assurance can be given that these conditions will ever be met. Furthermore, any write up would have to be done on a *pro rata* basis with any other Tier 1 instruments providing for a reinstatement of principal amount in similar circumstances (see definition of Discretionary Temporary Loss Absorption Instruments in Condition 2 (*Interpretation*)). If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason prior to the Notes being written up in full pursuant to Condition 6.3 (*Reinstatement*), Holders' claims for principal will be based on the reduced Prevailing Outstanding Amount of the Notes. As a result, if a Trigger Event occurs, Holders may lose some or substantially all of their investment in the Notes. Any actual or anticipated indication that a Trigger Event is likely to occur, including any indication that the CET1 Ratio of the Group is approaching 5.125%, will have an adverse effect on the market price of the Notes.

***The calculation of the CET1 Ratio will be affected by a number of factors, many of which may be outside the Issuer's control.***

The occurrence of a Trigger Event, and therefore a write-down of the Prevailing Outstanding Amount of the Notes, is inherently unpredictable and depends on a number of factors, many of which may be outside the Issuer's control. Because the Relevant Regulator may require CET1 Ratio to be calculated as of any date, a Trigger Event could occur at any time. The calculation of the CET1 Ratio of the Group could be affected by a wide range of factors, including, among other things, factors affecting the level of the Group's earnings or dividend payments, the mix of its businesses, its ability to effectively manage the risk-weighted assets in both its ongoing businesses and those it may seek to exit, losses in its commercial banking, investment banking or other businesses, or any of the factors described in "*Risks Relating to the Issuer and its Operations*". The calculation of the CET1 Ratio also may be affected by changes in applicable accounting rules and the manner in which accounting policies are applied, including the manner in which permitted discretion under the applicable accounting rules is exercised.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Prevailing Outstanding Amount of the Notes may be written down. Accordingly, the trading behavior of the Notes may not necessarily follow the trading behavior of other types of subordinated securities. Any indication that the CET1 Ratio of the Group is approaching the level that would trigger a Trigger Event may have an adverse effect on the market price and liquidity of the Notes. Under such circumstances, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

***The Issuer's interests may not be aligned with those of investors in the Notes.***

The CET1 Ratio, Distributable Items and any Maximum Distributable Amount will depend in part on decisions made by the Issuer and other entities in the Group relating to their businesses and operations, as well as the management of their capital position. The Issuer and other entities in the Group will have no obligation to consider the interests of Holders in connection with their strategic decisions, including in respect of capital management and the relationship among the various entities in the Group and the Group's structure. The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Trigger Event. It may decide not to propose to its shareholders to reallocate share premium to a reserve account (which is necessary in order for share premium to be included in Distributable Items). Moreover, in order to avoid the use of

public resources, the Relevant Regulator may decide that the Issuer should allow a Trigger Event to occur or cancel an interest payment at a time when it is feasible to avoid this. Holders will not have any claim against the Issuer or any other entity of the Group relating to decisions that affect the capital position of the Group, regardless of whether they result in the occurrence of a Trigger Event or a lack of Distributable Items or Maximum Distributable Amount. Such decisions could cause Holders to lose the amount of their investment in the Notes.

***The Notes are undated securities with no specified maturity date.***

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 and, in any event, subject to the prior approval of the Relevant Regulator). The Holders will have no right to require the redemption of the Notes except as provided in Condition 13 (*Enforcement*) if a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason.

***The Notes may be redeemed at the Issuer's option or upon the occurrence of a Tax Event or Capital Event.***

Subject as provided herein, in particular to the provisions of Condition 7 (*Redemption and Purchase*), the Issuer may, at its option, subject to the prior approval of the Relevant Regulator, redeem all, but not some only, of the Notes on the First Call Date or any Interest Payment Date thereafter at their Original Principal Amount, together with accrued interest thereon. The Issuer may also, at its option, redeem all, but not some only, of the Notes at any time at their Prevailing Outstanding Amount, together with accrued interest thereon, upon the occurrence of a Tax Event or a Capital Event, subject to approval by the Relevant Regulator.

A Tax Event includes, among other things, any change in French Laws or regulations (or their application or official interpretation) that would reduce the tax deductibility of interest on the Notes for the Issuer, or that would result in withholding tax requiring the Issuer to pay additional amounts as provided in Condition 9 (*Taxation*).

The Issuer considers the Notes to be debt for French tax purposes based on their characteristics and accounting treatment and therefore expects that interest payments under the Notes will be fully deductible by the Issuer and exempt from withholding tax if they are not held by shareholders of the Issuer and remain admitted to a recognized clearing system. The Notes may, however, be subject to early redemption if interest ceases to be fully deductible or withholding taxes were to apply as a result of the French tax authorities taking a different position or a change in French law or regulations or in their application or interpretation by the French tax authorities.

An optional redemption feature may limit 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 also may be true prior to any redemption period.

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

***The Notes do not provide for any events of default.***

In no event will Holders of the Notes be able to accelerate the maturity of their Notes, which shall be due only in the event of the Issuer's liquidation. Accordingly, in the event that any payment on the Notes is not made when due, the Holders will have claims only for amounts then due and payable on their Notes.

***The Notes may be subject to substitution and modification without Holder consent.***

Subject as provided herein, in particular to the provisions of Condition 7 (*Redemption and Purchase*), the Issuer may, at its option, and without the consent or approval of the Holders which may otherwise be required under the Terms and Conditions of the Notes, elect either (i) to substitute all (but not some only) of the Notes or (ii) modify the terms of all (but not some only) of such Notes, so



that they become or remain Compliant Securities. Compliant Securities are securities issued directly or indirectly by the Issuer that have terms not materially less favorable to the Holders than the terms of the relevant Notes. See Condition 7.5 (*Substitution/Modification*).

***The Notes may be subject to write-down or conversion to equity either in the context of, or outside of, a resolution procedure applicable to the Issuer.***

Pursuant to the EU Bank Recovery and Resolution Directive of May 15, 2014 (the “BRRD”), resolution authorities have the power to place a financial institution in resolution at the point at which the resolution authority determines that (i) the institution is failing or likely to fail, (ii) there is no reasonable prospect that private action would prevent the failure and (iii) a resolution action is necessary in the public interest. If the institution is placed in resolution, resolution authorities have the power *inter alia* to ensure that capital instruments (including Additional Tier 1 Instruments such as the Notes) and eligible liabilities, absorb losses of the issuing institution, through the write-down or conversion to equity of such instruments (the “Bail-In Tool”). In addition, the BRRD provides that the resolution authorities must exercise the write-down of capital instruments or the conversion into common equity tier 1 instruments of Additional Tier 1 Instruments (such as the Notes) and tier 2 instruments if the institution has not yet been placed in resolution but any of the following conditions are met: (i) where the determination has been made that conditions for resolution have been met, before any resolution action is taken, (ii) the appropriate authority determines that unless that power is exercised in relation to the relevant capital instruments, the institution or the group will no longer be viable or (iii) extraordinary public financial support is required by the institution. The terms and conditions of the Notes contain provisions giving effect to the Bail-In Tool and the write-down or conversion of capital instruments outside the placement in resolution. See Condition 18 (*Bail-In Power*).

The use of the Bail-In Tool and/or the write-down or conversion of capital instruments outside the placement in resolution could result in the full or partial write-down or conversion to equity of the Notes. In addition, if the Issuer’s financial condition deteriorates, the existence of the Bail-In Tool and/or the write-down or conversion of capital instruments outside the placement in resolution could cause the market value of the Notes to decline more rapidly than would be the case in the absence of such tools.

As a result, the Bail-In Tool or the above provisions may provide for additional circumstances, beyond those contemplated in the Conditions, in which the Notes might be written-down (or converted to equity at a time when the Issuer’s share price is likely to be significantly depressed).

For further information about the BRRD and related French legislation, see “Government Supervision and Regulation of Credit Institutions in France.”

***Return on the Notes may be limited or delayed by the insolvency of the Issuer.***

Your return may be limited or delayed if the Issuer were to become insolvent and/or were subject to a *mandat ad hoc* procedure, conciliation procedure (*procédure de conciliation*), safeguard procedure (*procédure de sauvegarde*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), accelerated safeguard procedure (*procédure de sauvegarde accélérée*), judicial reorganization (*redressement judiciaire*) or a liquidation procedure (*liquidation judiciaire*).

Application of French insolvency law could affect the Issuer’s ability to make payments on the Notes and French insolvency laws may not be as favorable to you as the insolvency laws of the United States and other countries. Under French insolvency law holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a safeguard procedure, accelerated financial safeguard procedure or a judicial reorganization procedure or an accelerated safeguard procedure 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 program (such as a medium term note program) and regardless of their ranking and their governing law.

The Assembly deliberates on any proposed safeguard plan, proposed accelerated financial safeguard plan or proposed judicial reorganization plan applicable to the Issuer and may further agree to:

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

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

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

For the avoidance of doubt, the provisions relating to the Meetings of Holders set out in Condition 14 (*Meetings of Holders; Modification; Supplemental Agreements*) of the Terms and Conditions of the Notes will not be applicable in these circumstances.

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

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

***The trading market for debt securities may be volatile and may be adversely impacted by many events.***

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

***There will be no prior market for the Notes.***

There is currently no existing market for the Notes, and there can be no assurance that any market will develop for the Notes or that Holders will be able to sell their Notes in the secondary market. Although no assurance can be given that a liquid trading market for the Notes will develop, the Notes will be listed on Euronext Paris. There is no obligation on the part of any party to make a market in the Notes.

Moreover, although pursuant to Condition 7.6 (*Purchase*) the Issuer can purchase Notes at any time (subject to regulatory approval), the Issuer is not obligated to do so. Purchases made by the Issuer could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can sell these Notes on the secondary market.

***The Notes are expected to be rated as non-investment grade securities by certain rating agencies and will be subject to the risks associated with non-investment grade securities.***

The Notes, upon issue, are expected to be rated as non-investment grade securities by certain rating agencies, and as such may be subject to a higher risk of price volatility than higher-rated securities. The trading prices of securities rated below investment grade are often more sensitive to adverse issuer, political, regulatory, market and economic developments, and may be more difficult to sell, than higher-rated securities. In addition, the ratings assigned to the Notes are subject to future changes in rating agency methodologies. If any rating assigned to the Notes and/or the Issuer is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Notes may be reduced.

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

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

***The terms of the Notes contain very limited covenants.***

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

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

***Potential Conflicts.***

BNP Paribas Securities Corp., the Sole Bookrunner and Global Coordinator in this offering, is a subsidiary of the Issuer. The economic interests of the Sole Bookrunner and Global Coordinator are potentially adverse to your interests as an investor in the Notes.

***The EU Savings Directive is applicable to the Notes.***

Under Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. 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).

On March 24, 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from January 1, 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would 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.

However, the European Commission has proposed the repeal of the Savings Directive from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and

exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive. The latest version of the text of the draft Council Directive repealing the Savings Directive has been published in the Council Register dated May 7, 2015.

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

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

The European Commission has proposed a directive that, if adopted in its current form, would subject transactions in securities such as the Notes to a financial transaction tax (the “FTT”). The proposed directive would call for eleven European member states, including France (the “Participating Member States”), to impose a tax of, generally, at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Joint statements issued by Participating Member States confirmed that all relevant issues will continue to be examined by national experts. They noted the intention of the Participating Member States to work on a progressive implementation of the FTT and indicated an intention to implement the FTT by January 1, 2016.

The FTT 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 holders of Notes are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

***The Issuer will not be required to redeem the Notes if it is prohibited by French law from paying additional amounts.***

In the event that the Issuer is required to withhold amounts in respect of French taxes from payments of interest on the Notes, the terms and conditions of the Notes provide that, subject to certain exceptions, the Issuer will pay additional amounts so that the holders of the Notes will receive the amount they would have received in the absence of such withholding. Under French tax law, there is some uncertainty as to whether the Issuer may pay such additional amounts. French debt instruments typically provide that, if an issuer is required to pay additional amounts but is prohibited by French law from doing so, the issuer must redeem the debt instruments in full. Under Article 52 of the CRR, however, mandatory redemption clauses are not permitted in a Tier 1 instrument such as the Notes. As a result, the terms and conditions of the Notes provide for redemption at the option of the Issuer in such a case (subject to approval of the Relevant Regulator), but not for mandatory redemption. If the Issuer does not exercise its option to redeem the Notes in such a case, Holders will receive less than the full amount due under the Notes, and the market value of the Notes will be adversely affected.

***The U.S. federal income tax treatment of a write-down or write-up of the Notes is uncertain.***

No statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of a write-down of the Notes, including the effect of the potential for a future write-up of the Notes. Among other matters, there is no authority addressing whether you would be entitled to a deduction for loss at the time of a write-down. You may, for example, be required to wait to take a deduction until it is certain that no write-up can occur, or until there is an actual or deemed sale, exchange or other taxable disposition of the Notes. It is also possible that, if you take a deduction at the time of a write-down, you may be required to recognize gain at the time of a future write-up. See “U.S. Federal Income Tax Considerations Relating to the Notes—U.S. Holders—Write-Down or Write-

*Up of the Notes*". We urge you to consult your tax advisers to determine the U.S. federal income tax consequences of a write-down or write-up of the Notes.

## CAPITALIZATION

The following table sets forth the consolidated capitalization of the Group as of June 30, 2015, December 31, 2014 and December 31, 2013.

Except as set forth in this section, there has been no material change in the capitalization of the Group since June 30, 2015.

<i>(in millions of euros)</i>	<u>As of June 30, 2015</u>	<u>As of December 31, 2014</u>	<u>As of December 31, 2013</u>
<b>Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)<sup>1</sup></b>			
Debt securities at fair value through profit or loss	38,649	38,876	33,567
Other debt securities	69,713	74,322	75,605
Subordinated debt	11,388	10,746	8,939
<b>Total Medium- and Long-Term Debt</b>	<b>119,750</b>	<b>123,944</b>	<b>118,111</b>
 Shareholders' Equity and Equivalents			
Issued capital <sup>2</sup>	2,492	2,492	2,490
Additional paid-in capital	24,297	24,479	24,322
Preferred shares and equivalent instruments <sup>3</sup>	6,468	6,589	6,614
Retained earnings	50,434	47,895	50,366
Unrealized or deferred gains and losses attributable to Shareholders	6,585	6,091	1,935
 Undated participating subordinated notes <sup>4</sup>	222	222	222
Undated subordinated FRNs <sup>5</sup>	1,868	1,849	1,737
 <b>Total Shareholders' Equity and Equivalents</b>	<b>92,366</b>	<b>89,617</b>	<b>87,686</b>
Minority interests	4,005	4,141	3,490
<b>Total Capitalization</b>	<b>216,121</b>	<b>217,702</b>	<b>209,287</b>

Notes:

1) Medium- and long-term debt does not include the following items: interbank items and customer term deposits. All medium- and long-term senior debt of the Issuer ranks equally with deposits. The subordinated debt of the Issuer is subordinated to all other debt with the exception of undated participating subordinated notes (*titres participatifs*). The Issuer and its subsidiaries issue medium- to long-term debt on a continuous basis, particularly through private placements in France and abroad.

