



BNP PARIBAS

BNP Paribas Issuance B.V.

(incorporated in The Netherlands)

(as Issuer)

BNP Paribas

(incorporated in France)

(as Guarantor)

Warrant and Certificate Programme

WARRANT AND CERTIFICATE PROGRAMME DATED 4 JULY 2017	p.2
FIRST SUPPLEMENT DATED 10 AUGUST 2017	p.522
SECOND SUPPLEMENT DATED 20 SEPTEMBER 2017	p.537
THIRD SUPPLEMENT DATED 22 NOVEMBER 2017	p.547
FOURTH SUPPLEMENT DATED 15 MARCH 2018	p.569



BNP PARIBAS

BNP Paribas Issuance B.V.

(incorporated in The Netherlands)

(as Issuer)

BNP Paribas

(incorporated in France)

(as Issuer and Guarantor)

Warrant and Certificate Programme

This document (the "**Base Prospectus**") constitutes a base prospectus in respect of the Programme (as defined below). Any Securities (as defined below) issued on or after the date of this Base Prospectus are issued subject to the provisions herein. This does not affect any Securities issued before the date of this Base Prospectus. This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") (as amended and includes any relevant implementing measure in a relevant Member State of the European Economic Area).

This Base Prospectus supersedes and replaces the Base Prospectus dated 5 July 2016 and any supplement thereto.

Application has been made to the Authority for the Financial Markets ("**AFM**") in the Netherlands for approval of this Base Prospectus in its capacity as competent authority. Upon such approval, application may be made for securities issued under the Programme during a period of 12 months from the date of this Base Prospectus to be listed and/or admitted to trading on Euronext Paris and/or a Regulated Market (as defined below) in another Member State of the European Economic Area. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (each such regulated market being a "**Regulated Market**"). Reference in this Base Prospectus to Securities being "listed" (and all related references) shall mean that such Securities have been admitted to trading on Euronext Paris or, as the case may be, a Regulated Market or on such other or further stock exchange(s) as the relevant Issuer may decide. Each Issuer may also issue unlisted Securities. The applicable Final Terms (as defined below) will specify whether or not Securities are to be listed and admitted to trading and, if so, the relevant Regulated Market.

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

Each Issuer may issue Securities for which no prospectus is required to be published under the Prospectus Directive ("**Exempt Securities**") under this Base Prospectus. See "**Exempt Securities**" in the "*General Description of the Programme and Payout Methodology*" section below. The AFM has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Securities.

Under the terms of the Warrant and Certificate Programme (the "**Programme**"), each of BNP Paribas Issuance B.V. (formerly BNP Paribas Arbitrage Issuance B.V.) ("**BNPP B.V.**") and BNP Paribas ("**BNPP**") (the "**Issuers**" and each an "**Issuer**") may from time to time issue warrants ("**Warrants**") and certificates ("**Certificates**") and, together with the Warrants, the "**Securities**") of any kind including, but not limited to, Securities relating to a specified index or a basket of indices, a specified share, global depositary receipt ("**GDR**") or American depositary receipt ("**ADR**") or a basket of shares, ADRs and/or GDRs, a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or other exchange traded product (each an "**exchange traded instrument**") or a basket of interests in exchange traded instruments, a specified debt instrument or basket of debt instruments, a specified commodity or commodity index, a basket of commodities and/or commodity indices, a specified currency or a basket of currencies, a specified futures contract or basket of futures contracts, open end Certificates ("**Open End Certificates**") and open end turbo Certificates ("**OET Certificates**") and any other types of Securities including hybrid Securities whereby the underlying asset(s) may be any combination of such indices, shares, interests in exchange traded instruments, commodities, currencies or future contracts. Each issue of Securities will be issued on the terms set out herein which are relevant to such Securities under "*Terms and Conditions of the Securities*" in respect of the Securities (the "**Conditions**" or the "**Conditions**"). Notice of, *inter alia*, the specific designation of the Securities, the aggregate nominal amount or number and type of the Securities, the date of issue of the Securities, the issue price, the underlying asset, index, fund, reference entity or other item(s) to which the Securities relate, the exercise period or date (in the case of Warrants), the redemption date (in the case of Certificates), whether they are redeemable in instalments (in the case of Certificates), exercisable (on one or more exercise dates) (in the case of Certificates) and certain other terms relating to the offering and sale of the Securities will be set out in a final terms document (the "**Final Terms**") which may be issued for more than one series of Securities and will be filed with the AFM. It is specified that interest bearing Securities may only be issued as Exempt Securities.

Securities are governed by French law. Securities issued by BNPP B.V. are unsecured and will be guaranteed by BNP Paribas (in such capacity, the "**Guarantor**") pursuant to a *garantie*, (the "**Guarantee**"), the form of which is set out herein. Each of BNPP B.V. and BNPP has a right of substitution as set out herein.

Each issue of Securities will entitle the holder thereof on due exercise (in the case of Warrants) or on the Instalment Date(s) and/or the Redemption Date (in the case of Certificates) (or, in the case of Multiple Exercise Certificates, each Exercise Settlement Date) either to

receive a cash amount (if any) calculated in accordance with the relevant terms or to receive physical delivery of the underlying assets (against payment of a specified sum in the case of Warrants), all as set forth herein and in the applicable Final Terms.

Capitalised terms used in this Base Prospectus shall, unless otherwise defined, have the meanings set forth in the Conditions.

Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Securities. See "Risk Factors" on pages 63 to 97.

In particular, the Securities and the Guarantee have not been or will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and trading in the Securities has not been authorised by the United States Commodity Futures Trading Commission (the "CFTC") under the U.S. Commodity Exchange Act (the "CEA"). Under U.S. law, neither the Securities, nor any rights over them, may at any time be offered, sold, resold, traded or delivered directly or indirectly in the United States or to, or on behalf of or for the benefit of, U.S. Persons (as defined herein) and any offer, sale, resale, trading or delivery carried out directly or indirectly in the United States, or to, or on behalf of or for the benefit of, U.S. Persons, will be null and void. For a description of certain further restrictions on the offering and sale of the Securities and on the distribution of the Base Prospectus, see the section below entitled "Offering and Sale".

The Issuers have requested the AFM to provide the competent authorities in Belgium, Denmark, Finland, France, Luxembourg, Spain and Sweden with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Financial Supervision Act (*Wet op het financieel toezicht*) which implements the Prospectus Directive.

Securities may be issued in dematerialised bearer form (*au porteur*), recorded in the books of Euroclear France, a subsidiary of Euroclear Bank S.A./N.V. ("**Euroclear France**") (acting as central depository) which will credit the accounts of the Account Holders (as defined in the Terms and Conditions below including Euroclear Bank S.A./N.V. and the depository bank for Clearstream Banking, société anonyme). Securities may also be issued in bearer form (*au porteur*) recorded in the books of (i) Euroclear Netherlands, a subsidiary of Euroclear Bank S.A./N.V. ("**Euroclear Netherlands**"), (ii) Euroclear Sweden AB, a subsidiary of Euroclear Bank S.A./N.V. ("**Euroclear Sweden**") or (iii) Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal ("**Iberclear**").

BNPP's long-term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**")), A1 with a stable outlook (Moody's Investors Service Ltd. ("**Moody's**")), A+ with a stable outlook (Fitch France S.A.S. ("**Fitch France**")) and AA (low) with a stable outlook (DBRS Limited ("**DBRS**")) and BNPP's short-term credit ratings are A-1 (Standard & Poor's), P-1 (Moody's), F1 (Fitch France) and R-1 (middle) (DBRS). BNPP B.V.'s long-term credit ratings are A with a stable outlook (Standard & Poor's) and BNPP B.V.'s short term credit ratings are A-1 (Standard & Poor's). Each of Standard & Poor's, Moody's, Fitch France and DBRS is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of Standard & Poor's, Moody's, Fitch France and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Securities issued under the Programme may be rated or unrated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "*Credit Ratings may not Reflect all Risks*" in the Risk Factors section of this Base Prospectus.

This Base Prospectus (together with supplements to this Base Prospectus from time to time (each a "**Supplement**" and together the "**Supplements**") comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") (as amended and includes any relevant implementing measure in a relevant Member State of the European Economic Area). In relation to each separate issue of Securities, the final offer price and the amount of such Securities will be determined by the relevant Issuer and the relevant manager in accordance with prevailing market conditions at the time of the issue of the Securities and will be set out in the relevant Final Terms.

In accordance with Article 16.2 of the Prospectus Directive, investors who have already agreed to purchase or subscribe for Securities before this Base Prospectus is published have the right, exercisable within two (2) working days after the publication of this Base Prospectus, to withdraw their acceptances. Investors should be aware, however, that the law of the jurisdiction in which they have accepted an offer of Securities may provide for a longer time limit.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this document or any other information supplied in connection with the Programme or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by BNPP B.V. or BNPP or any manager of an issue of Securities (as applicable to such issue of Securities, each a "**Manager**"). This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Securities or the distribution of this document in any jurisdiction where any such action is required.

This document is to be read and construed in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below).

Warrants create options exercisable by the relevant holder or which will be automatically exercised as provided herein. There is no obligation on the relevant Issuer to pay any amount or deliver any asset to any holder of a Warrant unless the relevant holder duly exercises such Warrant or such Warrants are automatically exercised and, where applicable, an Exercise Notice is duly delivered. The Warrants will be exercisable in the manner set forth herein and in the applicable Final Terms. In certain instances, the holder of a Warrant will be required to certify, *inter alia* (in accordance with the provisions outlined in Condition 22 of "*Terms and Conditions of the Securities*" below), that it is not a U.S. person or exercising such Warrant on behalf of a U.S. person (as defined in Regulation S). Certificates shall be redeemed on each instalment date and/or the redemption date by payment of one or more Cash Settlement Amount(s) (in the case of Cash Settled Securities) and/or by delivery of the Entitlement (in the case of Physical Delivery Securities). In order to receive the Entitlement, the holder of a Security will be required to submit an Asset Transfer Notice and in certain circumstances to certify, *inter alia* (in accordance with the provisions outlined in Condition 30.2(a) of "*Terms and Conditions of the Securities*" in the case of Certificates), that it is not a U.S. person or acting on behalf of a U.S. person.

The Securities of each issue may be sold by the relevant Issuer and/or any Manager at such time and at such prices as the relevant Issuer and/or the Manager(s) may select. There is no obligation upon the relevant Issuer or any Manager to sell all of the Securities of any issue. The Securities of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the relevant Issuer.

Subject to the restrictions set forth herein, each Issuer shall have complete discretion as to what type of Securities it issues and when.

No Manager has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Manager as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by BNPP B.V. and/or BNPP. The Manager(s) accept(s) no liability in relation to the information contained in this Base Prospectus or any other information provided by BNPP B.V. and/or BNPP in connection with the Programme.

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

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning BNPP B.V. or BNPP is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. No Manager undertakes to review the financial condition or affairs of BNPP B.V. or BNPP during the life of the Programme. Investors should review, *inter alia*, the most recently published audited annual non-consolidated financial statements and interim financial statements of BNPP B.V. and/or the most recently published audited annual consolidated financial statements, unaudited semi-annual interim consolidated financial statements and quarterly financial results of BNPP, as applicable, when deciding whether or not to purchase any Securities.

FORWARD-LOOKING STATEMENTS

The BNPP 2016 Registration Document and the BNPP 2015 Registration Document (as defined in the "Documents Incorporated by Reference" section below) and the other documents incorporated by reference (such sections being the "**BNP Paribas Disclosure**"), contain forward-looking statements. BNP Paribas, BNPP B.V. and the BNP Paribas Group (being BNP Paribas together with its consolidated subsidiaries, the "**Group**") may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about BNPP, BNPP B.V. or the Group's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and BNPP, BNPP B.V., and the Group undertake no obligation to update publicly any of them in light of new information or future events.

PRESENTATION OF FINANCIAL INFORMATION

Most of the financial data presented, or incorporated by reference, in this Base Prospectus are presented in euros.

The audited consolidated financial statements of BNPP for the years ended 31 December 2015 and 31 December 2016 have been prepared in accordance with international financial reporting standards ("**IFRS**"), as adopted by the European Union. In making an investment decision, investors must rely upon their own examination of the BNP Paribas Group, the terms of any offering and the financial information. The Group's fiscal year ends on 31 December and references in each registration document incorporated by reference (including any update to any registration document) herein to any specific fiscal year are to the 12-month period ended 31 December of such year. Due to rounding, the numbers presented throughout the BNP Paribas Disclosure and in the table under the heading "Capitalisation of BNPP and the BNP Paribas Group" in the General Information section below may not add up precisely, and percentages may not reflect precisely absolute figures.

TABLE OF CONTENTS

	Page
FORWARD-LOOKING STATEMENTS	5
PRESENTATION OF FINANCIAL INFORMATION	6
SUMMARY IN RELATION TO THIS BASE PROSPECTUS	8
RISK FACTORS	63
IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES	98
RESPONSIBILITY STATEMENT.....	104
DOCUMENTS INCORPORATED BY REFERENCE	105
GENERAL DESCRIPTION OF THE PROGRAMME AND PAYOUT METHODOLOGY UNDER THIS BASE PROSPECTUS.....	111
FORM OF FINAL TERMS	113
TERMS AND CONDITIONS OF THE SECURITIES	153
ANNEX 1 Additional Terms and Conditions for Payouts	245
ANNEX 2 Additional Terms and Conditions for Index Securities	286
ANNEX 3 Additional Terms and Conditions for Share Securities	317
ANNEX 4 Additional Terms and Conditions for ETI Securities	333
ANNEX 5 Additional Terms and Conditions for Debt Securities.....	352
ANNEX 6 Additional Terms and Conditions for Commodity Securities	359
ANNEX 7 Additional Terms and Conditions for Currency Securities.....	371
ANNEX 8 Additional Terms and Conditions for Futures Securities	376
ANNEX 9 Additional Terms and Conditions for OET Certificates	381
USE OF PROCEEDS	389
DESCRIPTION OF BNPP INDICES	390
FORM OF THE GUARANTEE	447
DESCRIPTION OF BNPP B.V	450
DESCRIPTION OF BNPP	454
BOOK-ENTRY CLEARANCE SYSTEMS	455
BOOK-ENTRY SYSTEMS	456
TAXATION	458
BELGIAN TAXATION	459
DANISH TAXATION	463
FINNISH TAXATION	465
FRENCH TAXATION	468
LUXEMBOURG TAXATION.....	471
NETHERLANDS TAXATION.....	472
FOREIGN ACCOUNT TAX COMPLIANCE ACT	483
HIRING INCENTIVES TO RESTORE EMPLOYMENT ACT	485
OTHER TAXATION	487
OFFERING AND SALE.....	488
GENERAL INFORMATION	493
INDEX OF DEFINED TERMS IN RESPECT OF THE SECURITIES	499

SUMMARY IN RELATION TO THIS BASE PROSPECTUS

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

Section A - Introduction and warnings

Element	Title	
A.1	Warning that the summary should be read as an introduction and provision as to claims	<ul style="list-style-type: none"> • This summary should be read as an introduction to the Base Prospectus and the applicable Final Terms. In this summary, unless otherwise specified and except as used in the first paragraph of Element D.3, "Base Prospectus" means the Base Prospectus of BNPP B.V. and BNPP dated 4 July 2017 as supplemented from time to time. In the first paragraph of Element D.3, "Base Prospectus" means the Base Prospectus of BNPP B.V. and BNPP dated 4 July 2017. • Any decision to invest in any Securities should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms. • Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated. • No civil liability will attach to the Issuer or the Guarantor (if applicable) in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Base Prospectus and the applicable Final Terms, key information in order to aid investors when considering whether to invest in the Securities.
A.2	Consent as to	Certain issues of Securities with an issue price or Notional Amount of less

Element	Title	
	<p>use the Base Prospectus, period of validity and other conditions attached</p>	<p>than EUR100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "Non-exempt Offer".</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, the Securities are not being offered to the public as part of a Non-exempt Offer.]</p> <p>[Consent: The Securities are offered in circumstances where a prospectus is required to be published under the Prospectus Directive (a "Non-exempt Offer"). Subject to the conditions set out below, the Issuer consents to the use of the Base Prospectus in connection with a Non-exempt Offer of Securities by the Managers[, <i>[names of specific financial intermediaries listed in final terms,]</i> [and] [each financial intermediary whose name is published on BNPP's websites (www.produitsdebourse.bnpparibas.fr; www.bnpparibasmarkets.be www.educatedtrading.bnpparibas.se, www.bnpparibasmarkets.nl; https://www.productoscotizados.com/home/)] and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer] [and any financial intermediary which is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):</p> <p><i>"We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Securities] (the "Securities") described in the Final Terms dated [insert date] (the "Final Terms") published by [BNP Paribas Issuance B.V.]/[BNP Paribas] (the "Issuer"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Securities in [specify Member State(s)] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly."</i></p> <p><i>Offer period:</i> The Issuer's consent referred to above is given for Non-exempt Offers of Securities during [<i>offer period for the issue to be specified here</i>] (the "Offer Period").</p> <p><i>Conditions to consent:</i> The conditions to the Issuer's consent [(in addition to the conditions referred to above)] are that such consent (a) is only valid during the Offer Period and (b) only extends to the use of the Base Prospectus to make Non-exempt Offers of the relevant Tranche of Securities in [<i>specify each Relevant Member State in which the particular Tranche of Securities can be offered</i>].</p>

Element	Title	
		<p>AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY SECURITIES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.]</p>

Section B - Issuer and Guarantor

Element	Title	
B.1	Legal and commercial name of the Issuer	<p>Securities may be issued under the Programme by BNP Paribas Issuance B.V. (formerly BNP Paribas Arbitrage Issuance B.V.) ("BNPP B.V.") or BNP Paribas ("BNPP" or the "Bank") (together the "Issuers" and each an "Issuer").</p> <p><i>Issue Specific Summary</i></p> <p>[Insert where BNPP B.V. is the Issuer: BNP Paribas Issuance B.V. (formerly BNP Paribas Arbitrage Issuance B.V.) ("BNPP B.V." or the "Issuer").]</p> <p>[Insert where BNPP is the Issuer: BNP Paribas ("BNPP", the "Bank" or the "Issuer").]</p>
B.2	Domicile/ legal form/ legislation/ country of incorporation	<p><i>In respect of BNPP B.V.:</i></p> <p>BNPP B.V. was incorporated in the Netherlands as a private company with limited liability under Dutch law having its registered office at Herengracht 595, 1017 CE Amsterdam, The Netherlands.</p> <p><i>In respect of BNPP:</i></p> <p>BNPP was incorporated in France as a société anonyme under French law and licensed as a bank having its head office at 16, boulevard des Italiens – 75009 Paris, France.</p> <p><i>Issue Specific Summary</i></p> <p>[Where BNPP B.V. is the Issuer, please insert the above-paragraph(s) related to BNPP B.V. and delete the above-paragraph(s) related to BNPP. Where BNPP is the Issuer, please insert the above-paragraph(s) related to BNPP and delete the above-paragraph(s) related to BNPP B.V.]</p>
B.4b	Trend information	<p><i>In respect of BNPP B.V.:</i></p> <p>BNPP B.V. is dependent upon BNPP. BNPP B.V. is a wholly owned subsidiary of BNPP specifically involved in the issuance of securities such as Warrants or Certificates or other obligations which are developed, setup and sold to investors by other companies in the BNP Paribas Group (including BNPP). The securities are hedged by acquiring hedging instruments and/or collateral from BNP Paribas and BNP Paribas entities as described in Element D.2 below. As a consequence, the Trend Information described with respect to BNPP shall also apply to BNPP B.V.</p> <p><i>In respect of BNPP:</i></p> <p><i>Macroeconomic environment.</i></p>