Euro against foreign currency as of December 31, 2013, CAD = 1.465, GBP = 0.836, CHF = 1.225, HKD = 10.693, JPY = 145.122, USD = 1.379

Euro against foreign currency as December 31, 2014, CAD = 1.405, GBP = 0.777, CHF = 1.203, HKD = 9.385, JPY = 145.079, USD = 1.210

2) At December 31, 2014, the Issuer's share capital stood at €2,491,915,350 divided into 1,245,957,675 shares with a par value of €2 each.

3) In June 2005, BNP Paribas issued \$1,350 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.186% semi-annually for a period of ten years. Thereafter, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month USD LIBOR plus a margin equal to 1.68% per annum. In the fourth quarter of 2011, the Issuer launched an offer to exchange these notes for new unsubordinated bonds. Following completion of this tender offer, \$1,070 million of the undated deeply subordinated non-cumulative notes remain outstanding.

In October 2005, BNP Paribas issued \$400 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 6.25% per annum. As from October 17, 2011, BNP Paribas may redeem the notes at par on each interest payment date.

In October 2005, BNP Paribas issued €1 billion of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 4.875% per annum. As from October 17, 2011, BNP Paribas may redeem the notes at par on each interest payment date.

In April 2006, BNP Paribas issued €750 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 4.73% per annum from and including April 12, 2006 to but excluding April 12, 2016, payable annually in arrears on a non-cumulative basis on April 12 of each year, commencing on April 12, 2007, and thereafter at a floating rate equal to three-month EURIBOR plus a margin equal to 1.69% per annum, payable quarterly in arrears on January 12, April 12, July 12 and October 12 of each year commencing on July 12, 2016. As from April 12, 2016, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month EURIBOR plus a margin equal to 1.69% per annum. In the fourth quarter of 2011, the Issuer launched a cash tender offer for these notes. Following completion of this tender offer, €549 million of the notes remain outstanding.

Also in April 2006, BNP Paribas issued £450 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.945% per annum from and including April 19, 2006 to but excluding April 19, 2016, payable annually in arrears on a non-cumulative basis on April 19 of each year, commencing on April 19, 2007, and thereafter at a floating rate equal to three-month GBP LIBOR plus a margin equal to 1.13% per annum, payable quarterly in arrears on January 19, April 19, July 19 and October 19 of each year commencing on July 19, 2016. As from July 19, 2016, BNP Paribas may redeem the notes at par on each interest payment date.

In July 2006, BNP Paribas issued €150 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.45% per annum from and including July 13, 2006 to but excluding July 13, 2026, payable annually in arrears on a non-cumulative basis on July 13, 2007, and thereafter at a floating rate equal to three-month EURIBOR plus a margin equal to 1.92% per annum, payable quarterly in arrears on January 13, April 13, July 13 and October 13 of each year commencing on October 13, 2026.

Also in July 2006, BNP Paribas issued £325 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.945% per annum from and including July 13, 2006 to but excluding July 13, 2016, payable annually in arrears on a non-cumulative basis on July 13 of each year, commencing on July 13, 2007, and thereafter at a floating rate equal to three-month GBP LIBOR plus a margin equal to 1.81% per annum, payable quarterly in arrears on January 13, April 13, July 13 and October 13 of each year commencing on October 13, 2016. In the fourth quarter of 2011, the Issuer launched a cash tender offer for these notes. Following completion of this tender offer, £163 million of the notes remain outstanding.

In April 2007, BNP Paribas issued €750 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 5.019% per annum from and including April 13, 2007 to but excluding April 13, 2017, payable annually in arrears on a non-cumulative basis on April 13 of each year, commencing on April 13, 2008, and thereafter at a floating rate equal to three-month EURIBOR plus a margin equal to 1.72% per annum, payable quarterly in arrears on January 13, April 13, July 13 and October 13 of each year commencing on July 13, 2017. In the fourth quarter of 2011,

the Bank launched a cash tender offer for these notes. Following completion of this tender offer, €638 million of the notes remain outstanding.

In June 2007, BNP Paribas issued \$600 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 6.500% payable quarterly in arrears for a period of five years. As from June 2012, BNP Paribas may redeem the notes at par on each interest payment date.

In June 2007, BNP Paribas issued \$1,100 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.195% payable semi-annually for a period of thirty years. Thereafter, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month USD LIBOR plus a margin equal to 1.29% per annum.

In October 2007, BNP Paribas issued £200 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.436% per annum for a period of ten years. Thereafter, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month GBP LIBOR plus a margin equal to 1.85% per annum.

In June 2008, BNP Paribas issued €500 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.781% per annum for a period of ten years. Thereafter, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month EURIBOR plus a margin equal to 3.75% per annum.

In September 2008, BNP Paribas issued €100 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.57% per annum for a period of ten years. Thereafter, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month EURIBOR plus a margin equal to 3.925% per annum.

In December 2009, BNP Paribas issued €2 million of undated deeply subordinated non-cumulative notes. They bear interest at a floating rate equal to three-month EURIBOR plus a margin equal to 3.75% per annum, payable quarterly in arrears for a period of ten years. As from December 2019, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month EURIBOR plus a margin equal to 4.75% per annum.

In December 2009, BNP Paribas issued €17 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.028% per annum for a period of ten years. As from December 2019, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month EURIBOR plus a margin equal to 4.75% per annum.

In December 2009, BNP Paribas issued \$70 million of undated deeply subordinated non-cumulative notes. They bear interest at a floating rate equal to three-month USD LIBOR plus a margin equal to 3.750% per annum, payable quarterly in arrears for a period of ten years. As from December 2019, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month USD LIBOR plus a margin equal to 4.75% per annum.

In December 2009, BNP Paribas issued \$0.5 million of undated deeply subordinated non-cumulative notes. They bear interest at a fixed rate of 7.384% per annum for a period of ten years. As from December 2019, BNP Paribas may redeem the notes at par on each interest payment date and until redeemed the notes will pay interest indexed to three-month USD LIBOR plus a margin equal to 4.75% per annum.

4) Undated participating subordinated notes issued by BNP SA in September 1984 for a total amount of €337 million are redeemable only in the event of the liquidation of the Issuer, but may



be redeemed in accordance with the terms specified in the French law of January 3, 1983. Under this option, 32,000 of the 2,212,761 notes originally issued were redeemed and subsequently cancelled in 2012. Payment of interest is obligatory, but the Board of Directors may postpone interest payments if the Ordinary General Meeting of shareholders held to approve the financial statements notes that there is no income available for distribution.

5) Subordinated debt comprises an issue of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) made by Fortis Bank SA/NV (now acting in Belgium under the commercial name BNP Paribas Fortis) in December 2007, for a nominal amount of €3 billion and a market value of €780 million at December 31, 2014. They bear interest at a floating rate equal to three-month EURIBOR plus a margin equal to 2% paid quarterly in arrears. The CASHES are undated but may be exchanged for twinned Fortis SA/NV and Fortis N.V. (now named ageas SA/NV and ageas N.V., hereafter together referred to as “**Ageas**”) shares (such twinned shares, “**Ageas shares**”) at the holder's sole discretion at a price per Ageas share of €239.40. Since December 19, 2014 the CASHES should be automatically exchanged into Ageas shares if the price of the Ageas shares is higher than or equal to €359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash and may not be bought back by the issuer Fortis Bank SA/NV or the co-obligor Ageas. The rights of the CASHES holders are limited to 4,643,904 Ageas shares held by Fortis Bank SA/NV and pledged for the benefit of the CASHES holders (i.e., the remainder, following the conversion of the CASHES acquired by the Bank as described below, of the 125,313,283 Ageas shares that Fortis Bank SA/NV acquired on the date of issuance of the CASHES).

In 2007, Fortis SA/NV and Fortis Bank SA/NV entered into a relative performance note (RPN) contract, the value of which varies contractually so as to offset the impact on Fortis Bank SA/NV of the relative difference between changes in the value of the CASHES and changes in the value of the Fortis Units. In addition, pursuant to the RPN(i) entered into in 2009, Fortis Bank SA/NV makes, or receives, quarterly payments to, or from, Ageas. Each quarterly interest payment (a three-month EURIBOR plus a margin equal to 20 bps) is made over a reference amount under the RPN. The net balance represented a subordinated liability of €651 million that is permitted for inclusion in Tier 1 capital.

On January 25, 2012, the Issuer, Ageas and Fortis Bank SA/NV signed an agreement concerning partial settlement of the RPN and RPN(i) (by means of the acquisition of CASHES by the Bank through a tender offer and their subsequent exchange for the underlying Fortis Units) and the redemption by Fortis Bank SA/NV of the outstanding Redeemable Perpetual Cumulative Coupon Debt Securities (ISIN BE0117584202) issued by Fortis Bank SA/NV in 2001 for a nominal amount of €1,000 million (recognized as debt at amortized cost), of which Ageas held €953 million. The parties agreed that the Issuer would launch a cash offer for the CASHES, and that, in a second step, the Bank would convert the CASHES acquired into underlying Fortis Units, with an undertaking not to sell them for a period of six months. The Issuer would further receive a compensation from Ageas and Fortis Bank, and the RPN and RPN (i) mechanism would automatically cease to apply proportionally to the CASHES converted. The Issuer announced on January 31, 2012 that the offer had closed on January 30 with a success rate of 63% at a price of 47.5% of the principal amount per CASHES. As a result, on February 2, 2012, the Issuer acquired 7,553 CASHES, which it exchanged for 78,874,241 Fortis Units on February 6, 2012. The remainder of the CASHES has been maintained on the balance sheet and is included in Tier 1 capital in an amount of €241 million.

As of December 31, 2014, the remaining subordinated debt included €480 million of undated floating-rate subordinated notes (TSDIs) and €1,085 million of other undated subordinated notes.

## **USE OF PROCEEDS**

The Issuer intends to use the net proceeds of the issuance of the Notes, estimated to be US\$1,485,000,000 (after deducting underwriting discounts and before other expenses), for general corporate purposes.

## REGULATORY CAPITAL RATIOS

The Basel reform measures approved in November 2010 (known as “**Basel 3**”), aim at increasing the ability of banks to withstand economic and financial shocks by strengthening their capital base. The Basel reform was implemented in the EU by Directive 2013/36/EU (the “**CRD IV**”) and Regulation (EU) No. 575/2013 of 26 June 2013 (the “**CRR**”), which together with implementing acts and regulations constitute the corpus of texts known as the “**CRD IV Rules**”.

The new measures introduce a new capital hierarchy, and update the definitions for each category to enhance their quality:

- Common Equity Tier 1 Capital (or “**CET1**”),
- Tier 1 capital, consisting of CET1 and Additional Tier 1 capital (or “**AT1**”),
- Total capital, consisting of Tier 1 capital and Tier 2 capital.

In addition to the CET1, the AT1 and the Total capital ratios, as of 2016, BNP Paribas will have to maintain the following additional capital buffers on a gradual basis:

- a capital conservation buffer, which aims at absorbing losses in a situation of intense economic stress, consists of CET1; this buffer will become applicable as from January 1, 2016 and will gradually increase to 2.5% by January 1, 2019.
- a buffer for global systemically important banks (G-SIBs), which aims at reducing the risk of failure of major institutions, also consists of CET1; this buffer will become applicable as from January 1, 2016 and will gradually increase to 2% for the Group by January 1, 2019.

In addition, the Group may become required to comply with other capital buffers such as a countercyclical capital buffer and a systemic risk buffer. These buffers are currently not applicable at this stage.

Taking into account the capital conservation buffer and the buffer for G-SIBs, the Group will be required to meet a CET 1 ratio of at least 9%, a Tier 1 ratio of at least 10.5% and a total capital ratio of 12.5% by 2019.

Between January 1, 2014 to January 1, 2019 (the “**Phase-in Period**”), the capital buffer requirements (and, as a consequence the CET1, Tier 1 and total capital ratio requirements) will gradually increase, as shown in the table below.

	2014	2015	2016	2017	2018	As from 2019
<b>Minimum requirements</b>						
CET1	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Tier 1 (CET1 + AT1)	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%
Total capital (Tier 1 + Tier 2)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
<b>Additional CET1 requirements <sup>(*)</sup></b>						
Capital conservation buffer			0.625%	1.250%	1.875%	2.5%
G-SIBs buffer applicable to BNP Paribas			0.5%	1.0%	1.5%	2.0%
<b>Total requirements</b>						
CET1	4.0%	4.5%	5.6%	6.8%	7.9%	9.0%
Tier 1 (CET1 + AT1)	5.5%	6.0%	7.1%	8.3%	9.4%	10.5%
Total capital (Tier 1 + Tier 2)	8.0%	8.0%	9.1%	10.3%	11.4%	12.5%

<sup>(\*)</sup> Note: No requirement yet fixed for countercyclical capital and systemic risk buffers.

The main regulatory capital ratios of the BNP Paribas Group are presented below on a “phased-in” basis and on a “fully-loaded” basis. The “phased-in” ratios are determined on the basis of certain transitional rules that will apply over time in respect notably of the treatment of certain minority interests, certain deferred tax assets and interests in entities in the financial sector. The “phased-in” ratios will be used to determine regulatory compliance during the Phase-in Period. The “fully-loaded” ratios are calculated as if the CRD IV Rules applicable as from 2019 were fully implemented as of the date of calculation of the relevant ratio.

The following discussion should be read together with the English versions of (i) the Issuer’s 2014 Registration Document filed with the AMF on March 6, 2015, (ii) the First Update to the 2014 Registration Document filed with the AMF on April 30, 2015 and (iii) the Second Update to the 2014 Registration Document filed with the AMF on August 3, 2015, which are incorporated herein by reference. See “*Documents Incorporated by Reference.*” See also “*Government Supervision and Regulation of Credit Institutions in France—Banking Regulations.*”

### **Capital Adequacy Ratios**

The table below shows the Group’s main regulatory capital ratios on a phased-in and fully-loaded basis as of December 31, 2014 and June 30, 2015

<i>In billions of euros</i>	Basel 3 (phased -in)		
	June 30, 2015	December 31, 2014	December 31, 2013
Common Equity Tier 1 (CET1) Capital	67.9	64.5	66.4
Tier 1 Capital	73.9	70.4	70.4
Total Capital	81.6	77.2	77.2
Risk-Weighted Assets	629.6	614.4	614.4
<b>Ratios</b>			
Common Equity Tier 1 (CET1) capital	10.8%	10.5%	10.5%
Tier 1 capital	11.7%	11.5%	11.5%
Total capital	13.0%	12.6%	12.5%
Basel 3 (fully loaded)			
Common Equity Tier 1 (CET1) Capital	66.8	63.7	64.8
Risk-Weighted Assets	632.6	619.8	627.3
<b>Ratio</b>			
Common Equity Tier 1 (CET1) capital	10.6%	10.3%	10.3%

As shown in the above table, as of December 31, 2014 and June 30, 2015, with a CET 1 capital ratio, Tier 1 capital ratio and total capital ratio of respectively 10.5%, 11.5% and 12.6% and 10.8%, 11.7% and 13.0% on a phased-in basis, the Group largely complies with currently applicable requirements (respectively 4.5%, 5.5% and 8.0%).

As part as its 2014-2016 business development plan, the objective set by BNP Paribas is to comply with a fully loaded CET1 ratio of 10% as of now. For additional Tier 1 and Tier 2 capital, BNP Paribas aims to progressively issue “Additional Tier 1” hybrid debt that will supplement its common equity (CET1) and Tier 2 capital to meet the regulatory requirements to be fully implemented as from January 1, 2019, i.e. 9% of CET1, 10.5% of Tier 1 and a total capital ratio of 12.5%, while maintaining an additional layer to provide flexibility to distribute a dividend and a coupon on the hybrids.