Element	Title	
		<p>Macroeconomic and market conditions affect BNPP's results. The nature of BNPP's business makes it particularly sensitive to macroeconomic and market conditions in Europe, which have been at times challenging and volatile in recent years.</p> <p>In 2016, global growth stabilised slightly above 3%, despite a much lower growth in the advanced economies. Three major transitions continue to affect the global outlook: declining economic growth in China, fluctuating energy prices that rose in 2016, and a second tightening of monetary policy in the United States in the context of a resilient domestic recovery. It should be noted that the central banks of several large developed countries continue to maintain accommodative monetary policies. IMF economic forecasts for 2017¹ point to a recovery in global activity, no significant improvement in growth in the euro zone and Japan, and a slowdown in the United Kingdom.</p> <p>In that context, two risks can be identified:</p> <p><i>Financial instability due to the vulnerability of emerging countries</i></p> <p>While the exposure of the BNP Paribas Group to emerging countries is limited, the vulnerability of these economies may generate disruptions in the global financial system that could affect the Group and potentially alter its results.</p> <p>A broad increase in the foreign exchange liabilities of the economies of many emerging market economies was observed in 2016, at a time when debt levels (in both foreign and local currency) were already high. The private sector was the main source of the increase in this debt. Furthermore, the prospect of a gradual increase in US key rates (the Federal Reserve Bank made its first increase in December 2015, and a second in December 2016) and increased financial volatility stemming from concerns about growth and mounting geopolitical risk in emerging markets have contributed to a tightening of external financial conditions, increased capital outflows, further currency depreciations in many emerging markets and heightened risks for banks. These factors could result in further downgrades of sovereign ratings.</p> <p>There is still a risk of disturbances in global markets (rising risk premiums, erosion of confidence, declining growth, deferral or slower pace of normalisation of monetary policies, declining liquidity in markets, asset valuation problems, decline in credit supply and disorderly deleveraging) that could affect all banking institutions.</p> <p><i>Systemic risks related to increased debt and market liquidity</i></p> <p>Despite the upturn since mid-2016, interest rates remain low, which may continue to encourage excessive risk-taking among some players in the financial system: increased maturities of financing and assets held, less</p>

¹ See notably: IMF – World Economic Outlook, updated in January 2017.

Element	Title	
		<p>stringent policy for granting loans, increase in leveraged financing.</p> <p>Some players (insurance companies, pension funds, asset managers, etc.) entail an increasingly systemic dimension and in the event of market turbulence (linked for instance to a sudden rise in interest rates and/or a sharp price correction) they may decide to unwind large positions in an environment of relatively weak market liquidity.</p> <p>Recent years have also seen an increase in debt (public and private, in both developed and emerging countries). The resulting risk could materialise either in the event of a spike in interest rates or a further negative growth shock.</p> <p><i>Laws and regulations applicable to financial institutions.</i></p> <p>Recent and future changes in the laws and regulations applicable to financial institutions may have a significant impact on BNPP. Measures that were recently adopted or which are (or whose application measures are) still in draft format, that have or are likely to have an impact on BNPP notably include:</p> <ul style="list-style-type: none"> – the structural reforms comprising the French banking law of 26 July 2013 requiring that banks create subsidiaries for or segregate “speculative” proprietary operations from their traditional retail banking activities, the "Volcker rule" in the US which restricts proprietary transactions, sponsorship and investment in private equity funds and hedge funds by US and foreign banks, and upcoming potential changes in Europe; – regulations governing capital: the Capital Requirements Directive IV ("CRD 4")/the Capital Requirements Regulation ("CRR"), the international standard for total-loss absorbing capacity (TLAC) and BNPP's designation as a financial institution that is of systemic importance by the Financial Stability Board; – the European Single Supervisory Mechanism and the ordinance of 6 November 2014; – the Directive of 16 April 2014 related to deposit guarantee systems and its delegation and implementing Decrees, the Directive of 15 May 2014 establishing a Bank Recovery and Resolution framework, the Single Resolution Mechanism establishing the Single Resolution Council and the Single Resolution Fund; – the Final Rule by the US Federal Reserve imposing tighter prudential rules on the US transactions of large foreign banks, notably the obligation to create a separate intermediary holding company in the US (capitalised and subject to regulation) to house their US subsidiaries; – the new rules for the regulation of over-the-counter derivative activities pursuant to Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, notably margin requirements for uncleared

Element	Title	
		<p>derivative products and the derivatives of securities traded by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants, and the rules of the US Securities and Exchange Commission which require the registration of banks and major swap participants active on derivatives markets as well as transparency reporting on derivative transactions;</p> <ul style="list-style-type: none"> – the new Markets in Financial Instruments Directive ("MiFID") and Markets in Financial Instruments Regulation ("MiFIR"), and European regulations governing the clearing of certain over-the-counter derivative products by centralised counterparties and the disclosure of securities financing transactions to centralised bodies. <p>Moreover, in today's tougher regulatory context, the risk of non-compliance with existing laws and regulations, in particular those relating to the protection of the interests of customers, is a significant risk for the banking industry, potentially resulting in significant losses and fines. In addition to its compliance system, which specifically covers this type of risk, the Group places the interest of its customers, and more broadly that of its stakeholders, at the heart of its values. The new Code of conduct adopted by the Group in 2016 sets out detailed values and rules of conduct in this area.</p> <p>Cyber risk.</p> <p>In recent years, financial institutions have been impacted by a number of cyber incidents, notably involving large-scale alterations of data which compromise the quality of financial information. This risk remains today and BNPP, like other banks, has taken measures to implement systems to deal with cyber attacks that could destroy or damage data and critical systems and hamper the smooth running of its operations. Moreover, the regulatory and supervisory authorities are taking initiatives to promote the exchange of information on cyber security and cyber criminality in order to improve the security of technological infrastructures and establish effective recovery plans after a cyber incident.</p> <p>Issue Specific Summary</p> <p><i>[Where BNPP B.V. is the Issuer, please insert the above-paragraph(s) related to BNPP B.V. and delete the above-paragraph(s) related to BNPP. Where BNPP is the Issuer, please insert the above-paragraph(s) related to BNPP and delete the above-paragraph(s) related to BNPP B.V.]</i></p>
B.5	Description of the Group	<p>In respect of BNPP B.V.:</p> <p>BNPP B.V. is a wholly owned subsidiary of BNPP. BNP Paribas is the ultimate holding company of a group of companies and manages financial operations for those subsidiary companies (together the "BNPP Group").</p> <p>In respect of BNPP:</p>

Element	Title																									
		<p>BNPP is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 74 countries and has more than 192,000 employees, including more than 146,000 in Europe. BNPP is the parent company of the BNP Paribas Group (together the "BNPP Group").</p> <p>Issue Specific Summary</p> <p><i>[Where BNPP B.V. is the Issuer, please insert the above-paragraph(s) related to BNPP B.V. and delete the above-paragraph(s) related to BNPP. Where BNPP is the Issuer, please insert the above-paragraph(s) related to BNPP and delete the above-paragraph(s) related to BNPP B.V.]</i></p>																								
B.9	Profit forecast or estimate	Not applicable, as there are no profit forecasts or estimates made in respect of the Issuer in the Base Prospectus to which this Summary relates.																								
B.10	Audit report qualifications	<p>Not applicable, there are no qualifications in any audit report on the historical financial information included in the Base Prospectus.</p> <p>Issue Specific Summary</p> <p><i>[Not applicable, there are no qualifications in any audit report on the historical financial information included in the Base Prospectus.][The audit report on the historical financial information included in the Base Prospectus contains the following qualification(s): [describe qualification(s)]]</i></p>																								
B.12	<p>Selected historical key financial information in relation to the Issuer:</p> <p><i>In relation to BNPP B.V.:</i></p> <p>Comparative Annual Financial Data – In EUR</p> <table> <tr> <td></td><td>31/12/2016</td><td>31/12/2015</td></tr> <tr> <td></td><td>(audited)</td><td>(audited)</td></tr> <tr> <td>Revenues</td><td>399,805</td><td>315,558</td></tr> <tr> <td>Net income, Group share</td><td>23,307</td><td>19,786</td></tr> <tr> <td>Total balance sheet</td><td>48,320,273,908</td><td>43,042,575,328</td></tr> <tr> <td>Shareholders' equity (Group share)</td><td>488,299</td><td>464,992</td></tr> </table> <p><i>In relation to BNPP:</i></p> <p>Comparative Annual Financial Data – In millions of EUR</p> <table> <tr> <td></td><td>31/12/2016</td><td>31/12/2015</td></tr> <tr> <td></td><td>(audited)</td><td>(audited)</td></tr> </table>			31/12/2016	31/12/2015		(audited)	(audited)	Revenues	399,805	315,558	Net income, Group share	23,307	19,786	Total balance sheet	48,320,273,908	43,042,575,328	Shareholders' equity (Group share)	488,299	464,992		31/12/2016	31/12/2015		(audited)	(audited)
	31/12/2016	31/12/2015																								
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	31/12/2016	31/12/2015																								
	(audited)	(audited)																								

Element	Title		
	Revenues	43,411	42,938
	Cost of Risk	(3,262)	(3,797)
	Net income, Group share	7,702	6,694
		31/12/2016	31/12/2015
	Common Equity Tier 1 ratio (Basel 3 fully loaded, CRD4)	11.5%	10.9%
		31/12/2016	31/12/2015
		(audited)	(audited)
	Total consolidated balance sheet	2,076,959	1,994,193
	Consolidated loans and receivables due from customers	712,233	682,497
	Consolidated items due to customers	765,953	700,309
	Shareholders' equity (Group share)	100,665	96,269
	Comparative Interim Financial Data for the three-month period ended 31 March 2017 – In millions of EUR		
		1Q17	1Q16
		(unaudited)	(unaudited)
	Revenues	11,297	10,844
	Cost of Risk	(592)	(757)
	Net income, Group share	1,894	1,814
		31/03/2017	31/12/2016
	Common Equity Tier 1 ratio (Basel 3 fully loaded, CRD4)	11.6%	11.5%
		31/03/2017	31/12/2016
		(unaudited)	(audited)
	Total consolidated balance sheet	2,197,658	2,076,959
	Consolidated loans and receivables due from customers	718,009	712,233
	Consolidated items due to customers	801,381	765,953
	Shareholders' equity (Group share)	102,076	100,665
	Statements of no significant or material adverse change		

Element	Title	
	<p><i>In relation to BNPP B.V.:</i></p> <p>There has been no significant change in the financial or trading position of BNPP B.V. since 31 December 2016. There has been no material adverse change in the prospects of BNPP B.V. since 31 December 2016.</p> <p><i>In relation to BNPP:</i></p> <p>There has been no significant change in the financial or trading position of the BNPP Group since 31 December 2016 (being the end of the last financial period for which audited financial statements have been published). There has been no material adverse change in the prospects of BNPP or the BNPP Group since 31 December 2016 (being the end of the last financial period for which audited financial statements have been published).</p> <p><i>Issue Specific Summary</i></p> <p><i>[Where BNPP B.V. is the Issuer, please insert the above-paragraph(s) related to BNPP B.V. and delete the above-paragraph(s) related to BNPP. Where BNPP is the Issuer, please insert the above-paragraph(s) related to BNPP and delete the above-paragraph(s) related to BNPP B.V.]</i></p>	
B.13	Events impacting the Issuer's solvency	<p>Not applicable, as at the date of this Base Prospectus and to the best of the Issuers' knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 31 December 2016 (in the case of BNPP B.V.) or 31 December 2016 (in the case of BNPP).</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, as at [4] July 2017 and to the best of the Issuer's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since <i>[insert in the case of BNPP B.V.: 31 December 2016]/[insert in the case of BNPP: 31 December 2016]</i>. <i>[specify any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency]</i>.]</p>
B.14	Dependence upon other group entities	<p><i>In relation to BNPP B.V.:</i></p> <p>BNPP B.V. is dependent upon BNPP. BNPP B.V. is a wholly owned subsidiary of BNPP specifically involved in the issuance of securities such as Warrants or Certificates or other obligations which are developed, setup and sold to investors by other companies in the BNP Paribas Group (including BNPP). The securities are hedged by acquiring hedging instruments and/or collateral from BNP Paribas and BNP Paribas entities as described in Element D.2 below.</p> <p><i>In relation to BNPP:</i></p> <p>BNPP is not dependent upon other members of the BNPP Group.</p> <p><i>Issue Specific Summary</i></p>

Element	Title	
		<p><i>[Where BNPP B.V. is the Issuer, please insert the above-paragraph(s) related to BNPP B.V. and delete the above-paragraph(s) related to BNPP. Where BNPP is the Issuer, please insert the above-paragraph(s) related to BNPP and delete the above-paragraph(s) related to BNPP B.V.]</i></p>
B.15	Principal activities	<p><i>In relation to BNPP B.V.:</i></p> <p>The principal activity of BNPP B.V. is to issue and/or acquire financial instruments of any nature and to enter into related agreements for the account of various entities within the BNPP Group.</p> <p><i>In relation to BNPP:</i></p> <p>BNPP holds key positions in its two main businesses:</p> <ul style="list-style-type: none"> • Retail Banking and Services, which includes: <ul style="list-style-type: none"> • Domestic Markets, comprising: <ul style="list-style-type: none"> • French Retail Banking (FRB), • BNL banca commerciale (BNL bc), Italian retail banking, • Belgian Retail Banking (BRB), • Other Domestic Markets activities, including Luxembourg Retail Banking (LRB); • International Financial Services, comprising: <ul style="list-style-type: none"> • Europe-Mediterranean, • BancWest, • Personal Finance, • Insurance, • Wealth and Asset Management; • Corporate and Institutional Banking (CIB), which includes: <ul style="list-style-type: none"> • Corporate Banking, • Global Markets, • Securities Services. <p><i>Issue Specific Summary</i></p> <p><i>[Where BNPP B.V. is the Issuer, please insert the above-paragraph(s) related to BNPP B.V. and delete the above-paragraph(s) related to BNPP. Where</i></p>

Element	Title	
		<i>BNPP is the Issuer, please insert the above-paragraph(s) related to BNPP and delete the above-paragraph(s) related to BNPP B.V.]</i>
B.16	Controlling shareholders	<p><i>In relation to BNPP B.V.:</i></p> <p>BNP Paribas holds 100 per cent. of the share capital of the BNPP B.V.</p> <p><i>In relation to BNPP:</i></p> <p>None of the existing shareholders controls, either directly or indirectly, BNPP. As at 31 December 2016, the main shareholders are Société Fédérale de Participations et d'Investissement ("SFPI") a <i>public-interest société anonyme</i> (public limited company) acting on behalf of the Belgian government holding 10.2 % of the share capital, BlackRock Inc. holding 5.2% of the share capital and Grand Duchy of Luxembourg holding 1.0% of the share capital. To BNPP's knowledge, no shareholder other than SFPI and BlackRock Inc. owns more than 5% of its capital or voting rights.</p> <p>On 4 May 2017, the Belgian State, via the Federal Holding and Investment Company ("SFPI-FPIM"), announced that it had entered into forward sale transactions in respect of 31,198,404 shares of BNPP representing approximately 2.5% of the share capital held by SFPI-FPIM. Upon settlement of such forward sale transactions, SFPI-FPIM's shareholding in BNPP will reduce to approximately 7.8%.</p> <p><i>Issue Specific Summary</i></p> <p><i>[Where BNPP B.V. is the Issuer, please insert the above-paragraph(s) related to BNPP B.V. and delete the above-paragraph(s) related to BNPP. Where BNPP is the Issuer, please insert the above-paragraph(s) related to BNPP and delete the above-paragraph(s) related to BNPP B.V.]</i></p>
B.17	Solicited credit ratings	<p>BNPP B.V.'s long term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS) and BNPP B.V.'s short term credit ratings are A-1 (Standard & Poor's Credit Market Services France SAS).</p> <p>BNPP's long-term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS), A1 with a stable outlook (Moody's Investors Service Ltd.), A+ with a stable outlook (Fitch France S.A.S.) and AA (low) with a stable outlook (DBRS Limited) and BNPP's short-term credit ratings are A-1 (Standard & Poor's Credit Market Services France SAS), P-1 (Moody's Investors Service Ltd.), F1 (Fitch France S.A.S.) and R-1 (middle) (DBRS Limited).</p> <p>Securities issued under the Programme may be rated or unrated.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p><i>Issue Specific Summary</i></p>

Element	Title	
		<p><i>[Insert where BNPP B.V. is the Issuer:</i></p> <p>BNPP B.V.'s long term credit ratings are [A with a stable outlook (Standard & Poor's Credit Market Services France SAS)] and BNPP B.V.'s short term credit ratings are [A-1 (Standard & Poor's Credit Market Services France SAS)].]</p> <p><i>[Insert where BNPP is the Issuer:</i></p> <p>BNPP's long term credit ratings are [A with a stable outlook (Standard & Poor's Credit Market Services France SAS)], [A1 with a stable outlook (Moody's Investors Service Ltd.)], [A+ with a stable outlook (Fitch France S.A.S.)] and [AA (low) with a stable outlook (DBRS Limited)] and BNPP's short-term credit ratings are [A-1 (Standard & Poor's Credit Market Services France SAS)], [P-1 (Moody's Investors Service Ltd.)], [F1 (Fitch France S.A.S.)] and [R-1 (middle) (DBRS Limited)].]</p> <p>[The Securities [have [not] been/are expected to be] rated [[●] by [●]].</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]</p>
B.18	Description of the Guarantee	<p><i>In relation to BNPP B.V.:</i></p> <p>The Securities issued by BNPP B.V. will be unconditionally and irrevocably guaranteed by BNP Paribas ("BNPP" or the "Guarantor") pursuant to a French law <i>garantie</i> executed by BNPP on or around [●] July 2017 (the "Guarantee").</p> <p>In the event of a bail-in of BNPP but not BNPP B.V., the obligations and/or amounts owed by BNPP under the guarantee shall be reduced to reflect any such modification or reduction applied to liabilities of BNPP resulting from the application of a bail-in of BNPP by any relevant regulator (including in a situation where the Guarantee itself is not the subject of such bail-in).</p> <p>The obligations under the Guarantee are unsubordinated and unsecured obligations of BNPP and will rank <i>pari passu</i> with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law.</p> <p><i>In relation to BNPP:</i></p> <p>Securities issued by BNPP are not guaranteed.</p> <p><i>Issue Specific Summary</i></p> <p><i>[Where BNPP B.V. is the Issuer, please insert the above-paragraph(s) related to BNPP B.V. and delete the above-paragraph(s) related to BNPP. Where BNPP is the Issuer, please insert the above-paragraph(s) related to BNPP</i></p>

Element	Title	
		<i>and delete the above-paragraph(s) related to BNPP B.V.]</i>
B.19	Information about the Guarantor	<i>[If the Securities are issued by BNPP B.V., insert the Elements B.19/B.1 to B.19/B.17. If the Securities are issued by BNPP, delete the Elements B.19/B.1 to B.19/B.17.]</i>
B.19/ B.1	Legal and commercial name of the Guarantor	BNP Paribas.
B.19/ B.2	Domicile/ legal form/ legislation/ country of incorporation	The Guarantor was incorporated in France as a société anonyme under French law and licensed as a bank having its head office at 16, boulevard des Italiens – 75009 Paris, France.
B.19/ B.4b	Trend information	<p><i>Macroeconomic environment.</i></p> <p>Macroeconomic and market conditions affect BNPP's results. The nature of BNPP's business makes it particularly sensitive to macroeconomic and market conditions in Europe, which have been at times challenging and volatile in recent years.</p> <p>In 2016, global growth stabilised slightly above 3%, despite a much lower growth in the advanced economies. Three major transitions continue to affect the global outlook: declining economic growth in China, fluctuating energy prices that rose in 2016, and a second tightening of monetary policy in the United States in the context of a resilient domestic recovery. It should be noted that the central banks of several large developed countries continue to maintain accommodative monetary policies. IMF economic forecasts for 2017 point to a recovery in global activity, no significant improvement in growth in the euro zone and Japan, and a slowdown in the United Kingdom.</p> <p>In that context, two risks can be identified:</p> <p><i>Financial instability due to the vulnerability of emerging countries</i></p> <p>While the exposure of the BNP Paribas Group to emerging countries is limited, the vulnerability of these economies may generate disruptions in the global financial system that could affect the Group and potentially alter its results.</p> <p>A broad increase in the foreign exchange liabilities of the economies of many emerging market economies was observed in 2016, at a time when debt levels (in both foreign and local currency) were already high. The private sector was the main source of the increase in this debt. Furthermore, the prospect of a gradual increase in US key rates (the Federal Reserve Bank made its first increase in December 2015, and a second in December 2016) and increased financial volatility stemming from concerns about growth and mounting geopolitical risk in emerging markets have contributed to a tightening of</p>

Element	Title	
		<p>external financial conditions, increased capital outflows, further currency depreciations in many emerging markets and heightened risks for banks. These factors could result in further downgrades of sovereign ratings.</p> <p>There is still a risk of disturbances in global markets (rising risk premiums, erosion of confidence, declining growth, deferral or slower pace of normalisation of monetary policies, declining liquidity in markets, asset valuation problems, decline in credit supply and disorderly deleveraging) that could affect all banking institutions.</p> <p><i>Systemic risks related to increased debt and market liquidity</i></p> <p>Despite the upturn since mid-2016, interest rates remain low, which may continue to encourage excessive risk-taking among some players in the financial system: increased maturities of financing and assets held, less stringent policy for granting loans, increase in leveraged financing.</p> <p>Some players (insurance companies, pension funds, asset managers, etc.) entail an increasingly systemic dimension and in the event of market turbulence (linked for instance to a sudden rise in interest rates and/or a sharp price correction) they may decide to unwind large positions in an environment of relatively weak market liquidity.</p> <p>Recent years have also seen an increase in debt (public and private, in both developed and emerging countries). The resulting risk could materialise either in the event of a spike in interest rates or a further negative growth shock.</p> <p><i>Laws and regulations applicable to financial institutions.</i></p> <p>Recent and future changes in the laws and regulations applicable to financial institutions may have a significant impact on BNPP. Measures that were recently adopted or which are (or whose application measures are) still in draft format, that have or are likely to have an impact on BNPP notably include:</p> <ul style="list-style-type: none"> – the structural reforms comprising the French banking law of 26 July 2013 requiring that banks create subsidiaries for or segregate “speculative” proprietary operations from their traditional retail banking activities, the "Volcker rule" in the US which restricts proprietary transactions, sponsorship and investment in private equity funds and hedge funds by US and foreign banks, and upcoming potential changes in Europe; – regulations governing capital: the Capital Requirements Directive IV ("CRD 4")/the Capital Requirements Regulation ("CRR"), the international standard for total-loss absorbing capacity ("TLAC") and BNPP's designation as a financial institution that is of systemic importance by the Financial Stability Board; – the European Single Supervisory Mechanism and the ordinance of 6 November 2014;

Element	Title	
		<ul style="list-style-type: none"> – the Directive of 16 April 2014 related to deposit guarantee systems and its delegation and implementing Decrees, the Directive of 15 May 2014 establishing a Bank Recovery and Resolution framework, the Single Resolution Mechanism establishing the Single Resolution Council and the Single Resolution Fund; – the Final Rule by the US Federal Reserve imposing tighter prudential rules on the US transactions of large foreign banks, notably the obligation to create a separate intermediary holding company in the US (capitalised and subject to regulation) to house their US subsidiaries; – the new rules for the regulation of over-the-counter derivative activities pursuant to Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, notably margin requirements for uncleared derivative products and the derivatives of securities traded by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants, and the rules of the US Securities and Exchange Commission which require the registration of banks and major swap participants active on derivatives markets as well as transparency and reporting on derivative transactions; – the new Markets in Financial Instruments Directive ("MiFID") and Markets in Financial Instruments Regulation ("MiFIR"), and European regulations governing the clearing of certain over-the-counter derivative products by centralised counterparties and the disclosure of securities financing transactions to centralised bodies. <p>Moreover, in today's tougher regulatory context, the risk of non-compliance with existing laws and regulations, in particular those relating to the protection of the interests of customers, is a significant risk for the banking industry, potentially resulting in significant losses and fines. In addition to its compliance system, which specifically covers this type of risk, the Group places the interest of its customers, and more broadly that of its stakeholders, at the heart of its values. The new Code of conduct adopted by the Group in 2016 sets out detailed values and rules of conduct in this area.</p> <p><i>Cyber risk.</i></p> <p>In recent years, financial institutions have been impacted by a number of cyber incidents, notably involving large-scale alterations of data which compromise the quality of financial information. This risk remains today and BNPP, like other banks, has taken measures to implement systems to deal with cyber attacks that could destroy or damage data and critical systems and hamper the smooth running of its operations. Moreover, the regulatory and supervisory authorities are taking initiatives to promote the exchange of information on cyber security and cyber criminality in order to improve the security of technological infrastructures and establish effective recovery plans after a cyber incident.</p>

Element	Title			
B.19/B.5	Description of the Group	BNPP is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 74 countries and has more than 192,000 employees, including more than 146,000 in Europe. BNPP is the parent company of the BNP Paribas Group (together the "BNPP Group").		
B.19/B.9	Profit forecast or estimate	Not applicable, as there are no profit forecasts or estimates made in respect of the Guarantor in the Base Prospectus to which this Summary relates.		
B.19/B.10	Audit report qualifications	Not applicable, there are no qualifications in any audit report on the historical financial information included in the Base Prospectus. <i>Issue Specific Summary</i> [Not applicable, there are no qualifications in any audit report on the historical financial information included in the Base Prospectus.] / [The audit report on the historical financial information included in the Base Prospectus contains the following qualifications(s): [describe qualification(s)]]		
B.19/B.12	Selected historical key financial information in relation to the Guarantor: Comparative Annual Financial Data - In millions of EUR			
			31/12/2016 (audited)	31/12/2015 (audited)
	Revenues		43,411	42,938
	Cost of risk		(3,262)	(3,797)
	Net income, Group share		7,702	6,694
			31/12/2016	31/12/2015
	Common Equity Tier 1 Ratio (Basel 3 fully loaded, CRD4)		11.5%	10.9%
			31/12/2016 (audited)	31/12/2015 (audited)
	Total consolidated balance sheet		2,076,959	1,994,193
	Consolidated loans and receivables due from customers		712,233	682,497
	Consolidated items due to customers		765,953	700,309
	Shareholders’ equity (Group share)		100,665	96,269
	Comparative Interim Financial Data for the three-month period ended 31 March 2017– In			

Element	Title		
	millions of EUR		
		1Q17 (unaudited)	1Q16 (unaudited)
	Revenues	11,297	10,844
	Cost of Risk	(592)	(757)
	Net income, Group share	1,894	1,814
		31/03/2017	31/12/2016
	Common Equity Tier 1 ratio (Basel 3 fully loaded, CRD4)	11.6%	11.5%
		31/03/2017 (unaudited)	31/12/2016 (audited)
	Total consolidated balance sheet	2,197,658	2,076,959
	Consolidated loans and receivables due from customers	718,009	712,233
	Consolidated items due to customers	801,381	765,953
	Shareholders' equity (Group share)	102,076	100,665
	<p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial or trading position of the BNPP Group since 31 December 2016 (being the end of the last financial period for which audited financial statements have been published). There has been no material adverse change in the prospects of BNPP or the BNPP Group since 31 December 2016 (being the end of the last financial period for which audited financial statements have been published).</p> <p><i>Issue Specific Summary</i></p> <p>There has been no significant change in the financial or trading position of the BNPP Group since [31 December 2016 (being the end of the last financial period for which audited financial statements have been published)]. There has been no material adverse change in the prospects of BNPP or the BNPP Group since [31 December 2016 (being the end of the last financial period for which audited financial statements have been published)].</p>		
B.19/ B.13	Events impacting the Guarantor's solvency	<p>Not applicable, as at the date of this Base Prospectus and to the best of the Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since 31 December 2016.</p> <p><i>Issue Specific Summary</i></p>	

Element	Title	
		<p>[Not applicable, as at the date of this Base Prospectus and to the best of the Guarantor's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since [31 December 2016]].</p> <p><i>[specify any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency.]</i></p>
B.19/ B.14	Dependence upon other Group entities	BNPP is not dependent upon other members of the BNPP Group.
B.19/ B.15	Principal activities	<p>BNP Paribas holds key positions in its two main businesses:</p> <ul style="list-style-type: none"> • Retail Banking and Services, which includes: <ul style="list-style-type: none"> • Domestic Markets, comprising: <ul style="list-style-type: none"> • French Retail Banking (FRB), • BNL banca commerciale (BNL bc), Italian retail banking, • Belgian Retail Banking (BRB), • Other Domestic Markets activities, including Luxembourg Retail Banking (LRB); • International Financial Services, comprising: <ul style="list-style-type: none"> • Europe-Mediterranean, • BancWest, • Personal Finance, • Insurance, • Wealth and Asset Management; • Corporate and Institutional Banking (CIB), which includes: <ul style="list-style-type: none"> • Corporate Banking, • Global Markets, • Securities Services.
B.19/ B.16	Controlling shareholders	<p>None of the existing shareholders controls, either directly or indirectly, BNPP. As at 31 December 2016, the main shareholders are Société Fédérale de Participations et d'Investissement ("SFPI") a <i>public-interest société anonyme</i> (public limited company) acting on behalf of the Belgian government holding 10.2% of the share capital, BlackRock Inc. holding 5.2% of the share capital</p>

Element	Title	
		<p>and Grand Duchy of Luxembourg holding 1.0% of the share capital. To BNPP's knowledge, no shareholder other than SFPI and BlackRock Inc. owns more than 5% of its capital or voting rights.</p> <p>On 4 May 2017, the Belgian State, via the Federal Holding and Investment Company ("SFPI-FPIM"), announced that it had entered into forward sale transactions in respect of 31,198,404 shares of BNPP representing approximately 2.5% of the share capital held by SFPI-FPIM. Upon settlement of such forward sale transactions, SFPI-FPIM's shareholding in BNPP will reduce to approximately 7.8%.</p>
B.19/ B.17	Solicited credit ratings	<p>BNPP's long term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS), A1 with a stable outlook (Moody's Investors Service Ltd.), A+ with a stable outlook (Fitch France S.A.S.) and AA (low) with a stable outlook (DBRS Limited) and BNPP's short-term credit ratings are A-1 (Standard & Poor's Credit Market Services France SAS), P-1 (Moody's Investors Service Ltd.), F1 (Fitch France S.A.S.) and R-1 (middle) (DBRS Limited).</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p><i>Issue Specific Summary</i></p> <p>BNPP's long term credit ratings are [A with a stable outlook (Standard & Poor's Credit Market Services France SAS)], [A1 with a stable outlook (Moody's Investors Service Ltd.)], [A+ with a stable outlook (Fitch France S.A.S.)] and [AA (low) with a stable outlook (DBRS Limited)] and BNPP's short-term credit ratings are [A-1 (Standard & Poor's Credit Market Services France SAS)], [P-1 (Moody's Investors Service Ltd.)], [F1 (Fitch France S.A.S.)] and [R-1 (middle) (DBRS Limited)].</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>

Section C – Securities

Element	Title	
C.1	Type and class of Securities/ISIN	<p>The following types of Securities may be issued: warrants ("Warrants") and certificates ("Certificates" and, together with the Warrants, "Securities").</p> <p>The ISIN, Common Code and Mnemonic Code in respect of a Series of Securities will be specified in the applicable Final Terms.</p> <p>If specified in the applicable Final Terms, the Securities will be consolidated and form a single series with such earlier Tranches as are specified in the applicable Final Terms.</p> <p>Securities may be cash settled ("Cash Settled Securities") or physically settled by delivery of assets ("Physically Settled Securities").</p> <p><i>Issue Specific Summary</i></p> <p>The Securities are [warrants ("Warrants")]/[certificates ("Certificates") and are issued in Series.</p> <p>The Series Number of the Securities is [●].</p> <p>The Tranche number is [●].</p> <p>The ISIN is: [●].</p> <p>The Common Code is: [●].</p> <p>[The Mnemonic Code is: [●].]</p> <p>[The Securities will be consolidated and form a single series with <i>[identify earlier Tranches]</i> on the Issue Date.]</p> <p>[The Certificates are governed by French law.]</p> <p>[The Warrants are governed by French law.]</p> <p>The Securities are [cash settled Securities/physically settled Securities].</p>
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, Securities may be issued in any currency.</p> <p><i>Issue Specific Summary</i></p> <p>The currency of this Series of Securities is [●] ("[●]").</p>
C.5	Restrictions on free transferability	<p>The Securities will be freely transferable, subject to the offering and selling restrictions in the United States, the European Economic Area, Belgium, Denmark, Finland, France, Luxembourg, the Netherlands, Spain and Sweden and under the Prospectus Directive and the laws of any jurisdiction in which</p>

Element	Title	
		the relevant Securities are offered or sold.
C.8	Rights attaching to the Securities	<p>Securities issued under the Programme will have terms and conditions relating to, among other matters:</p> <p>Status</p> <p>The Securities are unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves.</p> <p>Taxation</p> <p>The Holder must pay all taxes, duties and/or expenses arising from the disposal, exercise and settlement or redemption of the Securities and/or the delivery or transfer of the Entitlement.</p> <p>The Issuer shall deduct from amounts payable or assets deliverable to Holders certain taxes and expenses not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent determines are attributable to the Securities.</p> <p>Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code.</p> <p>In addition, in determining the amount of withholding or deduction required pursuant to Section 871(m) of the Code imposed with respect to any amounts to be paid on the Securities, the Issuer shall be entitled to withhold on any "dividend equivalent" (as defined for purposes of Section 871(m) of the Code) at a rate of 30 per cent.</p> <p>Negative pledge</p> <p>The terms of the Securities will not contain a negative pledge provision.</p> <p>Events of Default</p> <p>The terms of the Securities will not contain events of default.</p> <p>Meetings</p> <p>The terms of the Securities will contain provisions for calling meetings of holders of such Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p>

Element	Title	
		<p>The applicable Final Terms may specify that Holders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a <i>masse</i> (the "Masse") or that Holders shall not be grouped in a Masse.</p> <p>Governing law</p> <p>The Securities, the Agency Agreement (as amended or supplemented from time to time) and the Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (<i>Cour d'Appel de Paris</i>). BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16, boulevard des Italiens, 75009 Paris.</p> <p>Issue Specific Summary</p> <p>Securities issued under the Programme will have terms and conditions relating to, among other matters:</p> <p>Status</p> <p>The Securities are unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves.</p> <p>Taxation</p> <p>The Holder must pay all taxes, duties and/or expenses arising from the disposal, exercise and settlement or redemption of the Securities and/or the delivery or transfer of the Entitlement.</p> <p>The Issuer shall deduct from amounts payable or assets deliverable to Holders certain taxes and expenses not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent determines are attributable to the Securities.</p> <p>Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code.</p> <p>[In addition, in determining the amount of withholding or deduction required pursuant to Section 871(m) of the Code imposed with respect to any amounts to be paid on the Securities, the Issuer shall be entitled to withhold on any "dividend equivalent" (as defined for purposes of Section 871(m) of the Code) at a rate of 30 per cent.]</p>

Element	Title	
		<p><i>Negative pledge</i></p> <p>The terms of the Securities will not contain a negative pledge provision.</p> <p><i>Events of Default</i></p> <p>The terms of the Securities will not contain events of default.</p> <p><i>Meetings</i></p> <p>[The terms of the Securities will contain provisions for calling meetings of holders of such Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.]</p> <p>[The Holders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (the "Masse").] / [The Holders shall not be grouped in a <i>Masse</i>.]</p> <p><i>Governing law</i></p> <p>The Securities, the Agency Agreement (as amended or supplemented from time to time) and the Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (<i>Cour d'Appel de Paris</i>). BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16, boulevard des Italiens, 75009 Paris.</p>
C.9	Interest/ Redemption	<p><i>Interest</i></p> <p>Warrants do not bear or pay interest. The Certificates do not bear or pay interest except in relation to SPS Payout Securities and Fixed Rate Interest. Certificates may be offered and sold at a discount to their nominal amount. The Issuer may issue interest bearing Exempt Securities.</p> <p><i>Redemption</i></p> <p>The terms under which Securities may be redeemed or exercised (including the redemption date or exercise date and related settlement date and the amount payable or deliverable on redemption or exercise as well as any provisions relating to early redemption or cancellation) will be determined by the Issuer at the time of issue of the relevant Securities, specified in the applicable Final Terms and summarised in the relevant issue specific summary annexed to the applicable Final Terms.</p>