## GOVERNMENT SUPERVISION AND REGULATION OF CREDIT INSTITUTIONS IN FRANCE

### The French Banking System

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

### Regulatory and Supervisory Bodies

#### *Banking Authorities*

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

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

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

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

- a) to authorise credit institutions and to withdraw authorization of credit institutions;
- b) to assess notification of the acquisition and disposal of qualifying holdings, in other credit institutions, except in the case of a bank resolution;
- c) to ensure compliance with all prudential requirements laid down in general EU banking rules for credit institutions in the areas of own funds requirements, securitisation, large exposure limits, liquidity, leverage, reporting and public disclosure of information on those matters;
- d) to carry out supervisory reviews, including stress tests and their possible publication, and the basis of this supervisory review, to impose where necessary on credit institutions higher prudential requirements to protect financial stability under the conditions provided by EU law;
- e) to impose robust corporate governance practices (including the fit and proper requirements for the persons responsible for the management process, internal control mechanisms, remuneration policies and practices) and effective internal capital adequacy assessment processes; and
- f) to carry out supervisory tasks in relation to recovery plans, and early intervention where credit institutions or group does not meet or is likely to breach the applicable prudential requirements including structural changes required to prevent financial stress or failure but excluding however resolution measures.

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

In each case, national competent authorities (i.e. in France the ACPR), take part in the preparation and adoption of the ECB’s decisions (each of the ACPR and the ECB is hereinafter referred to as a “**Banking Authority**”). Furthermore, the ACPR continues to exercise all of its powers that have not been expressly transferred to the ECB pursuant to the Single Supervisory Mechanism.

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

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

### **Other French Banking Regulatory and Supervisory Bodies**

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

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

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

### **Supervisory framework**

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

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

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

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

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

## **Main Banking Regulations**

### ***Capital, liquidity and leverage***

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

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

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

French credit institutions must satisfy, on a consolidated basis, certain restrictions relating to concentration of risks (*ratio de contrôle des grands risques*). The aggregate of a French credit institution's loans and a portion of certain other exposure (*risques*) to a single customer (and related entities) may not exceed 25% of the credit institution's regulatory capital as defined by French capital ratio requirements. Individual exposures exceeding 10% (and in some cases 5%) of the credit institution's regulatory capital are subject to specific regulatory requirements.

Each French credit institution is required to calculate, as of the end of each month, the ratio of the weighted total of certain short-term and liquid assets to the weighted total of short-term liabilities. This liquidity ratio (*coefficient de liquidité*) is required to exceed 100% at all times. French credit institutions are entitled to opt for the "advanced" approach with respect to liquidity risk, upon request to the relevant Banking Authority and under certain conditions. Under the advanced approach, the credit institution is able to use its internal methodologies to determine the liquidity risk and ensure that it has sufficient liquidity at all times to honor its commitments. The CRR introduces liquidity requirements from 2015, after an initial observation period. Institutions will be required to hold liquid assets, the total value of which would cover the net liquidity outflows that might be experienced under gravely stressed conditions over a period of thirty (30) calendar days. This liquidity coverage ratio ("**LCR**") will be phased-in gradually, starting at 60% in 2015 and reaching 100% in 2018. Until the LCR is fully introduced, EU member states may maintain or introduce national liquidity requirements.

Under the CRR, it is expected that each group will be required to maintain a leverage ratio beginning on January 1, 2018, if implemented by the Council and European Parliament following an initial observation period beginning January 1, 2015, during which institutions will be required to disclose their leverage ratio. The leverage ratio is defined as an institution's tier 1 capital divided by its average total consolidated assets.

### ***Investments and activities***

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

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

### ***Examination***

In addition to the resolution powers set out below, the principal means used by the relevant Banking Authority to ensure compliance by large deposit banks with applicable regulations is the examination of the detailed periodic (monthly or quarterly) financial statements, *états périodiques réglementaires* and other documents that these banks are required to submit to the relevant Banking Authority. In the event that any examination were to reveal a material adverse change in the financial condition of a bank, an inquiry would be made, which could be followed by an inspection. The relevant Banking Authority may also inspect banks (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements) on an unannounced basis.



## ***Deposit Guarantee***

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

## ***Additional Funding***

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

## ***Internal Control Procedures***

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

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

## ***Compensation Policy***

French credit institutions and investment firms are required to ensure that their compensation policy is compatible with sound risk management principles. A significant portion of the compensation of employees whose activities may have a significant impact on the institution's risk exposure must be performance-based and a significant fraction of this performance-based compensation must be in the form of instruments and deferred. Under the CRD IV as implemented under French law, the aggregate amount of variable compensation of the above-mentioned employees cannot exceed the aggregate amount of their fixed salary; the shareholders' meeting may, however, decide to increase this cap to two times their fixed salary. The cap of variable compensation will apply to compensation awarded for services or performance as from the year 2014.

## ***Money Laundering***

French credit institutions are required to report to a special government agency (TRACFIN) placed under the authority of the French Minister of the Economy all amounts registered in their accounts that they suspect come from drug trafficking or organized crime, from unusual transactions in excess of certain amounts, as well as all amounts and transactions that they suspect to be the result of offence punishable by a minimum sentence of at least one-year imprisonment or that could participate in the financing of terrorism.

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

### ***Disclosure***

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

### **Resolution Framework**

#### ***European Bank Resolution and Recovery Directive***

On May 15, 2014, the European Parliament and the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms: Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”). The stated aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

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

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

- (a) the institution individually, or the group to which it belongs, as applicable, is failing or likely to fail, which includes situations where:
  - (i) the institution infringes/will in the near future infringe the requirements for continuing authorization in a way that would justify withdrawal of such authorization including, but not limited to, because the institution has incurred/is likely to incur losses depleting all or a significant amount of its own funds;
  - (ii) the assets of the institution are/will be in a near future less than its liabilities;
  - (iii) the institution is/will be in a near future unable to pay its debts or other liabilities when they fall due; or
  - (iv) the institution requires extraordinary public financial support.
- (b) there is no reasonable prospect that a private action would prevent the failure; and
- (c) a resolution action is necessary in the public interest.

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

The BRRD provides, *inter alia*, that resolution authorities shall exercise the write-down power in a way that results in (i) common equity tier 1 instruments being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments, including Additional Tier 1 Instruments such as the Notes, being written down or converted into common equity

tier 1 instruments on a permanent basis and (iii) thereafter, eligible liabilities (including senior debt instruments) being written down or converted in accordance with a set order of priority. Following such a conversion, the resulting common equity Tier 1 instruments may also be subject to the application of the Bail-In Tool.

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

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

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

- (a) where the determination has been made that conditions for resolution have been met, before any resolution action is taken;
- (b) the appropriate authority determines that unless that power is exercised in relation to the relevant capital instruments, the institution or the group will no longer be viable; and
- (c) extraordinary public financial support is required by the institution.

Except for the Bail-In Tool, which should apply as from January 1, 2016, the BRRD contemplates that the measures set out therein (including the write-down or conversion of capital instruments such as the Notes outside the placement in resolution) apply as from January 1, 2015. However, its implementation is still in process in France. Until it is implemented, the ACPR may exercise bail-in and other resolution powers pursuant to the French resolution regime described below (*French resolution regime*).

#### **Single Resolution Mechanism**

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

##### *Single Resolution Board*

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

##### *Single Resolution Fund*

The purpose of the Single Resolution Fund is to ensure that funding is available while a bank is being restructured, although costs and other expenses incurred in a bank's resolution should be borne by the bank's shareholders and creditors. It is not intended to be a bail-out fund. The Single Resolution Fund should in principle be effective as of January 1, 2016 and it is intended that, by January 1, 2024, its available financial means will reach at least 1 % of the amount of covered deposits of all banks authorised in all of the participating Member States. It will be owned and administered by the Single Resolution Board and financed by contributions of banks established in the Member States participating in the Single Supervisory Mechanism. Contributions will be calculated at least annually by the Single Resolution Board after consultation with the ECB and national authorities, on the basis of the pro-rata amount of the banks' total liabilities (excluding own funds) less

covered deposits with respect to the aggregate amount of liabilities (excluding own funds) less covered deposits of all banks authorised in all of the participating Member States, subject to certain extraordinary ex-post contributions and adjustments.

### ***French Resolution Regime***

Among other things, the French banking law of July 26, 2013 on the separation and regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) requires the ACPR to implement measures for the prevention and resolution of banking crises and gives the ACPR very broad powers with respect to “failing credit institutions,” i.e., institutions that, currently or in the near future (i) no longer comply with regulatory capital requirements, (ii) are not able to make payments that are, or will be imminently, due or (iii) require extraordinary public financial support.

In particular, the ACPR may implement a write-down of shareholders' equity and thereafter a write-down or conversion into equity of subordinated instruments (such as the Notes) but not senior instruments (but pursuant to the BRRD, the Bail-In Tool shall apply to senior debt instruments as from January 1, 2016). The ACPR is also entitled to (i) transfer all or part of the institution's assets and activities, including to a bridge bank, (ii) force an institution to issue new equity, (iii) temporarily suspend payments to creditors and (iv) terminate executives or appoint a temporary administrator (*administrateur provisoire*). Conversion ratios and transfer prices are determined by the ACPR on the basis of a “fair and realistic” assessment.

The ACPR must use its powers “in a proportionate manner” to achieve the following targets: (i) to preserve financial stability, (ii) to ensure the continuity of banking activities, services and transactions of financial institutions, the failure of which would have systemic implications for the French economy, (iii) to protect deposits and (iv) to avoid, or limit to the fullest extent possible, any public bail-out.

Recovery and resolution plans are required from credit institutions, or groups of credit institutions, whose balance sheet exceeds a certain threshold. No separate obligation arises with respect to an entity within the group that is already supervised on a consolidated basis. Each such institution or group must prepare a recovery plan (*plan préventif de rétablissement*) that will be reviewed by the ACPR. The ACPR is in turn required to prepare a resolution plan (*plan préventif de résolution*) for such institution or group.

Recovery plans must set out measures contemplated in case of a significant deterioration of an institution's financial situation. Such plans must be updated on a yearly basis (or immediately following a significant change in an institution's organization or business). Resolution plans must set out, in advance of any failure, how the various resolution powers set out above are to be implemented for each institution, given its specific circumstances. The ACPR must also assess the resolvability of institutions, and, as necessary, can request changes in an institution's organization.

Since November 2014, the ECB is competent with respect to supervisory tasks relating to recovery plans and early intervention measures. As from January 1, 2016, the Single Resolution Board should become competent with respect to the assessment of resolution plans and the adoption of resolution measures. The ACPR will remain responsible for implementing the resolution plan according to the Single Resolution Board's instructions.

## TERMS AND CONDITIONS OF THE NOTES

The following, subject to completion and amendment, are the terms and conditions of the Notes, which will be endorsed on or attached to the Global Notes.

### 1. Introduction

- 1.1 *Notes:* The US\$1,500,000,000 Perpetual Fixed Rate Resetable Additional Tier 1 Notes (the “Notes”, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) are issued by BNP Paribas (the “Issuer”). This issue was decided on August 12, 2015 by Lars Machenil, Chief Financial Officer of the Issuer, acting pursuant to resolutions of the board of directors (*conseil d’administration*) of the Issuer dated May 13, 2015.
- 1.2 *Agency Agreement:* The Notes will be issued on the terms set out in these Terms and Conditions (the “**Conditions**”) under an Agency Agreement dated as of August 19, 2015 (the “**Agency Agreement**”) between the Issuer and The Bank of New York Mellon, as Fiscal Agent (the “**Fiscal Agent**”), Paying Agent (the “**Paying Agent**”), Transfer Agent (the “**Transfer Agent**”), Registrar (the “**Registrar**”) and Calculation Agent (the “**Calculation Agent**”). Reference below to the “Agent” shall be to the Fiscal Agent, Paying Agent and/or the Calculation Agent, as the case may be.

### 2. Interpretation

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

“**5-Year Mid-Swap Rate**” means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest Period:

- (i) the mid-swap rate for U.S. dollar swaps with a term of five (5) years which appears on the Screen Page as of 11:00 a.m. (New York City time) on such Reset Rate of Interest Determination Date; or
- (ii) if such rate does not appear on the Screen Page at such time on such Reset Rate of Interest Determination Date, the Reset Reference Bank Rate on such Reset Rate of Interest Determination Date;

“**5-Year Mid-Swap Rate Quotations**” means the arithmetic mean of the bid and offered rates for the semi-annual fixed leg (calculated on a 30/360 day count basis as defined in the definition of Day Count Fraction below) of a fixed-for-floating U.S. dollar interest rate swap transaction which:

- (i) has a term of five (5) years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on 3-month U.S. dollar LIBOR (calculated on an Actual/360 day count basis);

“**Actual/360**” means the actual number of days in the relevant period divided by 360;

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

“**Agency Agreement**” shall have the meaning attributed thereto in Condition 1.2 (*Agency Agreement*);

“**Bail-In Power**” has the meaning set forth in Condition 18 (*Bail-In Power*)

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

**“Calculation Amount”** means the lower of US\$1,000 and the Prevailing Outstanding Amount;

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

**“CET1 Ratio”** means the Common Equity Tier 1 ratio pursuant to Article 92(1) (a) of the CRR calculated in accordance with Article 92(2)(a) of the CRR;

**“Compliant Securities”** means securities issued directly or indirectly by the Issuer that satisfy all the conditions below:

- (i) contain terms which at such time comply with the then current requirements of the Relevant Regulator in relation to Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time, the application of, one or more of the Special Events which are included in the Notes);
- (ii) carry the same rate of interest, including for the avoidance of doubt any rate of interest reset provisions, from time to time applying to the Notes prior to the relevant substitution or variation pursuant to Condition 7.5 (*Substitution /Variation*);
- (iii) have the same Original Principal Amount and Prevailing Outstanding Amount as the Notes prior to substitution or variation pursuant to Condition 7.5 (*Substitution/Variation*);
- (iv) rank *pari passu* with the Notes prior to the substitution or variation pursuant to Condition 7.5 (*Substitution /Variation*);
- (v) shall not at such time be subject to a Special Event;
- (vi) have terms not otherwise materially less favorable to the Noteholders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered an officer's certificate to that effect to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than five (5) business days in Paris prior to (x) in the case of a substitution of the Notes pursuant to Condition 7.5 (*Substitution/Variation*), the issue date of the relevant notes or (y) in the case of a variation of the Notes pursuant to Condition 7.5 (*Substitution/Variation*), the date such variation becomes effective; and
- (vii) if (i) the Notes were listed and/or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed and/or admitted to trading on a Regulated Market or (ii) if the Notes were listed and/or admitted to trading on a recognized stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed and/or admitted to trading on any recognized stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer;

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

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

**“CRD IV Rules”** means any or any combination of the CRD IV, the CRR and any CRD IV Implementing Measures;

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

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), “**30/360**” which means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

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

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

“**Deeply Subordinated Obligations**” means deeply subordinated obligations of the Issuer, whether in the form of notes or loans or otherwise, which rank *pari passu* among themselves and with the Notes, senior to any classes of share capital issued by the Issuer, and junior to the present and future *prêts participatifs* granted to the Issuer, the present and future *titres participatifs* issued by the Issuer, Eligible Subordinated Obligations and Unsubordinated Obligations;

“**Discretionary Temporary Loss Absorption Instruments**” means at any time any instrument (other than the Notes and the Issuer Shares) issued directly or indirectly by the Issuer which at such time (a) qualifies as Additional Tier 1 Capital of the Issuer, (b) has had all or some of its principal amount written-down, (c) has terms providing for a Reinstatement of its principal amount at the Issuer’s discretion and (d) is not subject to any transitional arrangements under the Relevant Rules;

“**Distributable Items**” shall have the meaning given to such term in the CRR, as interpreted and applied in accordance with the Relevant Rules;

“**Eligible Subordinated Obligations**” means subordinated obligations of the Issuer, whether in the form of notes or loans or otherwise, which rank or are expressed to rank senior to the Notes, including, but not limited to, obligations or instruments of the Issuer that constitute Tier 2 Capital securities;

“**First Call Date**” means the Interest Payment Date falling on or about August 19, 2025;

“**French Taxes**” shall have the meaning attributed thereto in Condition 9 (*Taxation*);

“**Gross-Up Event**” shall have the meaning attributed thereto in Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*);

“**Group**” means the Issuer together with its consolidated subsidiaries taken as a whole;

“**Group Net Income**” means the consolidated net income after the Issuer has taken a formal decision confirming the final amount thereof;

**“Initial Period”** means the period from (and including) the Issue Date to (but excluding) the First Call Date;

**“Initial Rate of Interest”** means 7.375 per cent *per annum*;

**“Interest Amount”** means the amount of interest payable on each Note for any Interest Period and **“Interest Amounts”** means, at any time, the aggregate of all Interest Amounts payable at such time;

**“Interest Payment Date”** means February 19 and August 19 in each year from (and including) February 19, 2016;

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

**“Issue Date”** means August 19, 2015;

**“Issuer”** shall have the meaning attributed thereto in Condition 1.1 (*Notes*);

**“Issuer Shares”** means any classes of share capital or other equity securities issued by the Issuer (including but not limited to *actions de préférence* (preference shares));

**“Loss Absorbing Instrument”** means, at any time, any Additional Tier 1 Capital instrument (other than the Notes) issued directly or indirectly by the Issuer which contains provisions pursuant to which all or part of its principal amount may be written-down (whether on a permanent or temporary basis) or may otherwise absorb losses (in each case in accordance with its terms) on the occurrence, or as a result, of a trigger event set by reference to the Group's CET1 Ratio;

**“Margin”** means 5.15 per cent;

**“Maximum Distributable Amount”** means any maximum distributable amount required to be calculated in accordance with Article 141 of the CRD IV (or, if different, any provision of French law transposing or implementing Article 141 of the CRD IV, as amended or replaced) that may be applicable to the Issuer from time to time;

**“Maximum Reinstatement Amount”** means, with respect to a Reinstatement of the principal amount of the Notes pursuant to Condition 6.3 (*Reinstatement*), the Relevant Group Net Income multiplied by the sum of (A) the Original Principal Amount of the Notes and (B) the initial principal amount of all outstanding Written Down Additional Tier 1 Instruments, divided by the Tier 1 Capital of the Group as at the date of the relevant Reinstatement;

**“Notes”** shall have the meaning attributed thereto in Condition 1.1 (*Notes*);

**“Noteholders”** means holders of the Notes;

**“Optional Redemption Date”** means each of the First Call Date and any Interest Payment Date thereafter;

**“Original Principal Amount”** means the notional amount of the Notes as of the Issue Date;

**“Paying Agent”, “Fiscal Agent”, “Calculation Agent” and “Transfer Agent”** shall have the meaning attributed thereto in Condition 1.2 (*Agency Agreement*);

**“Payment Business Day”** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) the relevant place of presentation for payment of any Note and (ii) New York City;

**“Prevailing Outstanding Amount”** means for each Note, its notional amount outstanding at any given time, adjusted for any reduction pursuant to a Write-Down or any increase pursuant to a Reinstatement;

**“Rate of Interest”** means:

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



- (ii) in the case of each Interest Period falling in a Reset Interest Period, the relevant Reset Rate of Interest,

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

**"Redemption Date"** has the meaning set forth in Condition 8.2 (*Payments - Interest*);

**"Reference Date"** means the accounting date at which the applicable Relevant Group Net Income was determined;

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

**"Reinstatement"** shall have the meaning attributed thereto in Condition 6.3 (*Reinstatement*);

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

**"Relevant Group Net Income"** shall have the meaning attributed thereto in Condition 6.3 (*Reinstatement*);

**"Relevant Regulator"** means the European Central Bank and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer;

**"Relevant Resolution Authority"** has the meaning set forth in Condition 18 (*Bail-In Power*);

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

**"Reset Date"** means the First Call Date and every date which falls five (5), or a multiple of five (5), years after the First Call Date;

**"Reset Interest Period"** means each period from (and including) any Reset Date and ending on (but excluding) the next Reset Date;

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

**"Reset Rate of Interest Determination Date"** means, in relation to a Reset Interest Period, the day falling two (2) U.S. Government Securities Business Days prior to the Reset Date on which such Reset Interest Period commences;

**"Reset Reference Bank Rate"** means the rate determined on the basis of the 5-Year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Issuer at approximately 11:00 a.m. (New York City time) on the Reset Rate of Interest Determination Date and delivered to the Calculation Agent at approximately 12:00 p.m. (New York City time) on the Reset Rate of Interest Determination Date. If at least three (3) quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two (2) quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one (1) quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be equal to the last 5-Year Mid-Swap Rate available on the Screen Page as determined by the Calculation Agent;

**"Reset Reference Banks"** means six (6) leading swap dealers in the New York City interbank market selected by the Issuer;

**"Screen Page"** means the display page on the relevant Reuters information service designated as the **"ISDAFIX1"** page or such other page as may replace it on that information

service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, for the purpose of displaying equivalent or comparable rates to the 5-Year Mid-Swap Rate;

**“Security Register”** means the register maintained by the Registrar for purposes of identifying the Holders of the Notes;

**“Special Event”** means any of a Tax Event or a Capital Event;

**“Tax Deduction Event”** shall have the meaning attributed thereto in Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*);

**“Tax Event”** means a Tax Deduction Event, a Withholding Tax Event or a Gross-Up Event;

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

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

**“Trigger Event”** shall occur if, at any time, the CET1 Ratio of the Group is less than the Trigger Level;

**“Trigger Level”** means 5.125 per cent.;

**“Unsubordinated Obligations”** means unsubordinated obligations, whether in the form of loans, notes or other instruments, of the Issuer that rank senior to Eligible Subordinated Obligations or any other obligation expressed to rank junior to Unsubordinated Obligations;

**“U.S. Government Securities Business Day”** means any day except for a Saturday, Sunday or a day on which the U.S. Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

**“Withholding Tax Event”** shall have the meaning attributed thereto in Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*);

**“Write-Down”** or **“Written Down”** shall have the meaning attributed thereto in Condition 6.1 (*Write-Down*);

**“Write-Down Amount”** is the amount of the write down of the Prevailing Outstanding Amount of the Notes on the Write-Down Date and will be equal to the lower of:

- (i) the amount necessary to generate sufficient Common Equity Tier 1 items (as defined in the CRR) of the Issuer under the accounting framework applicable to the Issuer to restore the CET1 Ratio of the Group to the Trigger Level in respect of which a Trigger Event has occurred, taking into account the *pro rata* write down or, as the case may be, conversion into equity, of the prevailing principal amount of all Loss Absorbing Instruments (if any) to be written down or converted concurrently (or substantially concurrently) with the Notes, provided that, with respect to each Loss Absorbing Instrument (if any) such *pro rata* write down or conversion shall only be taken into account to the extent required to restore the CET1 Ratio of the Group to the lower of (a) such Loss Absorbing Instrument's trigger level and (b) the Trigger Level in respect of which a Trigger Event has occurred, and
- (ii) the amount that would reduce the Prevailing Outstanding Amount to US\$ 0.01,  
provided further that to the extent the reduction to, or, as the case may be, conversion of any Loss Absorbing Instrument is not, or by the relevant Write-Down Date will not be, effective for any reason:
  - (1) the ineffectiveness of any such reduction or, as the case may be, conversion shall not prejudice the requirement to effect a reduction to the Prevailing Outstanding Amount pursuant to Condition 6 (*Write-Down and Reinstatement*); and

- (2) the reduction to, or, as the case may be conversion of any Loss Absorbing Instrument which is not, or by the Write-Down Date will not be, effective shall not be taken into account in determining such reduction of the Prevailing Outstanding Amount;

**“Write-Down Date”** means the date on which the Notes will be written down, being no later than one (1) month after the occurrence of a Trigger Event pursuant to Condition 6.1 (*Write-Down*), or any earlier date as selected by the Issuer or as instructed by the Relevant Regulator, and as specified in the Write-Down Notice;

**“Write-Down Notice”** means a notice which specifies (i) that a Trigger Event has occurred, (ii) the Write-Down Amount and (iii) the Write-Down Date. Any such notice shall be accompanied by a certificate signed by two Directors of the Issuer stating that the Trigger Event has occurred and setting out the method of calculation of the relevant Write-Down Amount attributable to the Notes; and

**“Written Down Additional Tier 1 Instrument”** means at any time any instrument (excluding the Notes) issued directly or indirectly by the Issuer which qualifies as Additional Tier 1 Capital of the Group and/or the Issuer and which, immediately prior to the relevant Reinstatement at that time, has a current principal amount that is lower than the principal amount it was issued with.

2.2 *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the Prevailing Outstanding Amount, any additional amounts in respect of principal which may be payable under Condition 9 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 9 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) references to Notes being “outstanding” shall be construed in accordance with the definition thereof set out in the Agency Agreement; and
- (iv) any reference to a numbered “Condition” shall be to the relevant Condition in these Conditions.

3. **Form, Denomination and Title**

- 3.1 *Form of Notes and denomination:* The Notes are in fully registered form and in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof and are represented by one or more Global Notes, as described below. The Notes will be eligible for clearance through The Depository Trust Company (“**DTC**”) and its indirect participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme.

The Notes sold in reliance on Rule 144A of the Securities Act will be represented by one or more permanent global certificates in fully registered form without interest coupons (together the “**Rule 144A Global Note**”) and the Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S of the Securities Act will be represented by one or more permanent global certificates in fully registered form without interest coupons (the “**Regulation S Global Notes**” and, together with the Rule 144A Global Notes, the “**Global Notes**”). The Global Notes will be registered in the name of a nominee of, and deposited with a custodian for, DTC.

Beneficial interests in the Global Notes may not be exchanged for Notes in definitive, certificated form, except in the limited circumstances described in the Agency Agreement.

- 3.2 *Title:* Title to the Notes passes only by registration in the Security Register. For so long as any of the Notes are represented by one or more Global Notes, each person who is for the time being shown in the records of the relevant clearing system as the Holder of a particular principal amount of Notes shall be treated by the Issuer and the Fiscal Agent as the Holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal, premium (if any) or interest on such nominal amount of such Notes, the right to which shall be vested, as against the Issuer and the Fiscal Agent solely in the person in

whose name the Global Note is registered in the security register, each in accordance with and subject to these Conditions (and the terms “**Noteholder**” and “**Holder**” and related terms shall be construed accordingly).

#### 4. Status of the Notes

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

The Notes constitute *obligations* under French law. The obligations of the Issuer in respect of the Notes constitute direct, unsecured and Deeply Subordinated Obligations of the Issuer and rank *pari passu* and without any preference among themselves and rateably with all other present or future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs*, Eligible Subordinated Obligations and Unsubordinated Obligations issued by the Issuer.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the payment obligation of the Issuer under the Notes shall be subordinated to the payment in full of the unsubordinated creditors of the Issuer and any other creditors whose claim ranks senior to the Notes and, subject to such payment in full, the Noteholders will be paid in priority to any Issuer Shares. After the complete payment of creditors whose claim ranks senior to the Notes on the judicial or other liquidation of the Issuer, the amount payable by the Issuer in respect of the Notes shall be limited to the Prevailing Outstanding Amount and any other amounts payable in respect of the Notes (including any accrued and uncanceled interest). In the event of incomplete payment of unsubordinated creditors or other creditors whose claim ranks in priority to the Notes on the liquidation of the Issuer, the obligations of the Issuer in connection with the Notes shall terminate by operation of law.

There is no negative pledge in respect of the Notes.

It is the intention of the Issuer that the proceeds of the issue of the Notes be treated for regulatory purposes as Additional Tier 1 Capital.

#### 5. Interest

- 5.1 *Interest rate:* The Notes shall bear interest on their Prevailing Outstanding Amount at the applicable Rate of Interest from (and including) the Issue Date. Interest shall be payable semi-annually in arrears on each Interest Payment Date commencing on February 19, 2016, subject in any case as provided in Condition 5.9 (*Cancellation of Interest Amounts*) and Condition 8 (*Payments*).
- 5.2 *Interest to (but excluding) the First Call Date:* The rate of interest for each Interest Period falling in the Initial Period will be the Initial Rate of Interest. The amount of interest per Calculation Amount payable on each Interest Payment Date in relation to an Interest Period falling in the Initial Period will be US\$73.75.
- 5.3 *Interest from (and including) the First Call Date:* The rate of interest for each Interest Period falling in the Reset Interest Period will be equal to the Reset Rate of Interest, as determined by the Calculation Agent.
- 5.4 *Accrual of interest:* Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the Prevailing Outstanding Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of:
- (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
  - (ii) the day which is seven (7) calendar days after the Fiscal Agent has notified the Noteholders in accordance with Condition 16 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh (7th) calendar day (except to the extent that there is any subsequent default in payment).

- 5.5 *Determination of Reset Rate of Interest:* The Calculation Agent will, as soon as practicable after 11:00 a.m. (New York City time) on each Reset Rate of Interest Determination Date, calculate the Reset Rate of Interest for such Reset Interest Period.
- 5.6 *Publication of Reset Rate of Interest:* The Calculation Agent will cause the Reset Rate of Interest determined by it to be notified to the Fiscal Agent (if not the Calculation Agent) as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 16 (*Notices*).
- 5.7 *Calculation of amount of interest per Calculation Amount:* The amount of interest payable in respect of the Calculation Amount for any period shall be calculated by:
- (i) applying the applicable Rate of Interest to the Calculation Amount;
  - (ii) multiplying the product thereof by the Day Count Fraction; and
  - (iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).
- 5.8 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agent, the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- 5.9 *Cancellation of Interest Amounts:*
- (i) *Optional cancellation*  

The Issuer may elect at its full discretion to cancel (in whole or in part) the Interest Amount otherwise scheduled to be paid on an Interest Payment Date notwithstanding it has Distributable Items or the Maximum Distributable Amount is greater than zero.

Interest Amounts on the Notes will be non-cumulative. Accordingly, if any Interest Amounts (or part thereof) is not paid in respect of the Notes as a result of any election of the Issuer to cancel such Interest Amount pursuant to this paragraph (i) or of the limitations on payment set out in paragraph (ii) below, then (x) the right of the Noteholders to receive the relevant Interest Amount (or part thereof) in respect of the relevant Interest Period will be extinguished and the Issuer will have no obligation to pay such Interest Amount (or part thereof) accrued for such Interest Period or to pay any interest thereon and (y) it shall not constitute an event of default in respect of the Notes or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and it shall not entitle Noteholders to petition for the insolvency or dissolution of the Issuer.
  - (ii) *Mandatory cancellation*  

The Issuer will cancel the payment of an Interest Amount (in whole or, as the case may be, in part) if the Relevant Regulator notifies in writing the Issuer that, in accordance with the Relevant Rules, it has determined that the Interest Amount (in whole or in part) should be cancelled based on its assessment of the financial and solvency situation of the Issuer.