Element	Title	
		<p>Securities may be cancelled or redeemed early if the performance of the Issuer's obligations under the Securities has become illegal or by reason of force majeure or act of state it becomes impossible or impracticable for the Issuer to perform its obligations under the Securities and/or any related hedging arrangements. If specified in the applicable Final Terms, Certificates may be redeemed early at the option of the Issuer or at the option of the Holders at the Optional Redemption Amount specified in the applicable Final Terms. The Optional Redemption Amount in respect of each Certificate shall be either (i) the Notional Amount multiplied by the percentage specified in the applicable Final Terms; or (ii) the following Put Payout (in the case of early redemption at the option of the Holders):</p> <p>Put Payouts</p> <p>Put Payout 2210</p> <p>Put Payout 2300</p> <p>Call Payouts</p> <p>Call Payout 2300</p> <p>In the case of Securities linked to an Underlying Reference, the Securities may also be cancelled or redeemed early following the occurrence of certain disruption, adjustment, extraordinary or other events as summarised in the relevant issue specific summary annexed to the applicable Final Terms.</p> <p><i>Representative of Holders</i></p> <p>No representative of the Holders has been appointed by the Issuer if so specified in the applicable Final Terms.</p> <p>Please also refer to Element C.8 above for rights attaching to the Securities.</p> <p><i>Issue Specific Summary</i></p> <p><i>Interest</i></p> <p>[Insert in the case of Warrants or non-interest bearing Certificates] The Securities do not bear or pay interest [except in relation to SPS Payout Securities and Fixed Rate Interest] [insert in the case of Certificates sold at a discount to their nominal amount: and will be offered and sold at a discount to their nominal amount].</p> <p>[The Certificates [[bear/pay] interest [from their date of issue/from [●]] at [a structured rate calculated by reference to [insert underlying] (the "Underlying Reference(s)") [a fixed rate of [●] per cent. <i>per annum</i>]. Interest will be paid [quarterly/semi-annually/annually] [in arrear] on [●] in each year. The first interest payment will be made on [●]. [The yield of the Certificates is [●] per cent.]</p>

Element	Title	
		<p>[The interest rate is calculated as set out below: [Coupon Rate Payout 3000/1 – Digital Coupon] [Coupon Rate Payout 3000/2 – Snowball Digital Coupon].]</p> <p>Redemption</p> <p>Unless previously redeemed or cancelled, each Security will be redeemed on [●] [at [par]/[●] per cent of its nominal amount]][as set out in Element C.18].</p> <p><i>[In the case of Warrants, insert: The Warrants may be cancelled if the performance of the Issuer's obligations under the Warrants has become illegal or by reason of force majeure or act of state it becomes impossible or impracticable for the Issuer to perform its obligations under the Warrants and/or any related hedging arrangements. [The Warrants may also be cancelled for [specify any other early cancellation provisions applicable to the Securities being issued] at [specify the cancellation amount and any maximum or minimum cancellation amounts, applicable to the Securities being issued].]</i></p> <p><i>[In the case of Certificates, insert:</i></p> <p>The Certificates may be redeemed early [at the option of the Issuer [or]][at the option of the Holders] at the Optional Redemption Amount equal to:</p> <p><i>[specify Optional Redemption Amount]/</i></p> <p>[Put Payout 2210]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[Put Payout 2300]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[Call Payout 2300]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[The Certificates may also be redeemed early for <i>[specify any other early redemption option applicable to the Securities being issued]</i> at <i>[specify the early redemption amount and any maximum or minimum redemption amounts, applicable to the Securities being issued].</i>].</p> <p>Representative of Holders</p> <p>[No representative of the Holders has been appointed by the Issuer.]</p> <p>[The names and addresses of the initial Representative of the Masse and its alternate are [●].] / [The Holders shall not be grouped in a Masse.]</p> <p>Please also refer to Element C.8 above for rights attaching to the Securities.</p>
C.10	Derivative	The Securities will not bear interest except in relation to SPS Payout Securities

Element	Title	
	component in the interest payment	<p>and Fixed Rate Interest. The Issuer may issue interest bearing Exempt Securities.</p> <p>Issue Specific Summary</p> <p>[Not applicable][Payment of interest in respect of the Securities will be determined by reference to the performance of the Underlying Reference(s). Please also refer to Elements C.9 above and C.15 below].</p>
C.11	Admission to Trading	<p>Securities issued under the Programme may be admitted to trading on Euronext Paris, Euronext Amsterdam, Euronext Brussels, Stock exchange of Madrid/Barcelona/Valencia/Bilbao, NASDAQ OMX Helsinki Ltd., the Nordic Growth Market, NASDAQ OMX Stockholm, the Nordic Derivatives Exchange Stockholm or such other regulated market, organised market or other trading system (such as the Nordic MTF or the Boerse Stuttgart cats GmbH (the "Cats")) specified in the applicable Final Terms, or may be issued on an unlisted basis.</p> <p>Issue Specific Summary</p> <p>[Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Securities to be admitted to trading on [Euronext Paris]/[Euronext Amsterdam]/[Euronext Brussels]/ / [Stock exchange of [Madrid/Barcelona/Valencia/Bilbao]]/[NASDAQ OMX Helsinki Ltd.]/[the Nordic Growth Market]/[NASDAQ OMX Stockholm]/[the Nordic Derivatives Exchange Stockholm] / [●]. [Application has been made to list the Securities on the Nordic MTF and to admit the Securities for trading on the Nordic MTF [with effect from [●]].] [Application has been made to list the Securities on the Boerse Stuttgart cats GmbH (the "Cats") and to admit the Securities to trading on the Cats [with effect from [●]].][Application has been made to list the Securities on the [●] and to admit the Securities for trading on the [●] [with effect from [●]].</p> <p>[The Securities are not intended to be admitted to trading on any market.]</p>
C.15	How the value of the investment in the derivative securities is affected by the value of the underlying assets	<p>The Securities will not bear interest except in relation to SPS Payout Securities and Fixed Rate Interest. The Issuer may issue interest bearing Exempt Securities.</p> <p>The amount payable or assets deliverable on redemption or settlement of the Securities may be calculated by reference to certain specified Underlying Reference(s) specified in the applicable Final Terms.</p> <p>Fluctuations in the exchange rate of a relevant currency may also affect the value of the Securities.</p> <p>See Element C.18 below.</p> <p>Issue Specific Summary</p> <p>The [amount payable][assets deliverable][in respect of interest] on</p>

Element	Title	
		<p>[redemption][settlement] [is/are] calculated by reference to the Underlying Reference(s). See Element C.18 below.</p> <p>[Fluctuations in the exchange rate of a relevant currency may also affect the value of the Securities.]</p>
C.16	Maturity of the derivative securities	<p>The Exercise Date or Redemption Date of the Securities will be specified in the applicable Final Terms.</p> <p><i>Issue Specific Summary</i></p> <p>The [Exercise/Redemption] Date of the Securities is [●].</p>
C.17	Settlement Procedure	<p>Securities may be cash or physically settled.</p> <p>In certain circumstances the Issuer, the Holder or (if applicable) the Guarantor may vary settlement in respect of the Securities.</p> <p><i>Issue Specific Summary</i></p> <p>This Series of Securities is [cash/physically] settled.</p> <p>The Issuer [has/does not have] the option to vary settlement. [[The Holder may elect for settlement by way of cash payment or by way of physical delivery.] [The Guarantor may vary settlement.]</p>
C.18	Return on Derivative Securities	<p>See Element C.8 above for the rights attaching to the Securities.</p> <p><i>Final Redemption - Certificates</i></p> <p>If the Securities are Certificates, unless previously redeemed or purchased and cancelled, each Security entitles its holder to receive from the Issuer on the Redemption Date:</p> <ul style="list-style-type: none"> (a) in the case of Cash Settled Certificates, a Cash Settlement Amount, being an amount equal to the Final Payout specified in the applicable Final Terms; or (b) in the case of Physically Settled Certificates, the Entitlement, being the quantity of the Relevant Assets specified in the applicable Final Terms equal to the Entitlement specified in the applicable Final Terms. <p><i>Exercise and Settlement - Warrants</i></p> <p>If the Securities are Warrants, each Security entitles its holder, upon due exercise, to receive from the Issuer on the Settlement Date:</p> <ul style="list-style-type: none"> (a) in the case of Cash Settled Warrants, a Cash Settlement Amount, being an amount equal to the Final Payout specified in the applicable Final Terms; or

Element	Title	
		<p>(b) in the case of Physically Settled Warrants, the Entitlement, being the quantity of the Relevant Assets specified in the applicable Final Terms equal to the Entitlement specified in the applicable Final Terms.</p> <p>Final Payouts</p> <p>Exchange Traded Securities (ETS) Final Payouts</p> <p>(1) Investment Products:</p> <p>(a) Yield Enhancement (Payout 1250/4): fixed term products which on redemption have a fixed return if certain conditions (including a cap, knock-out and/or automatic early redemption features) relating to the performance of the Underlying Reference are met. There may be total, partial or no capital protection.</p> <p>(b) Participation (Payout 1320/1): fixed term products for which the return is linked to the performance of the Underlying Reference. The calculation of the return may be based on various mechanisms (including knock-in or knock-out features). There may be total, partial or no capital protection.</p> <p>(2) Leverage Products:</p> <p>(a) Leverage (Payouts 2100, 2200/1, 2200/2, 2210): fixed term or open ended products for which the return is linked, either directly or indirectly to the linear or non-linear performance of the Underlying Reference. The calculation of the return may be based on various mechanisms (including knock-out features). There is no capital protection.</p> <p>(b) Constant Leverage (Payout 2300): fixed term or open ended products which have a return calculated by reference to a fixed daily leverage on the positive or negative performance of the Underlying Reference. There is no capital protection.</p> <p>Structured Products Securities (SPS) Final Payouts</p> <p>(a) Reverse Convertible Securities (Payout 3000): fixed term products which have a return linked to both the performance of the Underlying Reference(s) and a knock-in level. There is no capital protection and these products pay coupons.</p> <p>(b) Vanilla Call Securities (Payout 3001): fixed term products which have a return linked to the performance of the Underlying Reference(s). The return calculation can be based on various mechanisms (including knock-in or knock-out features). There may be total, partial or no capital protection.</p> <p>Entitlement Amounts</p>

Element	Title	
		<p>If Rounding and Residual Amount is specified in the applicable Final Terms, the Entitlement Amount will be rounded down to the nearest unit of each Relevant Asset capable of being delivered and in lieu thereof the Issuer will pay an amount equal to the Rounding and Residual Amount.</p> <p><i>Automatic Early Redemption/Exercise</i></p> <p>If an Automatic Early Redemption Event (in the case of Certificates) or an Automatic Early Expiration Event (in the case of Warrants), in each case as specified in the applicable Final Terms, occurs, the Securities will be (i) in the case of Certificates, redeemed early at the Automatic Early Redemption Amount on the Automatic Early Redemption Date or (ii) in the case of Warrants, cancelled at an amount equal to the Automatic Early Expiration Payout Amount on the Automatic Early Expiration Date.</p> <p>In the case of Certificates, the Automatic Early Redemption Amount will be equal to the Automatic Early Redemption Payout specified in the applicable Final Terms or, if not set out, an amount equal to the product of (i) the Notional Amount in respect of such Certificate and (ii) the relevant AER Rate specified in the applicable Final Terms relating to the Automatic Early Redemption Date.</p> <p>In the case of Warrants, the Automatic Early Expiration Payout Amount will be equal to the Automatic Early Redemption Payout specified in the applicable Final Terms.</p> <p><i>Automatic Early Redemption Payouts</i></p> <p>Automatic Early Redemption Payout 2200/1</p> <p>Automatic Early Redemption Payout 2200/2</p> <p>Automatic Early Redemption Payout 2210/1</p> <p>Automatic Early Redemption Payout 2210/2</p> <p>SPS Automatic Early Redemption Payout</p> <p><i>Issue Specific Summary</i></p> <p>See Element C.8 above for the rights attaching to the Securities.</p> <p><i>[If the Securities are Certificates, insert:</i></p> <p><i>Final Redemption</i></p> <p>Unless previously redeemed or purchased and cancelled, each Security entitles its holder to receive from the Issuer on the Redemption Date <i>[Insert in the case of cash settled Certificates: a Cash Settlement Amount equal to:]</i><i>[Insert in the case of physically settled Certificates: the Entitlement, being the quantity of</i> <i>[specify relevant assets]</i> (the "Relevant Assets") <i>equal to:]</i></p>

Element	Title	
		<p><i>[If the Securities are Warrants, insert:</i></p> <p>Exercise and Settlement</p> <p>Each Security entitles its holder, upon due exercise, to receive from the Issuer on the Settlement Date <i>[Insert in the case of cash settled Warrants: a Cash Settlement Amount equal to:][Insert in the case of physically settled Warrants: the Entitlement, being the quantity of [specify relevant assets] (the "Relevant Assets") equal to:]</i></p> <p>Final Payouts</p> <p>[Exchange Traded Securities (ETS) Final Payouts]</p> <p>Investment Products:</p> <p>[Yield Enhancement: fixed term products which have a fixed return if certain conditions (including [a cap] [,] [knock-out features] [and] [an automatic early redemption features]) relating to the Underlying Reference(s) is met. There is [total]/[partial]/[no capital protection]</p> <p>[ETS Final Payout 1250/4]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[Participation: fixed term products which have a return linked to the performance of the Underlying Reference(s). The calculation of the return may be based on various mechanisms (including a [knock-in]/[knock-out] feature). There is [total]/[partial]/[no capital protection]</p> <p>[ETS Final Payout 1320/1]</p> <p><i>(Description and formula to be inserted)</i></p> <p>Leverage Products:</p> <p>[Leverage: [fixed term] [open ended] products which have a return linked to the [linear]/[non-linear] performance of the Underlying Reference. The calculation of the return is based on various mechanisms (including knock-out features). There is no capital protection.]</p> <p>[ETS Final Payout 2100]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[ETS Final Payout 2200/1]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[ETS Final Payout 2200/2]</p> <p><i>(Description and formula to be inserted)</i></p>

Element	Title	
		<p>[ETS Final Payout 2210]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[Constant Leverage: [fixed term] [open ended] products which have a return calculated by reference to a fixed daily leverage on the positive or negative performance of the Underlying Reference(s). There is no capital protection.]</p> <p>[ETS Final Payout 2300]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[Structured Products Securities (SPS) Final Payouts]</p> <p>[Reverse Convertible Securities: fixed term products which have a return linked to both the performance of the Underlying Reference(s) and a knock-in level. There is no capital protection.]</p> <p>[SPS Final Payout 3000 – Reverse Convertible Securities]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[Vanilla Securities: fixed term products which have a return linked to the performance of the Underlying Reference(s). The return calculation can be based on various mechanisms [(including a [knock-in]/[knock-out] feature)]. There is [total]/[partial]/[no capital protection].]</p> <p>[SPS Final Payout 3001 – Vanilla Call Securities]</p> <p><i>(Description and formula to be inserted)</i></p> <p>Entitlement Amount</p> <p>[Rounding and Residual Amount]</p> <p>The Entitlement Amount will be rounded down to the nearest unit of each Relevant Asset capable of being delivered and in lieu thereof the Issuer will pay an amount equal to the Rounding and Residual Amount.]</p> <p>Automatic Early Redemption/Expiration</p> <p><i>[Insert if Delivery of Worst-Performing Underlying or Delivery of Best-Performing Underlying is specified:</i></p> <p><i>[If the Securities are Certificates, insert: Automatic Early Redemption]/[If the Securities are Warrants, insert: Automatic Early Expiration]</i></p> <p>If [on any [Automatic Early Redemption Valuation Date][Automatic Early Expiration Valuation Date]][in respect of an [Automatic Early Redemption Valuation Period][Automatic Early Expiration Valuation Period] an [Automatic Early Redemption Event] [Automatic Early Expiration Event] occurs, the Securities will be [redeemed early] [cancelled] at [the Automatic</p>

Element	Title	
		<p>Early Redemption Amount] [Automatic Early Expiration Payout Amount] on the [Automatic Early Redemption Date] [Automatic Early Expiration Date].</p> <p>[Insert in the case of Certificates: The Automatic Early Redemption Amount will be [equal to the product of [●] (the "Notional Amount") and [●] (the "AER Rate"))/[an amount equal to:]]</p> <p>[Insert in the case of Warrants: The Automatic Early Expiration Payout Amount will be equal to:]</p> <p>[Automatic Early Redemption Payout 2200/1]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[Automatic Early Redemption Payout 2200/2]</p> <p><i>(Description and formula to be inserted)]</i></p> <p>[Automatic Early Redemption Payout 2210/1]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[Automatic Early Redemption Payout 2210/2]</p> <p><i>(Description and formula to be inserted)</i></p> <p>[SPS Automatic Early Redemption Payout]</p> <p><i>(Description and formula to be inserted)</i></p> <p>["Automatic Early Redemption Event"] ["Automatic Early Expiration Event"] means the [insert in the case of a single Underlying: Underlying Reference Level][insert in the case of a Basket of Underlying References: the Basket Price] is [greater than][greater than or equal to][less than][less than or equal to] [insert Level][that at the Observation Time(s) on an Automatic Early Redemption Valuation Date the Observation Price is [less than or equal to][greater than or equal to] the applicable Security Threshold].</p> <p>["Automatic Early Redemption Valuation Date"] ["Automatic Early Expiration Valuation Date"] means [●], subject to adjustment.]</p> <p>["Automatic Early Redemption Date"] ["Automatic Early Expiration Date"] means [●], subject to adjustment.]]</p> <p>[The above provisions are subject to adjustment as provided in the conditions of the Securities to take into account events in relation to the Underlying Reference or the Securities. This may lead to adjustments being made to the Securities [or, in some cases, the Securities being terminated early at an early redemption amount (see item C.9)].]</p>
C.19	Final reference price of the	Where the amount payable or assets deliverable on redemption or settlement of the Securities is determined by reference to one or more Underlying Reference,

Element	Title	
	Underlying	<p>the final reference price of the Underlying Reference will be determined in accordance with the valuation mechanics set out in Element C.18 above.</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, there is no final reference price of the Underlying.] [The final reference price of the underlying will be determined in accordance with the valuation mechanics set out in Element C.18 above]</p>
C.20	Underlying Reference	<p>One or more index, share, global depositary receipt ("GDR"), American depositary receipt ("ADR"), interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or other exchange traded product (each an "exchange traded instrument"), debt instrument, commodity and/or commodity index, currency, or futures contract.</p> <p>The Underlying Reference(s) in relation to a Tranche of Securities will be specified in the applicable Final Terms. The applicable Final Terms will specify where information on the Underlying Reference(s) can be obtained.</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, there is no underlying]</p> <p>[The Underlying Reference specified in Element C.9 above. Information on the Underlying Reference can be obtained from [●].]</p>