In any case, the maximum Interest Amounts (including any additional amounts payable pursuant to Condition 9 (*Taxation*)) that may be payable (in whole or, as the case may be, in part) under the Notes will not exceed an amount that:

    - when aggregated together with any interest payment or distributions which have been paid or made or which are required to be paid or made on other funds items in the then current financial year (excluding any such interest payments on Tier 2 Capital instruments and/or which have already been provided for, by way of deduction, in the calculation of Distributable Items), is higher than the amount of Distributable Items (if any) then available to the Issuer; and

- when aggregated together with other distributions of the kind referred to in Article 141(2) of the CRD IV (or, if different, any provision of French law transposing or implementing Article 141(2) of the CRD IV, as amended or replaced), would cause the Maximum Distributable Amount (if any) then applicable to be exceeded

## 6. Write-Down and Reinstatement

6.1 *Write-Down:* If a Trigger Event occurs, the Issuer shall immediately notify the Relevant Regulator of the occurrence of the Trigger Event and, after first giving a Write-Down Notice to Noteholders (in accordance with Condition 16 (*Notices*)) and the Fiscal Agent, irrevocably (without the need for the consent of Noteholders), reduce on the Write-Down Date the then Prevailing Outstanding Amount of each Note by the relevant Write-Down Amount (such reduction being referred to as a “**Write-Down**”, and “**Written Down**” being construed accordingly).

6.2 *Consequence of a Write-Down:* A Trigger Event may occur on more than one occasion and the Notes may be Written Down on more than one occasion. For the avoidance of doubt, the principal amount of a Note may never be reduced to below one cent.

Write-Down of all or part of the Prevailing Outstanding Amount shall not constitute a default in respect of the Notes or a breach of the Issuer’s obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and shall not entitle Noteholders to petition for the insolvency or dissolution of the Issuer.

Following a Write-Down of all or part of the Prevailing Outstanding Amount, Noteholders will be automatically deemed to waive irrevocably their rights to receive, and no longer have any rights against the Issuer with respect to, interest on and repayment of the Write-Down Amount (but without prejudice to their rights in respect of any reinstated principal amount following a Reinstatement).

6.3 *Reinstatement:* Following a reduction of the Prevailing Outstanding Amount in accordance with Condition 6.1 (*Write-Down*), the Issuer may, if a positive Group Net Income (the “**Relevant Group Net Income**”) is recorded, at any time while the Prevailing Outstanding Amount is less than the Original Principal Amount, at its discretion, reinstate some or all of the principal amount of the Notes (a “**Reinstatement**”), subject to compliance with the Relevant Rules (including the Maximum Distributable Amount (if any) and, for such purpose, the amount of such Reinstatement shall be aggregated together with other distributions of the Issuer and the Group of the kind referred to in Article 141(2) of the CRD IV or, if different, any transposing or implementing Article 141(2) of the CRD IV as amended or replaced), on a *pro rata* basis with all other Discretionary Temporary Loss Absorption Instruments (if any) which would, following such Reinstatement, constitute Additional Tier 1 Capital.

For the avoidance of doubt, at no time may the Prevailing Outstanding Amount exceed the Original Principal Amount of the Notes.

To the extent that the principal amount of the Notes has been reinstated as described in this Condition, interest shall begin to accrue on the reinstated principal amount of the Notes, and become payable in accordance with these Conditions, as from the date of the relevant Reinstatement.

Unless the Relevant Rules provide otherwise, a Reinstatement of the principal amount of the Notes pursuant to this Condition will not be effected at any time in circumstances where the aggregate amount of the principal of the Notes to be so reinstated combined with the sum of:

- (i) any previous Reinstatement of the Notes out of the Relevant Group Net Income since the Reference Date;
- (ii) the aggregate amount of any interest on the Notes that has been paid since the Reference Date on the basis of a Prevailing Outstanding Amount that is lower than the Original Principal Amount;
- (iii) the aggregate amount of the increase in principal amount of the Written Down Additional Tier 1 Instruments to be written-up out of the Relevant Group Net Income

concurrently with the Reinstatement and (if applicable) any previous increase in principal amount of such Written Down Additional Tier 1 Instruments out of the Relevant Group Net Income since the Reference Date; and

- (iv) the aggregate amount of any interest on such Written Down Additional Tier 1 Instruments that has been paid since the Reference Date on the basis of a prevailing principal amount that is lower than the original principal amount at which such Written Down Additional Tier 1 Instruments were issued;

would exceed the Maximum Reinstatement Amount.

## **7. Redemption and Purchase**

- 7.1 *No fixed redemption:* The Notes are perpetual obligations in respect of which there is no fixed redemption date.

- 7.2 *Optional Redemption from the First Call Date:* The Issuer may (at its option but subject to Condition 7.8 (*Conditions to Redemption and Purchase*) below), subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' prior notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) and the Fiscal Agent, redeem the then outstanding Notes, on the relevant Optional Redemption Date in whole, but not in part, at their Original Principal Amount (provided that if at any time a Write-Down Notice has been given and/or the Notes have been Written Down pursuant to Condition 6.1 (*Write-Down*), the Issuer shall not be entitled to exercise its option under this Condition 7.2 until the principal amount of the Notes so Written Down has been fully reinstated pursuant to Condition 6.3 (*Reinstatement*)), together with all interest accrued to (but excluding) the relevant Optional Redemption Date (if any).

- 7.3 *Optional Redemption upon the occurrence of a Capital Event:* Upon the occurrence of a Capital Event, the Issuer may (at its option but subject to Condition 7.8 (*Conditions to Redemption and Purchase*) below) at any time subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) and the Fiscal Agent, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any).

- 7.4 *Optional Redemption upon the occurrence of a Tax Event:*

- (i) If by reason of a change in, or in the official interpretation or administration of, any laws or regulations of France or any political subdivision or any authority thereof or therein having power to tax becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 9 (*Taxation*) (a "**Withholding Tax Event**"), the Issuer may (at its option but subject to Condition 7.8 (*Conditions to Redemption and Purchase*) below), at any time, subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' notice to the Noteholders (in accordance with Condition 16 (*Notices*)) (which notice shall be irrevocable) and the Fiscal Agent, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any), provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of interest without withholding for French Taxes or, if such date has passed, as soon as practicable thereafter.
- (ii) If the Issuer would, on the next payment of interest in respect of the Notes, be prevented by French law from making payment to the Noteholders of the full amount then due and payable (including any additional amounts which would be payable pursuant to Condition 9 (*Taxation*) but for the operation of such French law) (a "**Gross-Up Event**"), then, the Issuer may (subject to Condition 7.8 (*Conditions to Redemption and Purchase*) below) upon giving not less than seven (7) nor more than forty-five (45) calendar days' prior notice to the Noteholders (in accordance with

Condition 16 (*Notices*)) (which notice shall be irrevocable) and the Fiscal Agent, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable without withholding for French Taxes or, if such date has passed, as soon as practicable thereafter.

- (iii) If by reason of any change in the French laws or regulations, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after the Issue Date, the tax regime applicable to any interest payment under the Notes is modified and such modification results in the amount of the interest payable by the Issuer under the Notes that is tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes being reduced (a “**Tax Deduction Event**”), the Issuer may, subject to Condition 7.8 (*Conditions to Redemption and Purchase*) below, at its option, at any time, subject to having given no less than thirty (30) nor more than forty-five (45) calendar days’ notice to the Fiscal Agent and the Noteholders (in accordance with Condition 16 (*Notices*)) redeem all, but not in part, of the then outstanding Notes at the Prevailing Outstanding Amount together with all interest accrued to the date fixed for redemption (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to the same extent as it was on the Issue Date.

The Issuer will not give notice under this Condition unless (i) it has demonstrated to the satisfaction of the Relevant Regulator that the change referred to in paragraphs (i), (ii) and (iii) above is material and was not reasonably foreseeable at the time of issuance of the Notes or (ii) it otherwise complies, to the satisfaction of the Relevant Regulator, with the requirements applicable to redemption for tax reasons under the Relevant Rules.

#### 7.5 *Substitution/Variation:*

Following the occurrence of a Special Event, the Issuer may, as an alternative to an early redemption of the Notes, at any time, without the consent of the Noteholders and subject to (i) receiving any consent required from, the Relevant Regulator, and (ii) having given no less than fifteen (15) nor more than forty-five (45) calendar days’ notice to the Fiscal Agent and the Noteholders (in accordance with Condition 16 (*Notices*)) either (x) substitute new notes for the Notes whereby such new notes shall replace the Notes or (y) vary the terms of the Notes, so that the Notes may become or remain Compliant Securities.

If the Issuer has given a notice to the Noteholders of substitution or variation of the Notes, and, after giving such notice but prior to the date of such substitution or variation, as applicable, the Issuer determines that a Trigger Event has occurred, the Issuer shall, in consultation with the Relevant Regulator, determine whether or not the proposed substitution or variation, as applicable, will proceed and, if so, whether any amendments to the terms and/or timing of such substitution or variation, as applicable, will be made.

- 7.6 *Purchase:* The Issuer may, but is not obliged to, subject to Condition 7.8 (*Conditions to Redemption and Purchase*) below, purchase Notes at any price in the open market or otherwise.
- 7.7 *Cancellation:* All Notes which are redeemed or purchased by the Issuer to be cancelled will forthwith be cancelled (together, in the case of definitive Notes and accordingly may not be re-issued or resold).
- 7.8 *Conditions to Redemption and Purchase:* According to Articles 77 and 78 of the CRR, the Notes may only be redeemed or purchased pursuant to Condition 7.2 (*Optional Redemption from the First Call Date*), Condition 7.3 (*Optional Redemption upon the occurrence of a*



*Capital Event*), Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*) or Condition 7.6 (*Purchase*), as the case may be, if the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable) and the following conditions are met:

- (i) on or before such redemption or purchase (as applicable) of the Notes, the Issuer replaces the Notes with capital instruments of an equal or higher quality on terms that are sustainable for its income capacity; or
- (ii) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its Tier 1 Capital and Tier 2 Capital would, following such redemption or purchase (as applicable), exceed the capital ratios required under the CRD IV Rules by a margin that the Relevant Regulator may consider necessary on the basis set out in the CRD IV Rules for it to determine the appropriate level of capital of an institution; and  
in the case of redemption before the fifth anniversary of the Issue Date, if:
- (iii) the conditions listed in paragraphs (i) or (ii) above are met; and
- (iv) in the case of redemption due to the occurrence of a Capital Event, (x) the Relevant Regulator considers such change to be sufficiently certain and (y) the Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of the issuance of the Notes; or
- (v) in the case of redemption due to the occurrence of a Tax Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Tax Event is material and was not reasonably foreseeable at the time of issuance of the Notes and the Issuer has delivered a certificate signed by one of its senior officers to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Tax Event has occurred or will occur no more than ninety (90) calendar days following the date fixed for redemption, as the case may be.

7.9 *Determination of Trigger Event supersedes notice of redemption:* If the Issuer has given a notice of redemption of the Notes pursuant to Condition 7.2 (*Optional Redemption from the First Call Date*), Condition 7.3 (*Optional Redemption upon the occurrence of a Capital Event*) or Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*) and, after giving such notice but prior to the relevant redemption date, the Issuer determines that a Trigger Event has occurred, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, the Notes will not be redeemed on the scheduled redemption date and, instead, a Write-Down shall occur in respect of the Notes as described under Condition 6 (*Write-Down and Reinstatement*).

## **8. Payments**

8.1 *Principal:* Payment of the principal on the Notes will be made to the registered Holders thereof at the office of the Fiscal Agent, or such other office or agency of the Issuer maintained by it for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of the principal on such Notes will be made to the registered Holders thereof in immediately available funds at such office or such other offices or agencies if such Notes are presented to the Fiscal Agent or any other paying agent in time for the Fiscal Agent or such other paying agent to make such payments in accordance with its normal procedures.

8.2 *Interest:* Payments of interest will be made to the registered Holders thereof at the office of the Fiscal Agent, or such other office or agency of the Issuer maintained by it for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of the interest on such Notes due on a date other than a date set for the redemption of the Notes (a "Redemption Date") will be made to the registered Holders thereof in immediately available funds at such office or such other offices or agencies if such Notes are presented to the Fiscal Agent or any other paying agent in time

for the Fiscal Agent or such other paying agent to make such payments in accordance with its normal procedures; and, provided, further, that at the option of the Issuer, payment of interest on any Interest Payment Date other than a Redemption Date, may be made by check mailed to the address of the person entitled thereto as such address shall appear in the security register unless that address is in the Issuer's country of incorporation or, if different, country of tax residence; and, provided, further, that notwithstanding the foregoing, a registered Holder of US\$10,000,000 or more in aggregate principal amount of such Notes having the same Interest Payment Date will be entitled to receive payments of interest, other than interest due on a Redemption Date, by wire transfer of immediately available funds to an account at a bank located in The City of New York (or other location consented to by the Issuer) if appropriate wire transfer instructions have been received by the Fiscal Agent or any other paying agent in writing not less than fifteen (15) calendar days prior to the applicable Interest Payment Date.

- 8.3 *Record Dates.* Payments of interest will be made to the person who is the registered Holder thereof on the regular record date immediately preceding the relevant Interest Payment Date. A regular record date will be the fifteenth (15<sup>th</sup>) calendar day preceding an Interest Payment Date, except that so long as the Notes are represented by Global Notes held in DTC, the regular record date shall be the Payment Business Day immediately preceding the Interest Payment Date. Any interest that is not paid when due (and not cancelled in accordance with Condition 5 (*Interest*)) shall be paid to the person who is the registered Holder thereof on the regular record date immediately preceding the Interest Payment Date on which such interest is paid or, if not paid on an Interest Payment Date, on a special record date determined in accordance with the Agency Agreement.

*Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to, but without prejudice to the provisions of Condition 9 (*Taxation*), (i) any applicable fiscal or other laws and regulations in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) (collectively, "**FATCA**"). No commissions or expenses shall be charged to the Holders in respect of such payments.

- 8.4 *Payments on business days:* If the due date for payment of any amount in respect of any Note is not a Payment Business Day, the Noteholder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.
- 8.5 *Payments:* Payments of interest shall be made only against presentation of the relevant Notes at the specified office of any Paying Agent.
- 8.6 *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

## **9. Taxation**

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

withholding or deduction been required, except that no such additional amounts shall be payable in relation to any payment of interest in respect of any Note, as the case may be:

- (i) to, or to a third party on behalf of, a Noteholder which is liable to such French Taxes, in respect of such Note by reason of it having some connection with the Republic of France other than the mere holding of the Note; or
- (ii) presented for payment more than thirty (30) calendar days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty (30) calendar days; or
- (iii) where such withholding or deduction is required to be made pursuant to Council Directive 2003/48/EC (as amended) or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any subsequent meeting of the Council of the European Union on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or
- (v) where the applicable French Taxes are levied other than by way of a withholding or deduction; or
- (vi) where such withholding or deduction is imposed on any payment by reason of FATCA.

For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of payments of principal under the Notes.

- 9.3 *Supply of information:* Each Noteholder shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be reasonably required by the latter in order for it to comply with the identification and reporting obligations imposed on it by European Council Directive 2003/48/EC, as amended, or any European Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 or any subsequent meeting of the Council of the European Union on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

## **10. Prescription**

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

## **11. Replacement of Notes**

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

## **12. Agents**

In acting under the Agency Agreement, the Agents will act solely as agents of the Issuer and do not assume any obligations or relationship of agency or trust to or with the Noteholders, except that, without affecting the obligations of the Issuer to the Noteholders, to repay Notes and pay interest thereon, funds received by the Fiscal Agent for the payment of the principal of or interest on the Notes shall be held by it in trust for the Noteholders until the expiration of the relevant period of prescription described under Condition 10 (*Prescription*). The Issuer will agree to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement contains

provisions for the indemnification of the Agents and for relief from responsibility in certain circumstances and entitles any of them to enter into business transactions with the Issuer and any of its affiliates without being liable to account to the Noteholders for any resulting profit. The Bank of New York Mellon will be the initial Fiscal Agent with its specified office at 101 Barclay Street, New York, New York.

### **13. Enforcement**

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

### **14. Meeting of Noteholders, modification, supplemental agreements**

#### **14.1 Modification and Amendment**

The Issuer may at any time call a meeting of the Holders of Notes to seek their approval of the modification of or amendment to, or obtain a waiver of, any provision of the Notes. This meeting will be held at the time and place determined by the Issuer and specified in a notice of such meeting furnished to the Holders. This notice must be given at least thirty (30) calendar days and not more than sixty (60) calendar days prior to the meeting.

The Issuer may also seek the consent of the Noteholders to any such modification, amendment or waiver without holding a meeting. So long as the Notes clear through the facilities of DTC, any such consent solicitation may be made through the applicable procedures at DTC.

With respect to the Notes, the Issuer may, with the consent of the Holders of not less than a majority of the principal amount of the then outstanding Notes or the consent of a majority of the principal amount of Notes present and voting at a meeting where a quorum is present, modify and amend the provisions of such Notes, including to grant waivers of future compliance by the Issuer, and if so required, the Issuer will instruct the relevant Agent to give effect to any such amendment, as the case may be, at the sole expense of the Issuer. Except to the extent permitted by Condition 7.5 (*Substitution/Variation*), no such amendment or modification shall, however, without the consent of each Noteholder affected thereby, with respect to Notes owned or held by such Noteholder:

- (a) change the principal of or any installment of principal of or interest, if any, on, any such Note;
- (b) reduce the principal amount of, or any interest on, any such Note or any premium payable upon the redemption thereof with respect thereto;
- (c) change the currency of payment of principal of, premium, if any, or interest, if any, on any such Note;
- (d) impair the right to institute suit for the enforcement of any such payment on any such Note;
- (e) reduce the above stated percentage of Holders of Notes necessary to modify or amend the Notes; or
- (f) modify any of the provisions of this Clause 14, except to increase any such percentage in aggregate principal amount required for any actions by Noteholders or to provide that certain other provisions of the Notes cannot be modified or waived without the consent of the Noteholder of each outstanding Note affected thereby.

In addition to the substitutions and variations permitted without the consent of the Holders by Condition 7.5 (*Substitution/Variation*), no consent of the Noteholders is or will be required for

any modification or amendment requested by the Issuer or by the Fiscal Agent with the consent of the Issuer to:

- (a) add to the Issuer's covenants for the benefit of the Noteholders;
- (b) surrender any right or power of the Issuer in respect of the Notes or the Agency Agreement;
- (c) provide security or collateral for the Notes;
- (d) cure any ambiguity in any provision, or correct any defective provision, of the Notes;

Any such modification made under this subparagraph shall be binding on the Noteholders and any such modification shall be notified to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

#### **14.2 Meetings of Noteholders**

If at any time the Holders of at least 10% in principal amount for the then outstanding Notes request the Issuer to call a meeting of the Holders of such Notes for any purpose, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Issuer will call the meeting for such purpose. This meeting will be held at the time and place determined by the Issuer and specified in a notice of such meeting furnished to the Noteholders. This notice must be given at least thirty (30) calendar days and not more than sixty (60) calendar days prior to the meeting.

Noteholders who hold a majority in principal amount of the then outstanding Notes will constitute a quorum at a Noteholders' meeting. In the absence of a quorum, a meeting may be adjourned for a period of at least twenty (20) calendar days. At the reconvening of a meeting adjourned for lack of quorum, Holders of 25% in principal amount of the then outstanding Notes shall constitute a quorum. Notice of the reconvening of any meeting may be given only once, but must be given at least ten (10) calendar days and not more than fifteen (15) calendar days prior to the meeting.

#### **14.3 Supplemental Agreements**

Subject to the terms of this Condition 14, the Issuer and the Fiscal Agent may enter into an agreement or agreements supplemental to the Agency Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Agency Agreement. Upon the execution of any supplemental agreement under the Agency Agreement, the Agency Agreement shall be modified in accordance therewith, and such supplemental agreement shall form a part of the Agency Agreement for all purposes. The Fiscal Agent may, but shall not be obligated to, enter into any such supplemental agreement which affects the Fiscal Agent's own rights, duties or immunities under the Agency Agreement or otherwise. If the Issuer shall so determine, new Notes, modified so as to conform, in the opinion of the Fiscal Agent and the Issuer, to any such supplemental agreement may be prepared and executed by the Issuer and authenticated and delivered by the Fiscal Agent in exchange for the Notes.

- 14.4 Any proposed modification of any provision of the Notes (other than to cure any ambiguity in any provision, or correct any defective provision, of the Notes) can only be effected subject to the prior approval of the Relevant Regulator.

#### **15. Further Issues**

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

#### **16. Notices**

Notices to Holders will be provided to the addresses of the Holders that appear on the Security Register of the Notes. So long as the Notes are in the form of Global Notes held through DTC, notices shall be given through the facilities, and in accordance with the procedures, of DTC.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

## **17. Governing Law and Jurisdiction**

- 17.1 *Governing Law:* The Notes, the Agency Agreement and any non-contractual obligations arising therefrom or in connection therewith, shall be governed by, and construed in accordance with the laws of the State of New York, without regard to the conflicts of law principles thereof, except for Condition 4 (*Status of the Notes*), which shall be governed by, and construed in accordance with, French law.
- 17.2 *Submission to Jurisdiction and Consent to Service of Process in New York:* The Issuer consents to the jurisdiction of, and waives objection to venue in, the courts of the State of New York and the courts of the United States of America located in The City of New York, Borough of Manhattan, with respect to any action that may be brought in connection with the Notes. The Issuer has appointed Treasurer of its New York Branch, with offices at 787 Seventh Avenue, New York, New York 10019 as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and its properties, assets and revenues, service of any and all legal process, summons, notices and documents that may be served in any action, suit or proceeding in connection with the Notes.

## **18. Bail-In Power**

The bail-in provisions described below are mandated by the BRRD and its related delegated and implementing acts.

- 18.1 By its acquisition of the Notes, each Noteholder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:
- a. to be bound by the effect of the exercise of the Bail-In Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
    - i. the reduction of all, or a portion, of the Amounts Due;
    - ii. the conversion of all, or a portion, of the Amounts Due on the Notes into shares, other securities or other obligations of the Issuer or another person, including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;
    - iii. the cancellation of the Notes;
    - iv. the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
  - b. that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority.

For these purposes, the “Amounts Due” are the principal amount of or outstanding amount, together with any accrued but unpaid interest, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-In Power by the Relevant Resolution Authority.

For these purposes, a “Bail-In Power” is any write-down, conversion, cancellation or modification power existing from time to time under, and exercised in compliance with, any

laws, regulations, rules or requirements in effect in France, whether relating to the transposition of the BRRD, the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 ("SRM") or otherwise arising under French law, and the instruments, rules and standards created thereunder, pursuant to which, in particular, the obligations of a Regulated Entity (or other affiliate of such Regulated Entity) can be reduced (in part or in whole) or modified, or securities of a Regulated Entity (or other affiliate of such Regulated Entity) can be cancelled or converted into shares, other securities, or other obligations of such Regulated Entity or any other person.

A reference to a "Regulated Entity" is to any entity referred to in Article 1(1) of the BRRD, as amended from time to time (as it may be transposed in France), which includes, certain credit institutions, investment firms, and certain of their parent or holding companies established in the EU as well as branches of institutions established outside the EU.

A reference to the "Relevant Resolution Authority" is to the *Autorité de contrôle prudentiel et de résolution* ("ACPR"), the Single Resolution Board ("SRB") established pursuant to the SRM, and/or any other authority entitled to exercise or participate in the exercise of any Bail-In Power with the authority to exercise any of the French Bail-In Powers from time to time including the Council and the Commission when acting pursuant to Article 18 of the SRM.

The matters set forth in this clause 18.1 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Note.

- 18.2 No repayment or payment of the Amounts Due will become due and payable after the exercise of the Bail-In Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the EU applicable to the Issuer or other members of its group.
- 18.3 Neither a cancellation of the Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-In Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-In Power by the Relevant Resolution Authority with respect to the Notes will be an event of default or otherwise constitute non-performance of a contractual obligation and the terms and conditions of the Notes shall continue to apply in relation to the residual amount of, or outstanding amount payable in respect of the Notes, subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in France.
- 18.4 Upon the exercise of any Bail-In Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will provide a written notice to the Noteholders in accordance with Condition 16 (*Notices*) as soon as practicable regarding such exercise of the Bail-In Power. The Issuer will also deliver a copy of such notice to the Fiscal Agent for information purposes, although the Fiscal Agent shall not be required to send such notice to Noteholders. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-In Power nor the effects on the Notes described in clause 18.1 of this section.
- 18.5 Upon the exercise of any Bail-In Power by the Relevant Resolution Authority, (a) the Fiscal Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon the Fiscal Agent whatsoever with respect to the exercise of any Bail-In Power by the Relevant Resolution Authority. Notwithstanding the foregoing, if, following the completion of the exercise of the Bail-In Power by the Relevant

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

- 18.6 If the Relevant Resolution Authority exercises the Bail-In Power with respect to less than the total outstanding principal amount of the Notes, unless the Fiscal Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion into equity made in respect of the Notes pursuant to the Bail-In Power will be made on a pro-rata basis.



## FORM OF NOTES, CLEARANCE AND SETTLEMENT

### General

The Notes are being offered and sold only:

- to QIBs in reliance on Rule 144A (“**Rule 144A Notes**”), or
- to persons other than U.S. persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S (“**Regulation S Notes**”).

The Notes will be issued in fully registered global form in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. Notes will be issued on the Issue Date therefor only against payment in immediately available funds.

The Rule 144A Notes will be represented by one or more global notes in definitive, registered form without interest coupons (the “**Rule 144A Global Note**”). The Regulation S notes will be represented by one or more permanent global notes in definitive, registered form without interest coupons (the “**Regulation S Global Note**,” together with the Rule 144A Global Note, the “**Global Notes**” and each a “**Global Note**”). The Global Notes will be deposited upon issuance with the Fiscal Agent as custodian for DTC and registered in the name of DTC or its nominee for credit to an account of a direct or indirect participant in DTC, including Euroclear and Clearstream, Luxembourg, as described below under “—*Depository Procedures*.”

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except in the limited circumstances described under “—*Exchange of Book-Entry Notes for Certificated Notes*.”

The Notes will be subject to certain restrictions on transfer and the Rule 144A Notes will, unless otherwise permitted under the Agency Agreement, bear a restrictive legend as described under “*Notice to U.S. Investors*.” In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear or Clearstream, Luxembourg), which may change from time to time.

### Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer takes no responsibility for these operations and procedures and urge investors to contact the systems or their participants directly to discuss these matters.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York State Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). DTC was created to hold securities for its participating organizations (collectively, the “**Participants**”) and facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Managers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the “**Indirect Participants**”). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants. DTC has no knowledge of the identity of beneficial owners of securities held by or on behalf of DTC. DTC’s records reflect only the identity of Participants to whose accounts securities are credited. The ownership interests and transfer of ownership interests of each beneficial owner of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Pursuant to procedures established by DTC:

- upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Managers with portions of the principal amount of the Global Notes, and
- ownership of such interests in the Global Notes will be maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including, in case of the Regulation S Global Note, Euroclear and Clearstream, Luxembourg) that are Participants or Indirect Participants in such system. Euroclear and Clearstream, Luxembourg will hold interests in the Regulation S Global Note on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. The depositories, in turn, will hold interests in the Global Notes in customers' securities accounts in the depositories' names on the books of DTC.

All interests in the Global Notes, including those held through Euroclear or Clearstream, Luxembourg, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg will also be subject to the procedures and requirements of these systems. The laws of some jurisdictions require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of beneficial owners of interests in the Global Notes to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests. For certain other restrictions on the transferability of the Notes, see "*—Exchange of Book-Entry Notes for Certificated Notes.*"

**Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or Holders thereof for any purpose.**

Payments in respect of the principal of and premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be payable by the Fiscal Agent to DTC in its capacity as the registered Holder under the Agency Agreement. The Issuer and the Fiscal Agent will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, none of the Issuer, the Fiscal Agent or any agent of the Issuer or the Fiscal Agent has or will have any responsibility or liability for:

- any aspect of DTC's records or any Participant's or Indirect Participant's records relating to, or payments made on account of beneficial ownership interests in, the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes, or
- any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

The Issuer understands that DTC's current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of the Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Fiscal Agent or us. Neither the Issuer nor the Fiscal Agent will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and the Issuer and the Fiscal Agent may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Except for trades involving only Euroclear and Clearstream, Luxembourg participants, interests in the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between Participants in DTC, on the one hand, and Euroclear or Clearstream, Luxembourg participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by their depositaries. Cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream, Luxembourg participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream, Luxembourg.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a Global Note from a Participant in DTC will be credited and reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream, Luxembourg) immediately following the settlement date of DTC. The Issuer understands that cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream, Luxembourg participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC's settlement date.

The Issuer understands that DTC will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account with DTC interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the Global Note among participants in DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and the procedures may be discontinued at any time. Neither the Issuer nor the Fiscal Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

The information in this section concerning DTC, Euroclear and Clearstream, Luxembourg and their book-entry systems has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

### **Exchange of Book-Entry Notes for Certificated Notes**

The Global Notes are exchangeable for certificated Notes in definitive form without interest coupons only in the following limited circumstances:

- DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Notes or DTC ceases to be a clearing agency registered under the Exchange Act at a time when DTC is required to be so registered in order to act as depositary, and in each case the

Issuer fails to appoint a successor depositary within ninety (90) calendar days of such notice;  
or

- the Issuer, at its option, notifies the Fiscal Agent in writing that the Issuer elects to cause the issuance of Notes in definitive form under the Agency Agreement subject to the procedures of the depositary.

In all cases, certificated Notes delivered in exchange for any Rule 144A Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in “*Notice to U.S. Investors*” unless the Issuer determines otherwise in accordance with the Agency Agreement and in compliance with applicable law.

### **Exchanges Between a Regulation S Global Note and Rule 144A Global Note**

During the Distribution Compliance Period (as defined in Regulation S under the Securities Act), beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A and the transferor first delivers to the Fiscal Agent a written certificate to the effect that the Notes are being transferred to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the corresponding Regulation S Global Note, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Fiscal Agent a written certificate to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S.