Section D - Risks

Element	Title	
D.2	Key risks regarding the Issuer [and the Guarantor]	<p>Prospective purchasers of Securities issued under this Base Prospectus should be experienced with respect to options and options transactions and should understand the risks of transactions involving the Securities. An investment in Securities presents certain risks that should be taken into account before any investment decision is made. Certain risks may affect the Issuer's ability to fulfil its obligations under the Securities or the Guarantor's ability to perform its obligations under the Guarantee (in the case of Securities issued by BNPP B.V.), some of which are beyond its control. In particular, the Issuer (and the Guarantor, in the case of Securities issued by BNPP B.V.), together with the BNPP Group, are exposed to the risks associated with its activities, as described below:</p> <p><i>In relation to the Issuer</i></p> <p><i>In respect of BNPP B.V.:</i></p> <p>The main risks described above in relation to BNPP also represent the main risks for BNPP B.V., either as an individual entity or a company in the BNPP Group.</p> <p><i>Dependency Risk</i></p> <p>BNPP B.V. is an operating company. The assets of BNPP B.V. consist of the obligations of other BNPP Group entities. The ability of BNPP B.V. to meet its own obligations will depend on the ability of other BNPP Group entities to fulfil their obligations. In respect of securities it issues, the ability of BNPP B.V. to meet its obligations under such securities depends on the receipt by it of payments under certain hedging agreements that it enters with other BNPP Group entities. Consequently, Holders of BNPP B.V. securities will, subject to the provisions of the Guarantee issued by BNPP, be exposed to the ability of BNP Group entities to perform their obligations under such hedging agreements.</p> <p><i>Credit Risk</i></p> <p>BNPP B.V. has significant concentration of credit risks as all OTC contracts, option and swap agreements are acquired from its parent company and other BNPP Group entities and such credit risks amount to EUR 48.3 billion as at 31 December 2016.</p> <p><i>Liquidity Risk</i></p> <p>BNPP B.V. has significant liquidity risk exposure. To mitigate this exposure, BNPP B.V. entered into netting agreements with its parent company and other BNPP Group entities. The remaining risk amounts to EUR 1.8 million as at 31 December 2016.</p>

Element	Title	
		<p><i>In relation to the Issuer / Guarantor</i></p> <p><i>In respect of BNPP:</i></p> <p>There are certain factors that may affect BNPP's ability to fulfil its obligations under the Securities issued under this Base Prospectus [and the Guarantor's obligations under the Guarantee].</p> <p>As defined in BNPP's 2016 Registration Document (in English version) and Annual Financial Report, eleven main categories of risk are inherent in BNPP's activities:</p> <p>(1) <i>Credit Risk</i> - Credit risk is the consequence resulting from the likelihood that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment;</p> <p>(2) <i>Securitisation in the Banking Book</i> - Securitisation means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranching, having the following characteristics:</p> <ul style="list-style-type: none"> • payments made in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; • the subordination of tranches determines the distribution of losses during the life of the risk transfer. <p>Any commitment (including derivatives and liquidity lines) granted to a securitisation operation must be treated as a securitisation exposure. Most of these commitments are held in the prudential banking book;</p> <p>(3) <i>Counterparty Credit Risk</i> - Counterparty credit risk is the translation of the credit risk embedded in financial transactions, investments and/or settlement transactions between counterparties. Those transactions include bilateral contracts such as over-the-counter ("OTC") derivatives contracts as well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions</p> <p>Counterparty risk lies in the event that a counterparty defaults on its obligations to pay the Bank the full present value of the flows relating to a transaction or a portfolio for which the Bank is a net receiver. Counterparty credit risk is also linked to the replacement cost of a derivative or portfolio in the event of counterparty default. Hence, it can be seen as a market risk in case of default or a contingent risk. Counterparty risk arises both from both bilateral activities of BNP Paribas with clients and clearing activities through a clearing house or</p>

Element	Title	
		<p>an external clearer.</p> <p>(4) <i>Market Risk</i> - Market risk is the risk of incurring a loss of value due to adverse trends in market prices or parameters, whether directly observable or not.</p> <p>Observable market parameters include, but are not limited to, exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, and other parameters that can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.</p> <p>Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.</p> <p>In fixed income trading books, credit instruments are valued on the basis of bond yields and credit spreads, which represent market parameters in the same way as interest rates or foreign exchange rates. The credit risk arising on the issuer of the debt instrument is therefore a component of market risk known as issuer risk.</p> <p>Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or goods may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.</p> <p>The market risk related to banking activities encompasses the risk of loss on equity holdings on the one hand, and the interest rate and foreign exchange risks stemming from banking intermediation activities on the other hand;</p> <p>(5) <i>Liquidity Risk</i> - Liquidity risk is the risk that BNPP will not be able to honour its commitments or unwind or settle a position due to the market environment or idiosyncratic factors (i.e. specific to BNP Paribas), within a given timeframe and at a reasonable cost.</p> <p>Liquidity risk reflects the risk of the BNPP Group being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements, across all time horizons, from the short to the long term.</p> <p>This risk may stem from the reduction in funding sources, draw down of funding commitments, a reduction in the liquidity of certain assets, or an increase in cash or collateral margin calls. It may be related to the bank itself (reputation risk) or to external factors (risks in some markets).</p> <p>(6) <i>Operational Risk</i> - Operational risk is the risk of incurring a loss due</p>

Element	Title	
		<p>to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Management of operational risk is based on an analysis of the "cause – event – effect" chain.</p> <p>Internal processes giving rise to operational risk may involve employees and/or IT systems. External events include, but are not limited to floods, fire, earthquakes and terrorist attacks. Credit or market events such as default or fluctuations in value do not fall within the scope of operational risk.</p> <p>Operational risk encompasses fraud, human resources risks, legal risks, non-compliance risks, tax risks, information system risks, conduct risks (risks related to the provision of inappropriate financial services), risk related to failures in operating processes, including loan procedures or model risks, as well as any potential financial implications resulting from the management of reputation risks;</p> <p>(7) <i>Compliance and Reputation Risk</i> - Compliance risk is defined in French regulations as the risk of legal, administrative or disciplinary sanctions, of significant financial loss or reputational damage that a bank may suffer as a result of failure to comply with national or European laws and regulations, codes of conduct and standards of good practice applicable to banking and financial activities, or instructions given by an executive body, particularly in application of guidelines issued by a supervisory body.</p> <p>By definition, this risk is a sub-category of operational risk. However, as certain implications of compliance risk involve more than a purely financial loss and may actually damage the institution's reputation, BNPP treats compliance risk separately.</p> <p>Reputation risk is the risk of damaging the trust placed in a corporation by its customers, counterparties, suppliers, employees, shareholders, supervisors and any other stakeholder whose trust is an essential condition for the corporation to carry out its day-to-day operations.</p> <p>Reputation risk is primarily contingent on all the other risks borne by BNPP;</p> <p>(8) <i>Insurance Risk</i> - BNP Paribas Cardif is exposed to the following risks:</p> <ul style="list-style-type: none"> • market risk, risk of a financial loss arising from adverse movements of financial markets. These adverse movements are notably reflected in prices (foreign exchange rates, bond prices, equity and commodity prices, derivatives prices, real estate prices...) and derived from fluctuations in interest rates, credit spreads, volatility and correlation;

Element	Title	
		<ul style="list-style-type: none"> • credit risk, risk of loss resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which insurance and reinsurance undertakings are exposed. Among the debtors, risks related to financial instruments (including the banks in which the Company holds deposits) and risks related to receivables generated by the underwriting activities (premium collection, reinsurance recovering...) are distinguished into two categories: “Asset Credit Risk” and “Liabilities Credit Risk”; • underwriting risk is the risk of a financial loss caused by an adverse trend in insurance claims. Depending on the type of insurance business (life, personal risk or annuities), this risk may be statistical, macroeconomic or behavioural, or may be related to public health issues or natural disasters. It is not the main risk factor arising in the life insurance business, where financial risks are predominant. • operational risk is the risk of loss resulting from the inadequacy or failure of internal processes, IT failures or deliberate external events, whether accidental or natural. The external events mentioned in this definition include those of human or natural origin. <p>(a) 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 BNPP's financial condition, results of operations and cost of risk.</p> <p>(b) The United Kingdom's referendum to leave the European Union may lead to significant uncertainty, volatility and disruption in European and broader financial and economic markets and hence may adversely affect BNPP's operating environment.</p> <p>(c) Due to the geographic scope of its activities, BNPP may be vulnerable to country or regional-specific political, macroeconomic and financial environments or circumstances.</p> <p>(d) BNPP's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.</p> <p>(e) Significant interest rate changes could adversely affect BNPP's revenues or profitability.</p> <p>(f) The prolonged low interest rate environment carries inherent</p>

Element	Title	
		<p>systemic risks, and an exit from such environment also carries risks.</p> <p>(g) The soundness and conduct of other financial institutions and market participants could adversely affect BNPP.</p> <p>(h) BNPP may incur significant losses on its trading and investment activities due to market fluctuations and volatility.</p> <p>(i) BNPP may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.</p> <p>(j) Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.</p> <p>(k) Laws and regulations adopted in recent years, particularly in response to the global financial crisis may materially impact BNPP and the financial and economic environment in which it operates.</p> <p>(l) BNPP is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.</p> <p>(m) BNPP may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.</p> <p>(n) There are risks related to the implementation of BNPP's strategic plans.</p> <p>(o) BNPP may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions.</p> <p>(p) Intense competition by banking and non-banking operators could adversely affect BNPP's revenues and profitability.</p> <p>(q) A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNPP's results of operations and financial condition.</p> <p>(r) BNPP's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.</p> <p>(s) BNPP's hedging strategies may not prevent losses.</p>

Element	Title	
		<p>(t) Adjustments to the carrying value of BNPP's securities and derivatives portfolios and BNPP's own debt could have an impact on its net income and shareholders' equity.</p> <p>(u) The expected changes in accounting principles relating to financial instruments may have an impact on BNPP's balance sheet and regulatory capital ratios and result in additional costs.</p> <p>(v) BNPP's competitive position could be harmed if its reputation is damaged.</p> <p>(w) An interruption in or a breach of BNPP's information systems may result in material losses of client or customer information, damage to BNPP's reputation and lead to financial losses.</p> <p>(x) Unforeseen external events may disrupt BNPP's operations and cause substantial losses and additional costs.</p> <p><i>Issue Specific Summary</i></p> <p><i>[Where BNPP B.V. is the Issuer, please insert the above-paragraph(s) related to BNPP B.V. as Issuer and insert the above-paragraph(s) related to BNPP as Guarantor. Where BNPP is the Issuer, please insert the above-paragraph(s) related to BNPP as Issuer and delete the above-paragraph(s) related to BNPP B.V. as Issuer.]</i></p>
D.3	Key risks regarding the Securities	<p>In addition to the risks (including the risk of default) that may affect the Issuer's ability to fulfil its obligations under the Securities or the Guarantor is ability to perform its obligations under the Guarantee, there are certain factors which are material for the purposes of assessing the risks associated with Securities issued under this Base Prospectus, including:</p> <p><i>Market Risks</i></p> <p>(i) the Securities are unsecured obligations;</p> <p>(ii) Securities including leverage involve a higher level of risk and whenever there are losses on such Securities those losses may be higher than those of a similar security which is not leveraged;</p> <p>(iii) Bull and Bear Certificates (ETS Final Payout 2300) are designed for short term trading or intraday trading only because they are valued on the basis of their compounded daily performance;</p> <p>(iv) the trading price of the Securities is affected by a number of factors including, but not limited to, (in respect of Securities linked to an Underlying Reference) the price of the relevant Underlying</p>

Element	Title	
		<p>Reference(s), time to expiration or redemption and volatility and such factors mean that the trading price of the Securities may be below the Cash Settlement Amount or value of the Entitlement;</p> <p>(v) exposure to the Underlying Reference in many cases will be achieved by the relevant Issuer entering into hedging arrangements and, in respect of Securities linked to an Underlying Reference, potential investors are exposed to the performance of these hedging arrangements and events that may affect the hedging arrangements and consequently the occurrence of any of these events may affect the value of the Securities;</p> <p>(vi) there are specific risks in relation to Securities linked to an Underlying Reference from an emerging or developing market (including, without limitation, risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation and uncertainties as to status, interpretation and applicable laws, increased custodian costs and administrative difficulties and higher probability of the occurrence of a disruption or adjustment event). Securities traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile.</p> <p><i>Holder Risks</i></p> <p>(vii) the Securities may have a minimum trading amount and if, following the transfer of any Securities, a Holder holds fewer Securities than the specified minimum trading amount, such Holder will not be permitted to transfer their remaining Securities prior to expiration or redemption, as applicable, without first purchasing enough additional Securities in order to hold the minimum trading amount;</p> <p>(viii) limitations on the exercise of Warrants may mean that a Holder is not able to exercise all the Warrants that it desires to exercise on a particular date where the Issuer has the option to limit the number of Warrants exercisable on any date or may be required to sell or purchase Warrants (incurring transaction costs in each case) in order to realise its investment where a minimum number of Warrants must be exercised;</p> <p>(ix) changes in the Cash Settlement Amount during the time lag between a Holder giving instructions to exercise and determination of the Cash Settlement Amount could decrease the Cash Settlement Amount;</p> <p>(x) the meetings of Holders provisions permit defined majorities to bind all Holders;</p> <p>(xi) in certain circumstances Holders may lose the entire value of their investment;</p>

Element	Title	
		<p><i>Issuer/Guarantor Risks</i></p> <p>(xii) if so indicated in the Final Terms the Issuer may, in good faith and in a commercially reasonable manner, elect to vary the settlement of the Securities;</p> <p>(xiii) Open End Certificates and OET Certificates do not have any pre-determined maturity and may be redeemed on any date determined by the relevant Issuer, acting in good faith and in commercially reasonable manner and investment in such Open End Certificates and OET Certificates entails additional risks compared with other Certificates due to the fact that the redemption date cannot be determined by the investor;</p> <p>(xiv) a reduction in the rating, if any, accorded to outstanding debt securities of the Issuer or Guarantor (if applicable) by a credit rating agency could result in a reduction in the trading value of the Securities;</p> <p>(xv) certain conflicts of interest may arise (see Element E.4 below);</p> <p><i>Legal Risks</i></p> <p>(xvi) settlement may be postponed following the occurrence or existence of a Settlement Disruption Event and, in these circumstances, the Issuer may pay a Disruption Cash Settlement Price (which may be less than the fair market value of the Entitlement) in lieu of delivering the Entitlement;</p> <p>(xvii) the occurrence of an additional disruption event or optional additional disruption event may lead to an adjustment to the Securities, cancellation (in the case of Warrants) or early redemption (in the case of Certificates) or may result in the amount payable on scheduled redemption being different from the amount expected to be paid on settlement (in the case of Warrants) or be paid at scheduled redemption (in the case of Certificates) and consequently the occurrence of an additional disruption event and/or optional additional disruption event may have an adverse effect on the value or liquidity of the Securities;</p> <p>(xviii) expenses and taxation may be payable in respect of the Securities;</p> <p>(xix) the Securities may be cancelled (in the case of Warrants) or redeemed (in the case of Certificates) in the case of illegality or impracticability and such cancellation or redemption may result in an investor not realising a return on an investment in the Securities;</p> <p>(xx) any judicial decision or change to an administrative practice or change to French law, as applicable, after the date of the Base Prospectus could materially adversely impact the value of any Securities affected</p>

Element	Title	
		<p>by it;</p> <p>(xxi) in certain circumstances at the commencement of an offer period in respect of Securities but prior to the issue date, certain specific information (specifically any of the issue price, fixed Rate of Interest, Minimum Interest Rate and/or Maximum Interest Rate payable, the Margin applied to the floating rate of interest payable, the Gearing applied to the interest or final payout, issue price, the AER Exit Rate used if an Automatic Early Exercise Event occurs, any Constant Percentage (being any of Constant Percentage, Constant Percentage 1, Constant Percentage 2) component of the final payout (which will be payable if certain conditions are met, as set out in the Payout Conditions) and/or the Knock-in Level and/or Knock-out Level used to ascertain whether a Knock-in Event or Knock-out Event, as applicable, has occurred) may not be known but the Final Terms will specify an indicative range. In these circumstances, prospective investors will be required to make their decision to purchase Securities on the basis of that range prior to the actual issue price, Rate of Interest, Minimum Interest Rate, Maximum Interest Rate, Margin, Gearing, AER Exit Rate, issue price, AER Exit Rate, any Constant Percentage, Knock-in Level and/or Knock-out Level, as applicable, which will apply to the Securities being notified to them. Notice of the actual rate, level or percentage, as applicable, will be published in the same manner as the publication of the Final Terms;</p> <p><i>Secondary Market Risks</i></p> <p>(xxii) the only means through which a Holder can realise value from the Security prior to its Exercise Date or Redemption Date, as applicable is to sell it at its then market price in an available secondary market and that there may be no secondary market for the Securities (which could mean that an investor has to exercise or wait until redemption of the Securities to realise a greater value than its trading value);</p> <p>(xxiii) an active secondary market may never be established or may be illiquid and this may adversely affect the value at which an investor may sell its Securities (investors may suffer a partial or total loss of the amount of their investment); and</p> <p>(xxiv) for certain issues of Securities, BNP Paribas Arbitrage S.N.C. is required to act as market-maker. In those circumstances, BNP Paribas Arbitrage S.N.C. will endeavour to maintain a secondary market throughout the life of the Securities, subject to normal market conditions and will submit bid and offer prices to the market. The spread between bid and offer prices may change during the life of the Securities. However, during certain periods, it may be difficult, impractical or impossible for BNP Paribas Arbitrage S.N.C. to quote bid and offer prices, and during such periods, it may be difficult, impracticable or impossible to buy or sell these Securities. This may,</p>

Element	Title	
		<p>for example, be due to adverse market conditions, volatile prices or large price fluctuations, a large marketplace being closed or restricted or experiencing technical problems such as an IT system failure or network disruption.</p> <p><i>Risks relating to Underlying Reference Asset(s)</i></p> <p>In addition, there are specific risks in relation to Securities which are linked to an Underlying Reference (including Hybrid Securities) and an investment in such Securities will entail significant risks not associated with an investment in a conventional debt security. Risk factors in relation to Underlying Reference linked Securities include:</p> <p>(xxv) in the case of Index Securities, exposure to one or more index, adjustment events and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Securities;</p> <p>(xxvi) in the case of Share Securities, exposure to one or more share, similar market risks to a direct equity investment, global depositary receipt ("GDR") or American depositary receipt ("ADR"), potential adjustment events or extraordinary events affecting shares and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Securities;</p> <p>(xxvii) in the case of Commodity Securities, exposure to one or more commodity and/or commodity index, similar market risks to a direct commodity investment, market disruption and adjustment events which may have an adverse effect on the value or liquidity of the Securities, delays to the determination of the final level of a commodity index resulting in delays to the payment of the Cash Settlement Amount;</p> <p>(xxviii) in the case of ETI Securities, exposure to one or more interests in an exchange traded fund, exchange traded note, exchange traded commodity or other exchange traded product (each an "exchange traded instrument"), similar market risks to a direct exchange traded instrument investment, that the amount payable on ETI Securities may be less and in certain circumstances may be significantly less than the return from a direct investment in the relevant ETI(s), potential adjustment events or extraordinary events affecting exchange traded instruments and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Securities;</p> <p>(xxix) in the case of Currency Securities, exposure to a currency, similar market risks to a direct currency investment and market disruption;</p> <p>(xxx) in the case of Futures Securities, exposure to a futures contract, similar market risks to a direct futures contract investment, market</p>