Transfers involving an exchange of a beneficial interest in the Regulation S Global Note for a beneficial interest in the Rule 144A Global Note or vice versa will be effected in DTC by means of an instruction originated by the Fiscal Agent through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest.

## TAXATION

### EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. However, for a transitional period, Austria may (unless during such period it elects otherwise) instead operate a withholding system in relation to such payments. Under such a withholding system, the beneficial owner of the interest payment must be allowed to elect that certain provision of information procedures should be applied instead of withholding. The rate of withholding is 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income. The Luxembourg government has elected out of the withholding system in favor of automatic exchange of information with effect from January 1, 2015.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive. On March 24, 2014, the Council of the European Union adopted a Directive amending the Savings Directive, which, if implemented, would amend and broaden the scope of the requirements described above (the “**Amending Directive**”). In particular, the Amending Directive would broaden the categories of entities required to provide information and/or withhold tax pursuant to the Savings Directive, and would require additional steps to be taken in certain circumstances to identify the beneficial owner of interest (and other income) payments, through a “look through” approach.

The EU Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with this Amending Directive.

However, the European Commission has proposed the repeal of the Savings Directive from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive. The latest version of the text of the draft Council Directive repealing the Savings Directive has been published in the Council Register dated 7 May 2015.

Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive, the Amending Directive and the new automatic exchange of information regime, on their investment.

### French Taxation Considerations Relating to the Notes

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

*The Notes are novel instruments and contain a number of features that are not present in other securities issued regularly in the market. There is no judicial or administrative interpretation relating to the application of French tax laws and regulations to instruments such as the Notes. The Issuer will treat the Notes as debt instruments for French tax purposes. The discussion in this section is based on this treatment of the Notes.*

The Savings Directive was implemented into French law under Article 242 *ter* and Articles 49 I-ter to 49 I-sexies of Schedule III of the French *Code général des impôts*, which imposes on paying agents 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 things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Pursuant to Article 125 A III of the French *Code général des impôts*, payments of interest and other revenues made by the Issuer on the Notes are not subject to withholding tax unless such payments are made outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”), in which case a 75% withholding tax is applicable subject to exceptions, certain of which being set forth below, and to more favorable provisions of any applicable double tax treaty. The 75% withholding tax is applicable irrespective of the tax residence of the Holder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest or other revenues may be recharacterised as constructive dividends pursuant to Articles 109 et seq. of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the same Code, at a rate of 30% or 75%, subject to more favorable provisions of any applicable double tax treaty.

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

In addition, under French tax administrative guidelines (BOI-INT-DG-20-50-20140211 n°550 and n°990) dated February 11, 2014, an issue of Notes benefits from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L. 411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority;
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central 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 depositories or operators are not located in a Non-Cooperative State.

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

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain exceptions, interest and similar revenues received from January 1, 2013 by French tax resident individuals are subject to a 24% 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% on interest paid to French tax resident individuals.

### ***Taxation on Sale or Other Disposition***

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

### **U.S. Federal Income Tax Considerations Relating to the Notes**

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of the Notes. For purposes of this summary, a “**U.S. Holder**” means a person that for U.S. federal income tax purposes is a beneficial owner of a Note and is a citizen or resident of the United States, a domestic corporation or is otherwise subject to U.S. federal income tax on a net income basis in respect of the Notes. A “**Non-U.S. Holder**” means a beneficial owner of Notes that is not a U.S. Holder. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes. In particular, the summary deals only with holders that will acquire Notes as part of the initial offering and will hold them as capital assets. It does not address all the tax consequences that may apply to holders subject to special tax rules, such as banks, insurance companies, dealers in securities, tax-exempt entities, certain financial institutions, traders in securities that elect to use the mark-to-market method of accounting for their securities, partnerships or other passthrough entities that hold the Notes or investors therein, non-U.S. persons who are individuals present in the United States for 183 calendar days or more within a taxable year, or persons that hedge their exposure in our securities or will hold the Notes as a position in a “straddle” or “conversion” transaction or as part of a “synthetic security” or other integrated financial transaction.

Moreover, this discussion does not address any tax consequences relating to the alternative minimum tax or the Medicare tax on investment income or any U.S. federal tax consequences other than U.S. federal income tax consequences (such as the estate or gift tax). This discussion does not address U.S. state, local and non-U.S. tax consequences.

This summary is based on the Internal Revenue Code of 1986, as amended (the “**Code**”), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, in each case as of the date hereof, changes to any of which subsequent to the date of this Prospectus may affect the tax consequences described herein, possibly with retroactive effect. You should consult your tax adviser with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of the Notes in your particular circumstances and the possible effects of any changes in applicable tax laws.

### ***U.S. Holders***

#### ***Tax Treatment of Payments on the Notes***

The Notes will be treated as equity of the Issuer for U.S. federal income tax purposes. Accordingly, payments of stated interest on the Notes (including any French tax withheld and additional amounts paid in respect thereof) will be treated as distributions on the stock of the Issuer and as dividends to the extent paid out of the current or accumulated earnings and profits of the Issuer, as determined under U.S. federal income tax principles. Because the Issuer does not expect to maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions paid to U.S. Holders generally will be reported as dividends.

Subject to certain exceptions for short-term and hedged positions, dividends received by an individual generally will be subject to taxation at the maximum rate applicable to long-term capital gains if the dividends are “qualified dividends.” Subject to the discussion below under “—PFIC Rules”, the Issuer expects that dividends received or accrued on the Notes will be qualified dividends.

Payments received by a U.S. Holder that are treated as dividends generally will be foreign-source income and will not be eligible for the dividends-received deduction generally allowed to corporate U.S. Holders.

Subject to applicable limitations, some of which vary depending on a U.S. Holder’s circumstances, any French income taxes withheld from dividends on the Notes generally would be creditable against a U.S. Holder’s federal income tax liability. Instead of claiming a credit, a U.S. Holder may elect to deduct French income taxes in computing such holder’s taxable income, subject to generally applicable limitations. An election to deduct foreign income taxes instead of claiming foreign tax credits applies to all taxes paid or accrued in the taxable year to foreign countries and U.S. possessions. The rules governing foreign tax credits are complex; if U.S. Holders become subject to French income taxes, such holders should consult their tax advisors regarding the creditability of foreign taxes in their particular circumstances.

#### *Sale, Exchange or Redemption of the Notes*

Subject to the discussion below under “—PFIC Rules,” a U.S. Holder will recognize capital gain or loss upon the sale, exchange, redemption or other disposition of Notes in an amount equal to the difference between the amount realized on such disposition and the U.S. Holder’s adjusted tax basis in the Notes. A U.S. Holder’s tax basis in a Note generally will be the price paid for the Note. Gain or loss recognized upon a sale or other disposition of the Notes will generally be long-term capital gain or loss if the Notes are held for more than one year. The deductibility of capital losses is subject to limitations.

#### *Write-Down or Write-Up of the Notes*

No statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of a write-down of the Notes, including the effect of the potential for a future write-up of the Notes. Among other matters, there is no authority addressing whether investors would be entitled to a deduction for loss at the time of a write-down. Investors may, for example, be required to wait to take a deduction until it is certain that no write-up can occur, or until there is an actual or deemed sale, exchange or other taxable disposition of the Notes. It is also possible that, if an investor takes a deduction at the time of a write-down, the investor may be required to recognize gain at the time of a future write-up. A U.S. Holder should consult its tax advisor to determine the U.S. federal income tax consequences to it of a write-down or write-up of the Notes.

#### *Substitution and Modification of the Notes*

The terms of the Notes provide that, in certain circumstances, the Issuer may substitute the Notes or modify the terms of the Notes. Any such substitution or modification might be treated for U.S. federal income tax purposes as a deemed disposition of the Notes by a U.S. Holder in exchange for the new substituted or modified notes. As a result of this deemed disposition, a U.S. Holder could be required to recognize capital gain or loss for U.S. federal income tax purposes.

#### *PFIC Rules*

Special U.S. federal income tax rules apply to U.S. persons owning shares of a “passive foreign investment company,” or “PFIC.” If the Issuer is treated as a PFIC for any year during which a U.S. Holder owns the Notes, the U.S. Holder may be subject to adverse tax consequences upon a sale, exchange, or other disposition of the Notes, or upon the receipt of certain “excess distributions” in respect of the Notes. Dividends paid by a PFIC are not qualified dividends eligible to be taxed at preferential rates. Based on audited consolidated financial statements, the Issuer believes that it was not a PFIC for U.S. federal income tax purposes with respect to its 2013 or 2014 taxable years. In addition, based on a review of the Issuer’s audited consolidated financial statements and the Issuer’s current expectations regarding the value and nature of its assets and the sources and nature of its



income, the Issuer does not anticipate becoming a PFIC for the 2015 taxable year or in the foreseeable future.

#### *Backup Withholding and Information Reporting*

Payments on the Notes or sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that the U.S. Holder is not subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is furnished to the IRS.

#### **Possible FATCA Consequences Relating to the Notes**

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

As a result of FATCA and related intergovernmental agreements, holders of Notes may be required to provide information and tax documentation regarding their identities as well as that of their direct and indirect owners. It is also possible that from no earlier than January 1, 2017, payments on the Notes may be subject to a withholding tax of 30% to the extent such payments are considered to be "foreign passthru payments." Under current guidance, the term "foreign passthru payment" is not defined. It is unclear to what extent (if any) payments on securities such as the Notes would be considered "foreign passthru payments" or to what extent (if any) passthru payment withholding may be required under intergovernmental agreements. The Issuer will not pay additional amounts on account of any withholding tax imposed by FATCA.

FATCA is particularly complex and its application to the Issuer, the Notes, and the holders of the Notes is uncertain at this time. Investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA for this investment.

## BENEFIT PLAN INVESTOR CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), imposes certain restrictions on employee benefit plans (“**ERISA Plans**”) that are subject to Title I of ERISA and on persons who are fiduciaries with respect to these ERISA Plans. In accordance with ERISA’s general fiduciary requirements, a fiduciary with respect to an ERISA Plan who is considering the purchase of the Notes on behalf of the ERISA Plan should determine whether the purchase is permitted under the governing ERISA Plan documents and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Other provisions of ERISA and section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but to which section 4975 of the Code applies, such as individual retirement accounts (“IRAs”) (together with any entities whose underlying assets include the assets of any such plans and with ERISA Plans, “Plans”)) and persons who have certain specified relationships to the Plan (“parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of section 4975 of the Code). A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. A fiduciary of a Plan (including the owner of an IRA) that engages in a prohibited transaction may also be subject to penalties and liabilities under ERISA and/or the Code. Thus, a Plan fiduciary considering the purchase of the Notes should consider whether such a purchase might constitute or result in a prohibited transaction under ERISA or section 4975 of the Code.

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

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

## PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

Subject to the terms and conditions in the purchase agreement, dated August 12, 2015 (the “**Purchase Agreement**”), among the Issuer and the managers listed below (the “**Managers**”), each Manager named below has agreed to purchase the principal amounts of the Notes set forth opposite its name.

<b>Managers</b>	<b>Principal Amount of Notes</b>
BNP Paribas Securities Corp.	\$1,102,500,000
Commerz Markets LLC	\$52,500,000
Credit Suisse Securities (USA) LLC	\$52,500,000
HSBC Securities (USA) Inc.	\$52,500,000
Standard Chartered Bank	\$52,500,000
TD Securities (USA) LLC	\$52,500,000
UBS Securities LLC	\$52,500,000
UniCredit Bank AG	\$52,500,000
Banco Bradesco BBI S.A.	\$3,750,000
BB Securities Ltd	\$3,750,000
CIBC World Markets Corp.	\$7,500,000
Scotia Capital (USA) Inc.	\$7,500,000
Swedbank AB (publ)	\$7,500,000
<b>Total</b>	<b>\$1,500,000,000</b>

The Managers initially propose to offer the Notes for resale at the respective issue prices that appear on the cover of this Prospectus. After the initial offering, the Managers may change the issue prices and any other selling terms. The Managers may offer and sell Notes through certain of their affiliates. The offering of the Notes by the Managers is subject to receipt and acceptance and subject to the Managers’ right to reject any order in whole or in part.

In the Purchase Agreement, the Issuer has agreed that it will indemnify the Managers against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the Managers may be required to make in respect of those liabilities.

Bradesco Securities Inc. will act as agent of Banco Bradesco BBI S.A. for sales of the Notes in the United States of America. Banco Bradesco BBI S.A. is not a broker-dealer registered with the SEC, and therefore may not make sales of any notes in the United States to U.S. persons. Banco Bradesco BBI S.A. and Bradesco Securities Inc. are affiliates of Banco Bradesco S.A.

BB Securities Ltd. is not a broker-dealer registered with the SEC, and therefore may not make sales of any notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that BB Securities Ltd. intends to effect sales of the Notes in the United States, it will do so only through Banco do Brasil Securities LLC or one or more U.S. registered broker dealers, or otherwise as permitted by applicable U.S. law. BB Securities Asia Pte. Ltd. may be involved in the sales of the notes in Asia.

### **Notes Are Not Being Registered in the U.S.**

The Notes have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America 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 (including pursuant to the exemption provided by Rule 144A) or such state securities laws. The Notes are being offered and sold only (i) to qualified institutional buyers as defined in Rule 144A, in a transaction exempt from the registration requirements of the Securities Act, and (ii) outside of the United States of America to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Manager has agreed that:

- (i) except as permitted by the Purchase Agreement, it will not offer, sell or deliver the Notes (x) as part of their distribution at any time or (y) otherwise until after the end of the Distribution Compliance Period, within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in a transaction exempt from the registration requirements of the Securities Act, and
- (ii) it will send to each dealer to which it sells the 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.

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

Each purchaser of the Notes will be deemed to have made the acknowledgements, representations and agreements as described under “*Notice to U.S. Investors.*”

### **Notice to Canada Residents**

The offering of the Notes in Canada is being made on a private placement basis in reliance on exemptions from the prospectus requirements under the securities laws of each applicable Canadian province and territory where the Notes may be offered and sold, and therein may only be made with investors that are purchasing as principal and that qualify as both an “accredited investor” as such term is defined in National Instrument 45-106 *Prospectus Exemptions* and as a “permitted client” as such term is defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any offer and sale of the Notes in any province or territory of Canada may only be made through a dealer that is properly registered under the securities legislation of the applicable province or territory wherein the Notes are offered and/or sold or, alternatively, by a dealer that qualifies under and is relying upon an exemption from the registration requirements therein.

Any resale of the Notes by an investor resident in Canada must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with prospectus and registration requirements, statutory exemptions from the prospectus and registration requirements or under a discretionary exemption from the prospectus and registration requirements granted by the applicable Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Notes outside of Canada.

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

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), an offer to the public of any Notes which are the subject of the offering contemplated by this Prospectus (the “Securities”) may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive:

- a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

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

provided that no such offer of Securities shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC, as amended, and includes any relevant implementing measure in each Relevant Member State.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

### **Selling Restrictions in France**

Each of the Managers and the Issuer have acknowledged that the Notes are being issued outside the French Republic and, accordingly, represents and agrees that:

- (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Notes;
- (ii) such offers, sales and distributions of Notes have been and shall only be made in France to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in and in accordance with Articles L. 411-2 and D. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and other applicable regulations thereunder; and
- (iii) the direct or indirect distribution to the public in France of any so acquired Notes may be made only as provided by Articles L. 411-1 to L. 411-4, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code and applicable regulations thereunder.