Element	Title	
		<p>disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Securities;</p> <p>(xxxi) in the case of Debt Securities, exposure to a debt instrument, similar market risks to a direct debt instrument investment and market disruption;</p> <p>(xxxii) in the case of Debt Securities or Index Securities where Futures Price Valuation is applicable, exposure to a futures or options contract relating to a synthetic debt instrument (in the case of Debt Securities) or an index (in the case of Index Securities), similar market risks to a direct investment in such futures or options contract and market disruption; and</p> <p>(xxxiii) that unless otherwise specified in the applicable Final Terms the Issuer will not provide post-issuance information in relation to the Underlying Reference.</p> <p><i>Risks relating to specific types of products</i></p> <p>(a) The following risks are associated with ETS Products</p> <p>(i) Yield Enhancement Products</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether a cap, knock-out and/or automatic early redemption features apply.</p> <p>(ii) Participation Products</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early redemption features apply.</p> <p>(iii) Leverage Products</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early redemption features apply. Additionally, the return may depend on other market factors such as interest rates, the implied volatility of the Underlying Reference(s) and the time remaining until redemption. The effect of leverage on the Securities may be either positive or negative.</p> <p>(iv) Constant Leverage Products</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the daily performance of the Underlying Reference(s) and the operation of an automatic early redemption feature.</p>

Element	Title	
		<p>Constant Leverage Products are generally suited to short term investments intraday or over a few days. Investments held for a longer period of time may be affected by volatile market conditions which may have a negative impact on the performance of the Underlying Reference(s).</p> <p>(b) The following risks are associated with SPS Products</p> <p>(i) Reverse Convertible Products</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether a knock-in event occurs.</p> <p>(ii) Vanilla Products</p> <p>Investors may be exposed to a partial or total loss of their investment. The return depends on the performance of the Underlying Reference(s) and whether knock-in or knock-out features apply.</p> <p>In respect of an issue of Securities, further risks relevant to such Securities which are set out in the "Risk Factors" section of the Base Prospectus may be summarised in the relevant issue specific summary annexed to the applicable Final Terms.</p> <p><i>Issue Specific Summary</i></p> <p>In addition to the risks (including the risk of default) that may affect the Issuer's ability to fulfil its obligations under the Securities [or the Guarantor's ability to perform its obligations under the Guarantee], there are certain factors which are material for the purposes of assessing the risks associated with Securities issued under the Base Prospectus, including:</p> <p><i>[Market Risks</i></p> <p>[Securities are unsecured obligations;]</p> <p>[Securities including leverage involve a higher level of risk and whenever there are losses on such Securities those losses may be higher than those of a similar security which is not leveraged;]</p> <p>[Bull and Bear Certificates (ETS Final Payout 2300) are designed for short term trading or intraday trading only because they are valued on the basis of their compounded daily performance;]</p> <p>[the trading price of the Securities is affected by a number of factors including, but not limited to, (in respect of Securities linked to an Underlying Reference) the price of the relevant Underlying Reference(s), time to [expiration] [redemption] volatility and such factors mean that the trading price of the Securities may be below the Cash Settlement Amount or value of the Entitlement;]</p> <p>[exposure to the Underlying Reference in many cases will be achieved by the</p>

Element	Title	
		<p>Issuer entering into hedging arrangements and, in respect of Securities linked to an Underlying Reference, potential investors are exposed to the performance of these hedging arrangements and events that may affect the hedging arrangements and consequently the occurrence of any of these events may affect the value of the Securities;]</p> <p>[there are specific risks in relation to Securities linked to an Underlying Reference from an emerging or developing market (including, without limitation, risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation and uncertainties as to status, interpretation and applicable of laws, increased custodian costs and administrative difficulties and higher probability of the occurrence of a disruption or adjustment event). Securities traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile;]</p> <p><i>[Holder Risks]</i></p> <p>[the Securities may have a minimum trading amount and if, following the transfer of any Securities, a Holder holds fewer Securities than the specified minimum trading amount, such Holder will not be permitted to transfer their remaining Securities prior to [expiration] [redemption] without first purchasing enough additional Securities in order to hold the minimum trading amount;]</p> <p>[limitations on the exercise of Warrants may mean that a Holder is not able to exercise all the Warrants that it desires to exercise on a particular date where the Issuer has the option to limit the number of Warrants exercisable on any date or may be required to sell or purchase Warrants (incurring transaction costs in each case) in order to realise its investment where a minimum number of Warrants must be exercised;]</p> <p>[changes in the Cash Settlement Amount during the time lag between a Holder giving instructions to exercise and determination of the Cash Settlement Amount could decrease the Cash Settlement Amount;]</p> <p>[the meetings of Holders provisions permit defined majorities to bind all Holders;]</p> <p>[in certain circumstances Holders may lose the entire value of their investment;]]</p> <p><i>[Issuer[/Guarantor] Risks]</i></p> <p>[if so indicated in the Final Terms the Issuer may, in good faith and in a commercially reasonable manner, elect to vary the settlement of the Securities;]</p> <p>[Open End Certificates and OET Certificates do not have any pre-determined maturity and may be redeemed on any date determined by the Issuer, acting in</p>

Element	Title	
		<p>good faith and in a commercially reasonable manner, and investment in such Open End Certificates and OET Certificates entails additional risks compared with other Certificates due to the fact that the redemption date cannot be determined by the investor;]</p> <p>[a reduction in the rating, if any, accorded to outstanding debt securities of the Issuer or Guarantor(if applicable) by a credit rating agency could result in a reduction in the trading value of the Securities;]</p> <p>[certain conflicts of interest may arise (see Element E.4 below);]</p> <p><i>[Legal Risks]</i></p> <p>[settlement may be postponed following the occurrence or existence of a Settlement Disruption Event and, in these circumstances, the Issuer may pay a Disruption Cash Settlement Price (which may be less than the fair market value of the Entitlement) in lieu of delivering the Entitlement;]</p> <p>[the occurrence of an additional disruption event or optional additional disruption event may lead to an adjustment to the Securities, [cancellation] [early redemption] or may result in the amount payable on scheduled redemption being different from the amount expected to be paid [on settlement] [at scheduled redemption] and consequently the occurrence of an additional disruption event and/or optional additional disruption event may have an adverse effect on the value or liquidity of the Securities;]</p> <p>[expenses and taxation may be payable in respect of the Securities;]</p> <p>[the Securities may be [cancelled] [redeemed] in the case of illegality or impracticability and such [cancellation] [redemption] may result in an investor not realising a return on an investment in the Securities;]</p> <p>[any judicial decision or change to an administrative practice or change to French law, as applicable, after the date of the Base Prospectus could materially adversely impact the value of any Securities affected by it;]</p> <p>[At the commencement of the offer period, the [issue price] [fixed Rate of Interest,] [Minimum Interest Rate] [Maximum Interest Rate] [Margin] [Gearing] [AER Exit Rate] [Constant Percentage [1][2]] [Knock-in Level] [Knock-out Level] will not be known but the Final Terms will specify an indicative range. Prospective investors are required to make their decision to purchase the Securities on the basis of that indicative range prior to the actual [issue price] [Rate of Interest][Minimum Interest Rate][Maximum Interest Rate][Margin][Gearing][AER Exit Rate][Constant Percentage [1][2]] [Knock-in Level][Knock-out Level] which will apply to the Securities being notified to them. Notice of the actual rate, level or percentage, as applicable, will be published in the same manner as the publication of the Final Terms;]</p> <p><i>[Secondary Market Risks]</i></p> <p>[the only means through which a Holder can realise value from the Security</p>

Element	Title	
		<p>prior to its [Exercise Date] [Redemption Date] is to sell it at its then market price in an available secondary market and that there may be no secondary market for the Securities (which could mean that an investor has to exercise or wait until redemption of the Securities to realise a greater value than its trading value);]</p> <p>[an active secondary market may never be established or may be illiquid and this may adversely affect the value at which an investor may sell its Securities (investors may suffer a partial or total loss of the amount of their investment)].]</p> <p>[BNP Paribas Arbitrage S.N.C. is required to act as market-maker in respect of the Securities. BNP Paribas Arbitrage S.N.C. will endeavour to maintain a secondary market throughout the life of the Securities, subject to normal market conditions and will submit bid and offer prices to the market. The spread between bid and offer prices may change during the life of the Securities. However, during certain periods, it may be difficult, impractical or impossible for BNP Paribas Arbitrage S.N.C. to quote bid and offer prices, and during such periods, it may be difficult, impracticable or impossible to buy or sell these Securities. This may, for example, be due to adverse market conditions, volatile prices or large price fluctuations, a large marketplace being closed or restricted or experiencing technical problems such as an IT system failure or network disruption.]</p> <p><i>[Risks relating to Underlying Reference Asset(s)]</i></p> <p>In addition, there are specific risks in relation to Securities which are linked to an Underlying Reference [(including Hybrid Securities)] and an investment in such Securities will entail significant risks not associated with an investment in a conventional debt security. Risk factors in relation to Underlying Reference linked Securities include:</p> <p><i>[Insert in the case of Index Securities: exposure to one or more index, adjustment events and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Securities]</i></p> <p><i>[Insert in the case of Share Securities: exposure to one or more share, similar market risks to a direct equity investment, global depositary receipt ("GDR") or American depositary receipt ("ADR"), potential adjustment events or extraordinary events affecting shares and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Securities]</i></p> <p><i>[Insert in the case of Commodity Securities: exposure to one or more commodity and/or commodity index, similar market risks to a direct commodity investment, market disruption and adjustment events which may have an adverse effect on the value or liquidity of the Securities, delays to the determination of the final level of a commodity index resulting in delays to the payment of the Cash Settlement Amount]</i></p> <p><i>[Insert in the case of ETI Securities: exposure to one or more interests in an</i></p>

Element	Title	
		<p>exchange traded fund, exchange traded note, exchange traded commodity or other exchange traded product (each an "exchange traded instrument"), similar market risks to a direct exchange traded instrument investment, that the amount payable on ETI Securities may be less and in certain circumstances may be significantly less than the return from a direct investment in the relevant ETI(s), potential adjustment events or extraordinary events affecting exchange traded instruments and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Securities]</p> <p><i>[Insert in the case of Currency Securities: exposure to a currency, similar market risks to a direct currency investment and market disruption]</i></p> <p><i>[Insert in the case of Futures Securities: exposure to a futures contract, similar market risks to a direct futures contract investment, market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Securities]</i></p> <p><i>[Insert in the case of Debt Securities: exposure to a debt instrument, similar market risks to a direct debt instrument investment and market disruption]</i></p> <p><i>[Insert in the case of Debt Securities or Index Securities where Futures Price Valuation is applicable: exposure to a futures or options contract relating to [Insert in the case of Debt Securities: a synthetic debt instrument][Insert in the case of Index Securities: an index], similar market risks to a direct investment in such futures or options contract and market disruption][and that the Issuer will not provide post-issuance information in relation to the Underlying Reference].</i></p> <p><i>[Risks relating to specific types of products]</i></p> <p>[The following risks are associated with ETS Products]</p> <p>[Yield Enhancement Products]</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) [and the application of [a cap] [and][,] [knock-out] [and] [automatic early redemption] features].]</p> <p>[Participation Products]</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) [and the application of [knock-in][knock-out][automatic early redemption] features].]</p> <p>[Leverage Products]</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying</p>

Element	Title	
		<p>Reference(s) [and the application of [knock-in][knock-out][automatic early redemption] features]. Additionally, the return may depend on other market factors such as interest rates, the implied volatility of the Underlying Reference(s) and the time remaining until [redemption] [exercise (in the case of European Style Warrants)]. The effect of leverage on the Securities may be either positive or negative.]</p> <p>[Constant Leverage Products]</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the daily performance of the Underlying Reference(s) and the operation of an automatic early redemption feature. Constant Leverage Products are generally suited to short term investments intraday or over a few days. Investments held for a longer period of time may be affected by volatile market conditions which may have a negative impact on the performance of the Underlying Reference(s).]</p> <p>[The following risks are associated with SPS Products:</p> <p>[Reverse Convertible Products]</p> <p>Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether a knock-in event occurs.]</p> <p>[Vanilla Products]</p> <p>Investors may be exposed to a partial or total loss of their investment. The return depends on the performance of the Underlying Reference(s) [and the application of [knock-in][knock-out] features.]]</p> <p><i>[Summarise any further risks from the Risk Factors section of the Base Prospectus relevant to a specific issue of Securities.]]</i></p>
D.6	Risk warning	<p>See Element D.3 above.</p> <p>In the event of the insolvency of an Issuer or if it is otherwise unable or unwilling to repay the Securities when repayment falls due, an investor may lose all or part of his investment in the Securities. If the Securities are guaranteed and the Guarantor is unable or unwilling to meet its obligations under the Guarantee when due, an investor may lose all or part of his investment in the Securities. In addition, in the case of Securities linked to an Underlying Reference, investors may lose all or part of their investment in the Securities as a result of the terms and conditions of those Securities.</p> <p><i>Issue Specific Summary</i></p> <p>[See Element D.3 above.]</p>

Element	Title	
		<p>In the event of the insolvency of the Issuer or if it is otherwise unable or unwilling to repay the Securities when repayment falls due, an investor may lose all or part of his investment in the Securities.</p> <p><i>[Insert where BNPP B.V. is the Issuer: If the Guarantor is unable or unwilling to meet its obligations under the Guarantee when due, an investor may lose all or part of his investment in the Securities.]</i></p> <p><i>[In the case of Securities which are not principal protected insert: In addition, investors may lose all or part of their investment in the Securities as a result of the terms and conditions of the Securities.]</i></p>

Section E - Offer

Element	Title	
E.2b	Reasons for the offer and use of proceeds	<p>The net proceeds from the issue of the Securities will become part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.</p> <p><i>Issue Specific Summary</i></p> <p>[The net proceeds from the issue of the Securities will become part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.] / [●].</p>
E.3	Terms and conditions of the offer	<p>Under the programme, the Securities may be offered to the public in a Non-exempt Offer in Belgium, Denmark, Finland, France, Luxembourg, the Netherlands, Spain and Sweden.</p> <p>The terms and conditions of each offer of Securities will be determined by agreement between the Issuer and the relevant Managers at the time of issue and specified in the applicable Final Terms. An Investor intending to acquire or acquiring any Securities in a Non-exempt Offer from an Authorised Offeror will do so, and offers and sales of such Securities to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.</p> <p><i>Issue Specific Summary</i></p> <p>[This issue of Securities is being offered in a Non-exempt Offer in <i>[specify particular country/ies]</i>.]</p> <p>The issue price of the Securities is [●] per cent. of their nominal amount.</p>
E.4	Interest of natural and legal persons involved in the issue/offer	<p>The relevant Managers may be paid fees in relation to any issue of Securities under the Programme. Any such Manager and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor (if any) and their affiliates in the ordinary course of business.</p> <p>Various entities within the BNPP Group (including the Issuers and Guarantor) and Affiliates may undertake different roles in connection with the Securities, including Issuer of the Securities, Calculation Agent of the Securities, issuer, sponsor or calculation agent of the Underlying Reference(s) and may also engage in trading activities (including hedging activities) relating to the Underlying Reference and other instruments or derivative products based on or relating to the Underlying Reference which may give rise to potential conflicts of interest.</p>

Element	Title	
		<p>The Calculation Agent may be an Affiliate of the relevant Issuer or Guarantor (if any) and potential conflicts of interest may exist between the Calculation Agent and holders of the Securities.</p> <p>The Issuers, Guarantor and their Affiliates may also issue other derivative instruments in respect of the Underlying Reference and may act as underwriter in connection with future offerings of shares or other securities relating to an issue of Securities or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a commercial banking capacity for such companies.</p> <p>In respect of ETI Securities, the relevant Issuer, the Guarantor or one or more of their Affiliates may from time to time engage in business with the relevant ETI or companies in which an ETI invests and may be paid for the provision of such services. This business could present certain conflicts of interest.</p> <p><i>Issue Specific Summary</i></p> <p>[The Managers will be paid aggregate commissions equal to [●] per cent. of the [nominal amount] [issue price] of the Securities.] [Any Manager and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.]</p> <p>[Other than as mentioned above,[and save for [<i>specify any other interest that is material</i>],] so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer, including conflicting interests.]]</p>
E.7	Expenses charged to the investor by the Issuer	<p>It is not anticipated that the Issuer will charge any expenses to investors in connection with any issue of Securities under the Programme.</p> <p><i>Issue Specific Summary</i></p> <p>No expenses are being charged to an investor by the Issuer.</p>

RISK FACTORS

Prospective purchasers of the Securities offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below (which each Issuer, in its reasonable opinion, believes represents or may represent the risk factors known to it which may affect such Issuer's ability to fulfil its obligations under the Securities) in making an investment decision. Investors may lose the value of their entire investment in certain circumstances.

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

Risks Relating to BNPP and its Industry

See the “Risk Factors” section on pages 244 to 253 of the BNPP 2016 Registration Document (as defined below), which is incorporated by reference in this Base Prospectus and which discloses all material risks relating to BNPP's ability to fulfil its obligations under the Securities.

Risk Factor Relating to BNPP B.V.

The main risks described above in relation to BNPP also represent the main risks for BNPP B.V., either as an individual entity or a company of the BNPP Group.

Dependency Risk

BNPP B.V. is an operating company. The assets of BNPP B.V. consist of the obligations of other BNPP Group entities. The ability of BNPP B.V. to meet its own obligations will depend on the ability of other BNPP Group entities to fulfil their obligations. In respect of securities it issues, the ability of BNPP B.V. to meet its obligations under such securities depends on the receipt by it of payments under certain hedging agreements that it enters with other BNPP Group entities. Consequently, Holders of securities issued by BNPP B.V. will, subject to the provisions of the Guarantee issued by BNPP, be exposed to the ability of BNP Group entities to perform their obligations under such hedging agreements.

Credit risk

BNPP B.V. has significant concentration of credit risks as all OTC contracts, option and swap agreements are acquired from its parent company and other BNPP Group entities and such credit risks amount to EUR 48.3 billion as at 31 December 2016.

Liquidity risk

BNPP B.V. has significant liquidity risk exposure. To mitigate this exposure, BNPP B.V. entered into netting agreements with its parent company and other BNPP Group entities. The remaining risk amounts to EUR 1.8 million as at 31 December 2016.