### **Selling Restrictions in the United Kingdom**

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

- (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer; and
- (2) 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.

### **New Issue of Notes**

The Notes are a new issue of securities with no established trading market. The Managers have advised the Issuer that they intend to make markets in the Notes, but they are not obligated to do so.

The Managers may discontinue any market-making in the Notes at any time in their sole discretion. Accordingly, the Issuer cannot assure you that liquid trading markets will develop for the Notes, that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favorable.

### **Price, Stabilization, Short Positions and Penalty Bids**

In connection with the offering of the Notes, the Managers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the Manager. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the prices of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Overallotments, stabilizing transactions and syndicate covering transactions may cause the prices of the Notes to be higher than it would otherwise be in the absence of those transactions. If the Managers engage in overallotment, stabilizing or syndicate covering transactions, they may discontinue them at any time.

The Managers also may impose a penalty bid. This occurs when a particular Manager repays to the Managers a portion of the underwriting discount received by it because the Managers (or their affiliates) have repurchased Notes sold by or for the account of such Manager in stabilizing or syndicate covering transactions.

Neither the Issuer nor the Managers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of the Notes. In addition, neither the Issuer nor the Managers makes any representation that anyone will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

### **Relationships**

The Managers and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The several Managers and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and the Managers have not provided any legal, accounting, regulatory or tax advice with respect to any offering contemplated hereby and the Issuer has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. Where any of the Managers or their affiliates has a lending relationship with the Issuer, certain of those Managers or their affiliates routinely hedge, and certain other of those Managers may hedge, their credit exposure to the Issuer consistent with their customary risk management policies. Typically, these Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes.

Certain of the Managers and their respective affiliates have, directly or indirectly, performed investment and commercial banking or financial advisory services for the Issuer and/or its affiliates for which they may have received customary fees and commissions, and they expect to provide these services to the Issuer and/or its affiliates in the future, for which they will receive customary fees and commissions. In the ordinary course of their various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Settlement**

The Issuer expects that delivery of the Notes will be made against payment on the respective Notes on or about the date specified on the cover page of this Prospectus, which will be five business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "T+ 5"). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Prospectus or the next business day will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

**Conflicts of Interest**

BNP Paribas Securities Corp., the Sole Bookrunner and Global Coordinator of the offering, is a wholly owned subsidiary of the Issuer.

## NOTICE TO U.S. INVESTORS

*Because of the following restrictions on the Notes, purchasers are advised to read the below carefully and consult legal counsel prior to making any offer, resale, pledge or other transfer of any 144A Notes or Regulation S Notes.*

The Issuer has not been registered under the Investment Company Act. The Notes have not been, and will not be, registered under the Securities Act or the state securities laws of any state of the United States or the securities laws of any other jurisdiction and may not be offered or sold within 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. Accordingly, the Notes are being offered and sold only (i) to QIBs in reliance on Rule 144A ("**Rule 144A Notes**"), or (ii) to persons other than U.S. persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S ("**Regulation S Notes**"). The terms "United States," "non-U.S. person" and "offshore transactions" used in this section have the meanings given to them under Regulation S.

Each holder and beneficial owner of 144A Notes and Regulation S Notes acquired in connection with their initial distribution and each transferee of 144A Notes from any such Holder or beneficial owner will be deemed to have represented and agreed with the Issuer as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(1) It is purchasing the 144A Notes or Regulation S Notes, as the case may be, for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is: (a) a QIB and is aware that the sale to it is being made in reliance on Rule 144A or (b) a non-U.S. person making the purchase in compliance with Regulation S.

(2) It understands and acknowledges that the Issuer has not been registered under the Investment Company Act and that the 144A Notes and the Regulation S Notes have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

(3) In the case of a purchaser of 144A Notes, it shall not resell or otherwise transfer any of the 144A Notes, unless such resale or transfer is made (a) to the Issuer of such 144A Notes, (b) inside the United States to a QIB in compliance with Rule 144A, or (c) outside the United States in offshore transactions in compliance with Regulation S.

(4) In the case of a purchaser of Regulation S Notes, it acknowledges that until forty (40) calendar days after the later of the commencement of the offering and the closing of the offering of the Regulation S Notes, any offer or sale of Regulation S Notes within the United States by a broker/dealer (whether or not participating in the offering) not made in compliance with Rule 144A may violate the registration requirements of the Securities Act.

(5) It will, and each subsequent Holder or beneficial owner is required to, notify any subsequent purchaser of 144A Notes or Regulation S Notes from it of the restrictions on transfer of such Notes.

(6) It acknowledges that neither the Issuer nor the Fiscal and Paying Agent (as defined herein) will be required to accept for registration of transfer any 144A Notes or Regulation S Notes acquired by it, except upon presentation of evidence satisfactory to the Issuer and the Fiscal and Paying Agent that the restrictions on transfer set forth herein have been complied with.

(7) It acknowledges that the Issuer, the Managers and others will rely upon the truth and accuracy of the foregoing representations and agreements and agrees that if any of the representations or agreements deemed to have been made by its purchase of the 144A Notes or Regulation S Notes are no longer accurate, it shall promptly notify the Issuer and the



Managers. If it is acquiring the 144A Notes or Regulation S Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each such account.

(8) It acknowledges that the foregoing restrictions apply to Holders of beneficial interests in the 144A Notes and Regulation S Notes as well as to registered Holders of such Notes.

(9) On each day from the date on which it acquires the 144A Notes or Regulation S Notes through and including the date on which it disposes of its interests in such Notes, either that (a) it is not an “employee benefit plan” as defined in section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), subject to Title I of ERISA, a “plan” as defined in section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), to which section 4975 of the Code applies (including individual retirement accounts), an entity whose underlying assets include the assets of any such plan, or a governmental, church or non-U.S. plan which is subject to any non-U.S., federal, state or local law that is substantially similar to the provisions of section 406 of ERISA or section 4975 of the Code or (b) its purchase, holding and disposition of such Note will not result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, any substantially similar non-U.S., federal, state or local law) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied.

The certificates representing the 144A Notes or Regulation S Notes will bear a legend to the following effect, as may be amended in the accompanying supplement or supplements, unless the Issuer determines otherwise in compliance with applicable law:

THE ISSUER OF THE NOTES EVIDENCED HEREBY (THE “NOTES”) HAS NOT BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”), AND SUCH NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER, OR AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND IN ACCORDANCE WITH THE TRANSFER RESTRICTIONS CONTAINED IN THE NOTES AND THE AGENCY AGREEMENT UNDER WHICH THIS NOTE WAS ISSUED.

THE ACQUISITION OF THE NOTES BY, OR ON BEHALF OF, OR WITH THE ASSETS OF ANY “EMPLOYEE BENEFIT PLAN” SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), OR ANY “PLAN” TO WHICH SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”) APPLIES, OR ANY ENTITY PART OR ALL OF THE ASSETS OF WHICH CONSTITUTE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN BY REASON OF DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) OR OTHERWISE, OR ANY GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO NON-U.S., FEDERAL, STATE OR LOCAL LAW SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE IS PROHIBITED UNLESS SUCH PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF THE NOTES WOULD NOT RESULT IN ANY NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR UNDER SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUBSTANTIALLY SIMILAR NON-U.S., FEDERAL, STATE OR LOCAL LAW).

THIS DOCUMENT IS ONLY BEING DISTRIBUTED TO AND IS ONLY DIRECTED AT (i) PERSONS WHO ARE OUTSIDE THE UNITED KINGDOM OR (ii) TO INVESTMENT

PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (iii) HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED, FALLING WITHIN ARTICLE 49(2)(a) TO (d) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY NOTES WILL ONLY BE AVAILABLE TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE SUCH NOTES WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS.

TO THE EXTENT THAT THE OFFER OF ANY NOTES IS MADE IN ANY EUROPEAN ECONOMIC AREA MEMBER STATE THAT HAS IMPLEMENTED DIRECTIVE 2003/71/EC, AS AMENDED, INCLUDING BY DIRECTIVE 2010/73/EU (TOGETHER WITH ANY APPLICABLE IMPLEMENTING MEASURES IN ANY MEMBER STATE, THE "PROSPECTUS DIRECTIVE") BEFORE THE DATE OF PUBLICATION OF A VALID PROSPECTUS IN RELATION TO SUCH NOTES WHICH HAS BEEN APPROVED BY THE COMPETENT AUTHORITY IN THAT MEMBER STATE IN ACCORDANCE WITH THE PROSPECTUS DIRECTIVE (OR, WHERE APPROPRIATE, PUBLISHED IN ACCORDANCE WITH THE PROSPECTUS DIRECTIVE AND NOTIFIED TO THE COMPETENT AUTHORITY IN THAT MEMBER STATE IN ACCORDANCE WITH THE PROSPECTUS DIRECTIVE), THE OFFER IS ONLY ADDRESSED TO QUALIFIED INVESTORS IN THAT MEMBER STATE WITHIN THE MEANING OF THE PROSPECTUS DIRECTIVE OR HAS BEEN OR WILL BE MADE OTHERWISE IN CIRCUMSTANCES THAT DO NOT REQUIRE THE ISSUER TO PUBLISH A PROSPECTUS PURSUANT TO THE PROSPECTUS DIRECTIVE.

## **LEGAL MATTERS**

Cleary Gottlieb Steen & Hamilton LLP, New York, New York, and Paris, France, will act as U.S. and French legal counsel to the Managers. Eric Malinvaud, Co-Head of the Capital Markets Legal Department in Paris of the Group, will act as legal counsel to the Issuer as to French law.

## **STATUTORY AUDITORS**

The Group's consolidated financial statements as of and for the years ended December 31, 2014, and December 31, 2013 incorporated by reference herein have been audited by Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars as joint independent statutory auditors (*Commissaires aux comptes*).

## GENERAL INFORMATION

### 1. Corporate Authorisations

The issue of the Notes by the Issuer is authorised pursuant to the Board resolution dated May 13, 2015 and the issue decision of Lars Machenil in his capacity as Chief Financial Officer of the Issuer dated August 12, 2015.

### 2. Admission to trading

This Prospectus has received visa no. 15-449 on August 13, 2015 from the *Autorité des marchés financiers* (“AMF”).

Application has been made for the Notes to be admitted to trading on Euronext Paris on August 19, 2015. The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately €22,500.

### 3. Documents Available

Copies of the following:

- (i) the *Statuts* of the Issuer;
- (ii) the Documents Incorporated by Reference;
- (iii) the Agency Agreement; and
- (iv) this Prospectus

will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the offices of the Paying Agent. In addition, this Prospectus and all the Documents Incorporated by Reference are also available on the Issuer's website: “[www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)” and on the AMF's website: “[www.amf-france.org](http://www.amf-france.org)”.

### 4. Material Adverse Change

There has been no material adverse change in the prospects of the Issuer or the Group since December 31, 2014.

### 5. Legal and Arbitration Proceedings

Save as disclosed on pages 167, 168, 219 and 220 of the 2014 Registration Document and pages 107, 138 and 139 of the Second Update to the 2014 Registration Document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering at least the twelve (12) months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

### 6. Significant Change

There has been no significant change in the financial or trading position of the Group since June 30, 2015 (being the end of the last financial period for which interim financial statements have been published).

### 7. Material Contracts

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

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

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

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

BP<sup>2</sup>I is under the operational control of IBM France. The Issuer has a strong influence over this entity, which is 50/50 owned with IBM France. The Issuer staff made available to BP<sup>2</sup>I make up half of that entity’s permanent staff, its buildings and processing centres are the property of the Group, and the governance in place provides the Issuer with the contractual right to monitor the entity and bring it back into the Group if necessary.

ISFS, a fully-owned IBM subsidiary, handles IT Infrastructure Management for BNP Paribas Luxembourg.

BancWest’s data processing operations are outsourced to Fidelity Information Services. Cofinoga France’s data processing is outsourced to SDDC, a fully-owned IBM subsidiary.

## **9. Conflicts of Interests**

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

## **10. Auditors**

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

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

Deloitte & Associés is represented by Damien Leurent.

*Deputy:*

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

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

PricewaterhouseCoopers Audit is represented by Etienne Boris.

*Deputy:*

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

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

Mazars is represented by Hervé Hélias.

*Deputy:*

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

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

## **11. Clearing Systems**

The Notes have been accepted for clearance through The Depository Trust Company (55 Water Street, 1SL, New York, NY 10041-0099), Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg) and Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) with the CUSIP numbers Rule 144A: 05565AAN3 and Regulation S: F1R15XK36. The International Securities Identification Number (ISIN) codes for the Notes are Rule 144A: US05565AAN37 and Regulation S: USF1R15XK367.

## **12. Yield**

The yield is 7.375 per cent. *per annum* up to the First Call Date. This yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## REGISTERED OFFICES OF THE ISSUER

### **BNP Paribas**

16 boulevard des Italiens  
75009 Paris  
France

## SOLE BOOKRUNNER AND GLOBAL COORDINATOR

### **BNP Paribas Securities Corp.**

787 Seventh Avenue  
New York, New York 10019-6016  
United States of America

## JOINT LEAD MANAGERS

### **Commerz Markets LLC**

225 Liberty Street  
New York, NY 10281  
United States of America

### **Credit Suisse Securities (USA) LLC**

Eleven Madison Avenue  
New York, NY 10010  
United States of America

### **HSBC Securities (USA) Inc.**

452 Fifth Avenue  
New York, NY 10018  
United States of America

### **Standard Chartered Bank**

One Basinghall Avenue  
London, EC2V 5DD  
United Kingdom

### **TD Securities (USA) LLC**

31 W. 52nd Street, 2nd Floor  
New York, NY 10019  
United States of America

### **UBS Securities LLC**

1285 Avenue of the Americas  
New York, NY 10019  
United States of America

### **UniCredit Bank AG**

Arabellastrasse 12  
D-81925 Munich  
Germany

## CO-MANAGERS

### **Banco Bradesco BBI S.A.**

Av. Paulista, 1.450, 8º floor,  
São Paulo, SP, Brazil  
01310-917

### **BB Securities Ltd**

4th Floor - Pinners Hall, 105-108 Old  
Broad Street EC2N 1ER, London  
England

### **CIBC World Markets Corp.**

300 Madison Avenue, 5th Floor,  
New York, NY 10017  
United States of America

### **Scotia Capital (USA) Inc.**

250 Vesey Street  
New York, NY 10281  
United States of America

### **Swedbank AB (publ)**

Large Corporates & Institutions, Legal  
SE-105 34 Stockholm  
Sweden

## FISCAL AGENT, CALCULATION AGENT, TRANSFER AGENT, REGISTRAR AND PAYING AGENT

### **The Bank of New York Mellon**

101 Barclay Street, Floor 7-East  
New York, New York 10286  
United States of America

## STATUTORY AUDITORS

### **Deloitte & Associés**

185, avenue Charles de Gaulle  
92524 Neuilly-sur-Seine Cedex  
France

### **PricewaterhouseCoopers Audit**

63, rue de Villiers  
92200 Neuilly-sur-Seine  
France

### **Mazars**

61, rue Henri-Regnault  
92400 Courbevoie  
France

## LEGAL ADVISERS

### **To the Managers**

### **Cleary Gottlieb Steen & Hamilton LLP**

12, rue de Tilsitt  
75008 Paris  
France