RISK FACTORS RELATING TO SECURITIES

1. General

The Securities involve a high degree of risk, which may include (in addition to the risks relating to the Issuer (including the default risk) and Guarantor's (if any) ability to fulfil their obligations under the Securities to investors) price risks associated with the Underlying Reference (as defined below), among others, interest rate, foreign exchange, inflation, correlation, time value and political risks. Prospective

purchasers of Securities should recognise that their Securities may expire worthless or be redeemed for no value. Purchasers should be prepared to sustain a total loss of the purchase price of their Securities. See "*Certain Factors Affecting the Value and Trading Price of Securities*" below. Prospective purchasers of Securities should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities and the particular underlying index (or basket of indices), share, GDR or ADR (or basket of shares, GDRs and/or ADRs), interests in exchange traded funds, exchange traded notes, exchange traded commodities or other exchange traded products (each an "**exchange traded instrument**" or "**ETI**") (or basket of interests in exchange traded instruments), debt instrument (or baskets of debt instruments) commodity or commodity index (or basket of commodities and/or commodity indices), currency (or basket of currencies), futures contracts (or basket of futures contracts), as specified in the applicable Final Terms (such reference being the "**Underlying Reference**").

The exposure to the Underlying Reference in many cases will be achieved by the relevant Issuer entering into hedging arrangements. Potential investors should be aware that under the terms of Underlying Reference linked Securities they are exposed to the performance of these hedging arrangements and the events that may affect these hedging arrangements and consequently the occurrence of any of these events may affect the value of the Securities.

The risk of the loss of some or all of the purchase price of a Security on expiration or redemption means that, in order to recover and realise a return upon his or her investment, a purchaser of a Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Reference which may be specified in the applicable Final Terms. Assuming all other factors are held constant, the lower the value of a Security and the shorter the remaining term of a Warrant to expiration or a Certificate to redemption, the greater the risk that purchasers of such Securities will lose all or part of their investment. With respect to Certificates or European Style Warrants, the only means through which a Holder can realise value from the Warrant or Certificate, as the case may be, prior to its Exercise Date or Redemption Date in relation to such Warrant or Certificate, as the case may be, is to sell it at its then market price in an available secondary market. See "*Possible Illiquidity of the Securities in the Secondary Market*" below.

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index Securities. Fluctuations in the price of the relevant share, GDR or ADR or value of the basket of shares, GDRs and/or ADRs will affect the value of Share Securities. Fluctuations in the rates of exchange between the relevant currencies will affect the value of Currency Securities. Fluctuations in the price or yield of the relevant debt instrument or value of the basket of debt instruments will affect the value of Debt Securities. Fluctuations in the price of the relevant interest in an exchange traded instrument or value of the basket of interests in exchange traded instruments will affect the value of ETI Securities. Also, the character of the particular market on which a debt instrument is traded, the absence of last sale information and the limited availability of quotations for such debt instrument may make it difficult for many investors to obtain timely, accurate data for the price or yield of such debt instrument. Fluctuations in the value of the relevant commodity or commodity index or basket of commodities and/or commodity indices will affect the value of Commodity Securities. Fluctuations in the value of the relevant futures contracts or basket of futures contracts will affect the value of the Futures Securities. In the case of Hybrid Securities the Underlying Reference in respect of which is any combination of such indices, shares, GDRs, ADRs, interests in exchange traded instruments ("**ETI Interests**"), debt instruments, commodities, currencies, futures contracts, underlying interest rate or

any other asset class or type, fluctuations in the value of any one or more of such Underlying References will correspondingly affect the value of Hybrid Securities. Purchasers of Securities risk losing their entire investment if the value of the relevant Underlying Reference does not move in the anticipated direction.

Each Issuer may issue several issues of Securities relating to various Underlying References. However, no assurance can be given that the relevant Issuer will issue any Securities other than the Securities to which a particular Final Terms relates. At any given time, the number of Securities outstanding may be substantial. Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. In general, certain of the risks associated with Warrants are similar to those generally applicable to other options or warrants of private corporate issuers. Securities on shares, interests in exchange traded instruments or debt instruments are priced primarily on the basis of the value of underlying securities, whilst Securities on currencies and commodities are priced primarily on the basis of present and expected values of the reference currency (or basket of currencies) or commodity (or basket of commodities) specified in the applicable Final Terms.

Claims Against the Underlying Reference

The Securities do not represent a claim against any Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference) and Holders will not have any right of recourse under the Securities to any such Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference). The Securities are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of an Underlying Reference and such entities have no obligation to take into account the consequences of their actions on any Holders.

Securities are Unsecured Obligations

The Securities are unsubordinated and unsecured obligations of the relevant Issuer and will rank *pari passu* with themselves. Each issue of Securities issued by BNPP B.V. will be guaranteed by BNPP pursuant to the Guarantee. The obligations of BNPP under the Guarantee are unsubordinated and unsecured obligations of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations, subject as may from time to time be mandatory under French law.

Certain Factors Affecting the Value and Trading Price of Securities

The trading price of the Securities is affected by a number of factors including, but not limited to, the price or level of the relevant Underlying Reference or Underlying References, the time to expiration or redemption of the Securities and the actual or implied volatility and the correlation risk of the Underlying Reference(s). Such factors may mean that the trading price of the Securities is below the Cash Settlement Amount or the value of the Entitlement, as applicable.

Before exercising (in the case of Warrants) or selling Securities, Holders should carefully consider, among other things, (a) the trading price of the Securities, (b) the value and volatility of the Underlying Reference as specified in the applicable Final Terms, (c) the time remaining to expiration or redemption, as the case may be, (d) in the case of Cash Settled Securities, the probable range of Cash Settlement Amounts, (e) any change(s) in currency exchange rates, (f) the depth of the market or liquidity of the Underlying Reference as specified in the applicable Final Terms and (g) any related transaction costs.

A Security's purchase price may not reflect its inherent value

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

Meetings of Holders

The Terms and Conditions of the Securities contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. The holders of the Securities will, in certain circumstances, be grouped for the defence of their common interests in a separate legal entity called "Masse" (as defined in "Condition 9.4 Meetings of Holders").

The Final Redemption Amount, Cash Settlement Amount or the physical delivery of the Entitlement may be less than the Value of an Investment in the Securities

Each Holder may receive a Final Redemption Amount or Cash Settlement Amount, as applicable, and/or physical delivery of the Entitlement the aggregate value of which may be less than the value of the Holder's investment in the relevant Securities. In certain circumstances Holders may lose the entire value of their investment.

Possible Illiquidity of the Securities in the Secondary Market

It is very difficult to predict the price at which Securities will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list Securities on a stock exchange. Also, to the extent Securities of a particular issue are exercised or redeemed, the number of Securities of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Securities of such issue. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities.

Each Issuer and any manager of an issue of Securities (as applicable to such issue of Securities, each a "**Manager**") may, but is not so obliged, at any time purchase Securities at any price in the open market or by tender or private offer/treaty. Any Securities so purchased may be held or resold or surrendered for cancellation as further described herein. A Manager may be a market-maker for an issue of Securities but it is not obliged to and may cease to do so at any time. Even if a Manager is a market-maker for an issue of Securities, the secondary market for such Securities may be limited. In addition, Affiliates of each Issuer (including the relevant Manager as referred to above) may purchase Securities at the time of their initial distribution and from time to time thereafter.

For certain issues of Securities, BNP Paribas Arbitrage S.N.C. is required to act as market-maker. In those circumstances, BNP Paribas Arbitrage S.N.C. will endeavour to maintain a secondary market throughout the life of the Securities, subject to normal market conditions and will submit bid and offer prices to the market. The spread between bid and offer prices may change during the life of the Securities. However, during certain periods, it may be difficult, impractical or impossible for BNP Paribas Arbitrage S.N.C. to quote bid and offer prices, and during such periods, it may be difficult, impracticable or impossible to buy or sell these Securities. This may, for example, be due to adverse

market conditions, volatile prices or large price fluctuations, a large marketplace being closed or restricted or experiencing technical problems such as an IT system failure or network disruption.

There may be no secondary market for the Securities and to the extent that an issue of Securities is or becomes illiquid, an investor may have to exercise or wait until redemption of such Securities, as applicable, to realise greater value than its then trading value.

Minimum Trading Amount

Investors should note that the Securities may have a minimum trading amount. In such cases, if, following the transfer of any Securities, a Holder holds fewer Securities than the specified minimum trading amount, such Holder will not be permitted to transfer their remaining Securities prior to expiration or redemption, as applicable, without first purchasing enough additional Securities in order to hold the minimum trading amount.

Potential Conflicts of Interest

Certain entities within the Group or its affiliates (including, if applicable, any Manager) may also engage in trading activities (including hedging activities) relating to the Underlying Reference or Reference Entity and other instruments or derivative products based on or relating to the Underlying Reference or Reference Entity of any Securities for their proprietary accounts or for other accounts under their management. BNPP B.V., BNPP and their Affiliates (including, if applicable, any Manager) may also issue other derivative instruments in respect of the Underlying Reference. BNPP B.V., BNPP and their Affiliates (including, if applicable, any Manager) may also act as underwriter in connection with future offerings of shares or other securities relating to an issue of Securities or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a commercial banking capacity for such companies. In addition BNPP B.V., BNPP and their Affiliates (including, if applicable, any Manager) may act in a number of different capacities in relation to an underlying index, including, but not limited to, issuer of the constituents of the index, index sponsor or calculation agent.

In respect of ETI Securities: The relevant Issuer, the Guarantor or one or more of their Affiliates may from time to time engage in business with the relevant ETI or companies in which an ETI invests, including among other things, extending loans to, or making investments in, or providing advisory services to them, including merger and acquisition advisory services, engaging in activities that may include prime brokerage business, financing transactions or entry into derivative transactions; the ETI (as defined above) may pay a portion of its fees to the relevant Issuer or any of its Affiliates for the provision of such services; in the course of this business, the relevant Issuer, the Guarantor, the Calculation Agent and any of their respective Affiliates may acquire non-public information about an ETI or any companies, funds or reference assets in which an ETI invests and the relevant Issuer, the Guarantor, the Calculation Agent or any of their respective Affiliates may publish research reports about them. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding ETI Securities. Such activities could present certain conflicts of interest, could influence the prices of such shares, ETI Interests (as defined above) or other securities and could adversely affect the value of such Securities.

Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Securities.

Because the Calculation Agent (as defined below) may be an Affiliate of the relevant Issuer or, if applicable, the Guarantor, potential conflicts of interest may exist between the Calculation Agent and holders of the Securities, including with respect to certain determinations and judgments that the

Calculation Agent must make, in particular when such determinations are complex. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment however, subject to always acting only within the parameters allowed by the terms and conditions of the Securities, it has no responsibility to take investors' interests into account.

Certain Considerations Regarding Purchasing Securities as Hedges

Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in the Underlying Reference which may be specified in the applicable Final Terms should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly correlate with the value of the Underlying Reference which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will correlate with movements of the Underlying Reference which may be specified in the applicable Final Terms. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant Underlying Reference. In addition, in certain cases, the ability of Holders to use Securities for hedging may be restricted by the provisions of the Securities Act.

Risk of Leveraged Exposure

Leverage involves the use of a number of financial techniques to increase the exposure to an Underlying Reference, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Underlying Reference moves in the anticipated direction, it will conversely magnify losses when the Underlying Reference moves against expectations. If the relevant Securities include leverage (such as OET Certificates), potential holders of such Securities should note that these Securities will involve a higher level of risk, and that whenever there are losses such losses may be higher than those of a similar security which is not leveraged. Investors should therefore only invest in leveraged Securities if they fully understand the effects of leverage.

Credit Ratings may not reflect all Risks

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

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

rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Effect of Credit Rating Reduction

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the relevant Issuer and, if applicable, the Guarantor. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of BNPP B.V. or BNPP by standard statistical rating services, such as Standard & Poor's Credit Market Services France SAS, Fitch France S.A.S., Moody's Investors Service Ltd. and DBRS. A reduction in the rating, if any, accorded to outstanding debt securities of BNPP B.V. or BNPP by one of these rating agencies could result in a reduction in the trading value of the Securities.

The terms of the Securities contain no negative pledge, and the Issuer is not prohibited from incurring additional debt.

There is no negative pledge in respect of the Securities and the Terms and Conditions of the Securities place no restrictions on the incurrence by the Issuer or the Guarantor (if applicable) of additional obligations that rank pari passu with, or senior to, the Securities. In addition, the Issuer or the Guarantor (if applicable) may pledge assets to secure other notes or debt instruments without granting an equivalent pledge or security interest and status to the Securities.

There are no events of default under the Securities

The terms and conditions of the Securities do not include events of default allowing for the acceleration of the Securities if certain events occur. Accordingly, if the Issuer or the Guarantor (if applicable) fail to meet any obligations under the Securities, including the payment of any interest (or bankruptcy proceedings are instituted), Holders will not be able to accelerate the payment of principal. Upon a payment default, the sole remedy available to holders of such Securities for recovery of amounts owing in respect of any payment of principal or interest on such Securities will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer or the Guarantor (if applicable) will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Taxation

Potential purchasers and sellers of Securities should be aware that they may be required to pay stamp or taxes or documentary charges in accordance with the laws and practices of the country where the Securities are transferred and/or any asset(s) are delivered or in other countries.

EU financial transactions tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's proposal**"), for a financial transaction tax ("**FTT**") to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). However, Estonia has since stated that it will not participate. If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating member states. Generally, it would apply where at least one party is a

financial institution, and at least one party is established in a participating member state. A financial institution may be, or be deemed to be, "established" in a participating member state in a broad range of circumstances, including (a) by transacting with a person established in a participating member state or (b) where the financial instrument which is subject to the financial transaction is issued in a participating member state.

The FTT may give rise to tax liabilities for the relevant Issuer with respect to certain transactions if it is adopted based on the Commission's proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the relevant Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets) or the exercise/settlement of a warrant. The relevant Issuer is, in certain circumstances, able to pass on any such tax liabilities to holders of the Securities and therefore this may result in investors receiving less than expected in respect of the Securities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Securities (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between participating member states. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional EU member states may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

Hiring Incentives to Restore Employment Act withholding may affect payments on the Securities

The U.S. Hiring Incentives to Restore Employment Act (the "**HIRE Act**") imposes a 30% withholding tax on payments to non-U.S. holders in respect of amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. If an Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. A non-U.S. holder may be able to claim a refund of any excess withholding provided the required information is timely furnished to the IRS. Refund claims are subject to U.S. tax law requirements and there can be no assurance that a particular refund claim will be timely paid or paid at all. Prospective investors should refer to the section "*Taxation – Hiring Incentives to Restore Employment Act.*"

Benchmark reforms and licensing

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") are, and other types of indices, including (but not limited to) indices comprised of interest rates, equities, commodities, commodity indices, exchange traded products, foreign exchange rates, funds and combinations of any of the preceding types of indices which may be deemed to be "benchmarks", which have been the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Key international regulatory initiatives relating to the reform of benchmarks include IOSCO's Principles for Financial Benchmarks² (the "**IOSCO Principles**") and Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial

² Principles for Financial Benchmarks – Final Report - FR07/13, July 2013, as recently supplemented by IOSCO's Report on Guidance on the IOSCO Principles for Financial Benchmarks FR 13/2016 providing guidance on the statement of compliance.

instruments and financial contracts or to measure the performance of investment funds and amending Directive 2008/48/EC and 2014/17/EC and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**"). The IOSCO Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering (among other things) governance and accountability as well as the quality, integrity and transparency of benchmark design, determination and methodologies. A review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Principles noted that there has been significant but mixed progress on implementation of IOSCO Principles but that as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future.

The Benchmarks Regulation was published in the official journal on 29 June 2016. Most provisions of the Benchmarks Regulation will apply from 1 January 2018 with the exception of certain provisions (mainly on critical benchmarks) that applied from 30 June 2016. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, such as EURIBOR, applies to many other indices (including "proprietary" indices or, potentially, baskets, portfolios or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments for which a request for admission to trading on a trading venue has been made, or which are traded on a trading venue (EU regulated market, EU multilateral trading facility ("**MTF**"), EU organised trading facility ("**OTF**") or via a systematic internaliser. Different types of benchmark (critical benchmarks, significant benchmarks, non-significant benchmarks and interest rate benchmarks, commodity benchmarks, regulated data benchmarks) are subject to some variations to take into account their characterisation.

The Benchmarks Regulation could have a material impact on any Securities for which a request for admission to trading on a trading venue has been made, or which are traded on a trading venue or via a "systematic internaliser" linked to a "benchmark" index, including in any of the following circumstances:

- subject to any applicable transitional provisions, an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator, or the benchmark, is not entered in or is removed from ESMA's register of Benchmarks Regulation approved benchmarks (for example if the administrator does not obtain or retain authorisation or registration under the Benchmarks Regulation, or, if based in a non-EU jurisdiction, the administrator does not obtain or retain recognition or endorsement and the administrator/benchmark does not benefit from equivalence); or
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmarks Regulation.

Any of the above changes or any other consequential changes to any benchmark as a result of international, national or other reforms or investigations, could potentially:

- lead to the Securities being de-listed, adjusted, redeemed early, subject to discretionary valuation by the Calculation Agent or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Securities;
- affect the level of the published rate or the level of the benchmark, including causing it to be lower or more volatile than in the past;
- increase the costs of administering or otherwise participating in the setting of a "benchmark" and complying with such regulations or requirements;
- discourage market participants from continuing to administer or contribute to certain "benchmarks";
- trigger changes in the rules or methodologies used in certain "benchmarks";
- lead to the disappearance of certain "benchmarks" (or certain currencies or tenors of benchmarks); or
- have other adverse effects or unforeseen consequences.

Any such consequences could have a material adverse effect on the value of and return on any Securities.

A benchmark licence may also be required for the issuance or calculation of amounts payable under any Securities referencing a benchmark. To the extent any such licence is not obtained or retained, it may not be possible for the Securities to reference the benchmark and the Securities may be adjusted or redeemed early or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Securities.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by benchmark reforms, and licensing issues in making any investment decision with respect to the Securities.

EU Resolution and Recovery Directive

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD has been applicable in all Member States since 1 January 2015, except for the general bail-in tool which has been applicable since 1 January 2016.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business –enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridgebank" (a public controlled entity

holding such business or part of a business with a view to reselling it); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Securities to equity (the "**general bail-in tool**"), which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The powers set out in the BRRD impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. The impact of the BRRD and its implementing provisions on credit institutions, is currently unclear but its current and future implementation and application to any relevant Issuer and/or the Guarantor or the taking of any action under it could materially affect the activity and financial condition of any relevant Issuer or Guarantor and the value of any Securities.

As a result of the implementation of BRRD, holders of Securities may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of holders of Securities, the price or value of their investment in any Securities and/or the ability of the relevant Issuer and/or the Guarantor to satisfy its obligations under any Securities and/or the Guarantee.

Implementation of BRRD in France

The implementation of the BRRD in France was made by several texts of legislative nature. Firstly, the banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (as modified by the *ordonnance* dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) (the "**Banking Law**") had anticipated the implementation of the BRRD. Secondly, Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance no 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the "**Ordinance**") published in the Official Journal on 21 August 2015 has introduced various provisions amending and supplementing the Banking Law to adapt French law to European Union legislation regarding financial matters. Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the Banking Law. Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning, (ii) resolution planning and (iii) criteria to assess the resolvability of an institution or group, have been published on 20 September 2015 to mostly implement the BRRD in France.

The Ordinance has been ratified by law no. 2016-1691 dated 9 December 2016 (*Loi n°2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) which also incorporates provisions which clarify the implementation of the BRRD.

French credit institutions (like BNPP) must now comply at all times with minimum requirements for own funds and eligible liabilities (the “**MREL**”) since the publication in the OJ dated 3 September 2016 of the delegated Regulation (EU) 2016-1450 dated of 23 May 2016 supplementing the BRRD with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities. The MREL is expressed as a percentage of total liabilities and equity of the institution and aims to prevent institutions to structure their commitments in a manner which could limit or prevent the effectiveness of the bail-in tools.

The impact of the BRRD and its implementing provisions on credit institutions, including BNPP, is still partially unclear and its current and future application to BNPP or the taking of any action under it could materially affect the activity and financial condition of BNPP and the value of any Securities. The French *Code monétaire et financier*, as amended by the Ordinance also provides that in exceptional circumstances, where the general bail-in tool is applied, the relevant resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers, in particular where: (a) it is not possible to bail-in that liability within a reasonable time; (b) the exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines of the institution under resolution; (c) the exclusion is strictly necessary and proportionate to avoid giving rise to widespread contagion, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause a serious disturbance to the economy of a Member State of the European Union or of the European Union; or (d) the application of the general bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in. Consequently, where the relevant resolution authority decides to exclude or partially exclude an eligible liability or class of eligible liabilities, the level of write down or conversion applied to other eligible liabilities – due to Holders of Securities as the case may be - when not excluded, may be increased to take account of such exclusions. Subsequently, if the losses that would have been borne by those liabilities have not been passed on fully to other creditors, the French "Resolution and Deposits Guarantee Fund" (*Fonds de garantie des dépôts et de résolution*) or any other equivalent arrangement from a Member State, may make a contribution to the institution under resolution, under certain limits, including the requirement that such contribution does not exceed 5% of the global liabilities of such institution to (i) cover any losses which have not been absorbed by eligible liabilities and restore the net asset value of the institution under resolution to zero and/or (ii) purchase shares or other instruments of ownership or capital instruments in the institution under resolution, in order to recapitalise the institution. The last step - if there are losses left - would be an extraordinary public financial support through additional financial stabilisation tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework. An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The powers set out in the BRRD currently impacts and will further impact how credit institutions, including BNPP, and investment firms are managed as well as, in certain circumstances, the rights of creditors. In particular, Holders of Securities may be subject to write-down (including to zero) or conversion into equity on any application of the general bail-in tool (including amendment of the terms of the Securities such as a variation of their tenor), which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD as applied to BNPP or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders of Securities, the

price or value of their investment in any Securities and/or the ability of BNPP, acting as Issuer or Guarantor, as the case may be, to satisfy its obligations under any Securities.

The powers currently set out in the BRRD and its implementation in the French *Code monétaire et financier* are expected to impact how credit institutions, including BNPP, and large investment firms (those which are required to hold initial capital of € 730,000 by the fourth Capital Requirements Directive (CRD)) are managed as well as, in certain circumstances, the rights of creditors. For Member States (including France) participating in the Banking Union, the Single Resolution Mechanism (the "SRM") fully harmonises the range of available tools but Member States are authorized to introduce additional tools at a national level to deal with crises, as long as they are compatible with the resolution objectives and principles set out in the BRRD.

The Single Resolution Board works in close cooperation with the ACPR, in particular in relation to the elaboration of resolution planning, and has assumed full resolution powers since 1 January 2016, as the conditions for transfer of national contributions to the Single Resolution Fund were met by this date. It is not yet possible to assess the full impact of the BRRD and the French law provisions implementing the BRRD on BNPP and there can be no assurance that its implementation or the taking of any actions currently contemplated in it will not adversely affect the rights of Holders of Securities, the price or value of their investment in the Securities and/or the ability of BNPP to satisfy its obligations under the Securities.

Since November 2014, the European Central Bank ("ECB") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the SSM. In addition, a SRM has been put in place to ensure that the resolution of banks across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the start of 2016.

BNPP has been designated as a significant supervised entity for the purposes of Article 49(1) of the SSM Regulations and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that BNPP is also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

Holders of Securities may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant resolution authority to exercise its resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

In addition, as a result of the introduction of a resolution regime, the liquidity of financial instruments subject to the resolution regime could become vulnerable to conditions/situations of stress in the financial markets. Investors should also note that the concentration risk to which they may be subject by investing in Securities issued or guaranteed by BNPP should also be assessed at the financial sector level i.e. by taking into account not only the securities (or guarantees) of BNPP that they hold but also all securities that they hold and which have been issued by financial entities subject to the bail-in regime.

Implementation of BRRD in The Netherlands

The BRRD was adopted by the European Council on 6 May 2014. Member States should have implemented the BRRD by 1 January 2015 (except for the bail-in tool which should have been implemented by 1 January 2016). On 26 November 2015, the BRRD was implemented in the Netherlands. As an exempt group finance company, BNPP B.V. is not subject to the Dutch implementing rules of the BRRD, nor is BNPP.

French Insolvency Law

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

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

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), is proposed accelerated safeguard (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or proposed judicial reorganisation plan (*projet de plan de redressement*) applicable to BNPP 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 Securities; 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 expressing a vote). No quorum is required to hold the Assembly.

For the avoidance of doubt, the provisions relating to the *Masse* and the General Meeting of the Holders set out in the Conditions will not be applicable in these circumstances.

Change of Law

The Conditions of Securities are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to an administrative practice or change to French law, as applicable, after the date of this Base Prospectus and any such change could materially adversely impact the value of any Securities affected by it.

Termination of Securities in the Event of Illegality or Impracticability

If the Issuer determines that the performance of its obligations under the Securities has become illegal or impracticable in whole or in part for any reason, the Issuer may cancel, in the case of Warrants, or redeem, in the case of Certificates, the Securities by paying to each Holder the fair market value of such Securities less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements. Such cancellation or redemption may result in an investor not realising a return on an investment in the Securities.

Post-issuance Information

Save as set out in the applicable Final Terms, the relevant Issuer will not provide post-issuance information in relation to the Underlying Reference. In such an event, investors will not be entitled to obtain such information from the relevant Issuer.

Certain specific information may not be known at the beginning of an offer period

In certain circumstances at the commencement of an offer period in respect of Securities but prior to the issue date of such Securities certain specific information (specifically the final payout and/or the Knock-in Level and/or Knock-out Level used to ascertain whether a Knock-in Event or Knock-out Event, as applicable, has occurred) may not be known. In these circumstances the Final Terms will specify in place of the relevant rate, level or percentage, as applicable, an indicative range of rates, levels or percentages. The actual rate, level or percentage, as applicable, applicable to the Securities will be selected by the Issuer from within the range and will be notified to investors prior to the Issue Date. The actual rate, level or percentage, as applicable, will be determined in accordance with market conditions by the Issuer in good faith and in a commercially reasonable manner.

Prospective purchasers of Securities will be required to make their investment decision based on the indicative range rather than the actual rate, level or percentage, as applicable, which will only be fixed after the investment decision is made but will apply to the Securities once issued.

Where an indicative range is specified in the Final Terms in respect of Knock-in Level and/or Knock-out Level, prospective purchasers of Securities should be aware that the actual rate, level or percentage, as applicable, selected from within the indicative range specified for Knock-in Level and/or Knock-out Level, as applicable, in respect of any Securities may have a negative impact on the final return on the Securities when compared with another rate, level or percentage, as applicable, within the indicative range.

The Barrier Level, Bonus Level and/or Cap Level may not be known until after the Issue Date

In certain circumstances in respect of ETS Payouts, the Barrier Level, Bonus Level and/or Cap Level may not be known at the issue date of the Securities. In these circumstances, the Final Terms will specify that the Barrier Level, Bonus Level and/or Cap Level, as applicable, will be the product of a specified percentage and the Closing Level, Closing Price, Relevant Price or Settlement Price, as applicable, of the Underlying Reference on the Strike Date (rounded upwards or downwards as determined by the Calculation Agent in good faith and in a commercially reasonable manner). Following the Strike Date, the Issuer will give notice of the actual Barrier Level, Bonus Level and/or Cap Level, as applicable, applicable to the Securities. Prospective investors should review the Final Terms together with the information contained in the notice in order to ascertain the Barrier Level, Bonus Level and/or Cap Level which will apply to the Securities.

Risks Relating to Automatic Early Redemption of the Securities

In the case of Securities that include an Automatic Early Redemption feature, the longer the time remaining until the scheduled redemption date of the Securities, the higher the probability that an Automatic Early Redemption Event will occur.

In the event that the relevant level, value or price of the Underlying Reference approaches the level that triggers the Automatic Early Redemption Event, the Holder may not be able to sell the Securities in the secondary market before the occurrence of the Automatic Early Redemption Event (see also "Possible Illiquidity of the Securities in the Secondary Market" above). If the Underlying Reference is listed on a different exchange to that on which the Securities are listed, the Automatic Early Redemption Event may occur outside the normal trading hours of the exchange on which the Securities are listed. In this case, the Holder may not have an opportunity to sell the Securities in the secondary market before the Automatic Early Redemption Event occurs.

Risk of Loss Following Automatic Early Redemption of the Securities

In the case of Securities that include an Automatic Early Redemption feature, if the relevant level, value or price of the Underlying Reference(s) reaches the level that triggers the Automatic Early Redemption Event, the product will automatically redeem before the scheduled redemption date. Depending on the applicable payout, the Holder may lose some or all of their investment in the Securities.

The PRIIPS Regulation

From 1 January 2018, unless the Final Terms in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, the Securities will not be offered to retail investors as defined in Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the “PRIIPs Regulation”). The Issuer will not prepare a key information document (as described in the PRIIPS Regulation). This may reduce the ability of an investor to on-sell the relevant Securities.

2. Certain Considerations Associated with Specific Types of Products

Certain Risks Associated with ETS Products

(i) Risks associated with Yield Enhancement Products

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether a cap, knock-out and/or automatic early redemption features apply.

(ii) Risks associated with Participation Products

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early redemption features apply.

(iii) Risks associated with Leverage Products

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early redemption features apply. Additionally, the return may depend on other market factors such as interest rates, the implied volatility of the Underlying Reference(s) and the time remaining until redemption or until exercise (in the case of European Style Warrants). The effect of leverage on the Securities may be either positive or negative.

(iv) Risks associated with Constant Leverage Products

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the daily performance of the Underlying Reference(s) and the operation of an automatic early redemption feature. Constant Leverage Products are generally suited to short term investments intraday or over a few days. Investments held for a longer period of time may be affected by volatile market conditions which may have a negative impact on the performance of the Underlying Reference(s).

Certain Risks Associated with SPS Products

(i) Risks associated with Reverse Convertible Products

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether a knock-in event occurs.

(ii) Risks associated with Vanilla Products

Investors may be exposed to a partial or total loss of their investment. The return depends on the performance of the Underlying Reference(s) and whether knock-in or knock-out features apply.

3. Additional factors relating to certain Underlying References

Certain Considerations Associated with Index Securities

An investment in Index Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Index Securities, Holders will receive an amount (if any) determined by reference to the value of the underlying index/indices. Such underlying index may be a well known and widely published index or an index which may not be widely published or available. The index may refer to, inter alia, equities, bonds, currency exchange rates, or other securities or it may be a property index referencing certain property price data which will be subject to market price fluctuations, or reference a number of different assets or indices. A property index may include valuations only and not actual transactions and the property data sources used to compile the index may be subject to change, which may adversely affect the return on the Securities.

Index Securities linked to a custom index are linked to a proprietary index which may be sponsored and/or calculated by BNP Paribas or one of its Affiliates. Pursuant to the operational rules of the relevant custom index, the custom index is scheduled to be calculated on a periodic basis (for example on each weekday). In the event that one of the levels, values or prices of a component included in the custom index is not available for any reason on a relevant day of calculation (i.e. either because it is a non-scheduled trading day in respect of that index component or that index component is subject to a market disruption or otherwise), then the Calculation Agent of the custom index may, but is not obliged to, calculate the level of the custom index on that day by taking a value for the affected index component from the first preceding day on which a level for such affected index component was available.

Various legal entities within the Group may undertake the role of Calculation Agent of the Securities, sponsor of the underlying custom index and Calculation Agent of the underlying custom index. BNP Paribas has policies and procedures to identify, consider and manage potential conflicts of interest which this situation may potentially generate.

For the avoidance of doubt, the relevant Issuer and/or its Affiliates may not be able to trade on and hedge its obligations in respect of the index (including custom indices) under the Securities notwithstanding the calculation or publication of the level of such index. In the event that any relevant date for valuation is a Disrupted Day for the custom index, that valuation date shall be the first succeeding day that is not a Disrupted Day and on which the Issuer or relevant affiliate is able to trade on and hedge its obligations in respect of the custom index, subject to a specified maximum days of disruption, as more fully set out in the Conditions.

Certain Considerations Associated with Share Securities

An investment in Share Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Share Securities, Holders will receive an amount (if any) determined by reference to the value of the share(s), GDRs and/or ADRs and/or the physical delivery of a given number of share(s), GDRs and/or ADRs. Accordingly, an

investment in Share Securities may bear similar market risks to a direct equity investment and investors should take advice accordingly.

In the case of Share Securities, no issuer of the underlying shares will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities, and none of the Issuer, the Guarantor (if applicable) or any Manager will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the share, GDRs and/or ADRs will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share, GDRs and/or ADRs and therefore the trading price of the Securities.

Except as provided in the Conditions, Holders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Securities relate.

Certain Considerations Associated with ETI Securities

An investment in ETI Securities will entail significant risks not associated with an investment in a conventional debt security. On exercise of ETI Securities, Holders will receive an amount (if any) determined by reference to the value of the interests in exchange traded instruments or a basket of interests in exchange traded instruments and/or the physical delivery of a given number of interests in exchange traded instruments. Accordingly, an investment in ETI Securities may bear similar market risks to a direct exchange traded instrument investment, and investors should take advice accordingly.

In the case of ETI Securities, no exchange traded instrument will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities, and none of the Issuer, the Guarantor (if applicable) or any Manager will make any investigation or enquiry in connection with such offering with respect to any information concerning any such exchange traded instrument contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the interests in the exchange traded instrument will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an exchange traded instrument could affect the trading price of interests in the exchange traded instruments and therefore the trading price of the Securities. ETI Securities do not provide Holders with any participation rights in the underlying ETI(s) and, except in certain circumstances in the case of Physical Delivery Securities, do not entitle holders of ETI Securities to any ownership interest or rights in such ETI(s).

Except as provided in the Conditions, Holders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant exchange traded instruments to which such Securities relate.

Certain Considerations Associated with Securities linked to ETIs

ETI Securities linked to one or more interest in exchange traded instruments reflect the performance of such interest in exchange traded instruments.

An exchange traded instrument may invest in and trade in a variety of investments and financial instruments using sophisticated investment techniques for hedging and non-hedging purposes. Such financial instruments and investment techniques may include, but are not limited to, the use of leverage, short sales of securities, derivative transactions, such as swaps, stock options, index options, futures contracts and options on futures, lending of securities to certain financial institutions, entry into repurchase and reverse repurchase agreements for securities and the investment in foreign securities and foreign currencies.

The amount payable on ETI Securities will be dependent on the performance of the relevant ETI(s) underlying the ETI Securities, which may be linked to the reported NAV per ETI Interest, the trading price available on an exchange for the relevant ETI Interest and/or the actual redemption proceeds the Hedge Provider or a hypothetical investor in the relevant ETI(s) would receive. The amount payable on the ETI Securities may be less and in certain circumstances may be significantly less than the return from a direct investment in the relevant ETI(s) and may be zero depending on how the ETI Securities are indexed on the underlying ETI.

Exchange traded instruments are not actively managed. The value of an interest in an exchange traded instrument will decline, more or less, in line with the decline of any securities or the value of any index

underlying or linked to the relevant exchange traded instrument. Exchange traded instruments involve risks similar to those of investing in any equity securities traded on an exchange, such as market fluctuations caused by, amongst other things, economic and political developments, changes in interest rates and perceived trends in prices of securities. Where the relevant exchange traded instrument is linked to a particular index, the return on such exchange traded instrument may not match the return of the particular index.

Potential investors in ETI Securities should be aware that none of the relevant Issuer, the Guarantor (if any) or the Calculation Agent have any control over investments made by the relevant exchange traded instrument(s) and in no way guarantee the performance of an exchange traded instrument or the amount payable to holders of ETI Securities.

In hedging the relevant Issuer's obligations under the ETI Securities, the Hedge Provider is not restricted to any particular hedging practice. Accordingly, the Hedge Provider may hedge its exposure using any method it deems appropriate, including, but not limited to, investing in the relevant exchange traded instrument(s), replicating the performance of the relevant exchange traded instrument(s) or holding any of the assets underlying the relevant exchange traded instrument(s). The Hedge Provider may perform any number of different hedging practices with respect to ETI Securities.

Investing directly or indirectly in interests in exchange traded instruments is generally considered to be risky. If the exchange traded instrument does not perform sufficiently well, the value of the Securities will fall, and may in certain circumstances be zero.

Prospective investors should review carefully the prospectus, information memorandum and/or offering circular (if any) issued by any relevant exchange traded instrument before purchasing any ETI Securities. None of the relevant Issuer, the Guarantor (if any), the Calculation Agent or any of their respective Affiliates make any representation as to the creditworthiness of any relevant exchange traded instrument or any such exchange traded instrument's administrative, custodian, investment manager or adviser.

Certain Considerations Associated with Debt Securities

An investment in Debt Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Debt Securities, Holders will receive an amount (if any) determined by reference to the value of the underlying debt instrument(s) and/or the physical delivery of a given number of debt instrument(s). Accordingly, an investment in Debt Securities may bear similar market risks to a direct debt instrument investment, and investors should take advice accordingly. Debt Linked Interest Certificates pay interest calculated by reference to the value of the underlying debt instrument(s).

Certain Considerations Associated with Commodity Securities

An investment in Commodity Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Commodity Securities, Holders will receive an amount (if any) determined by reference to the value of the commodity, commodity index, commodities and/or commodity indices. Accordingly, an investment in Commodity Securities may bear similar market risks to a direct commodity investment, and investors should take advice accordingly. Where the Securities are linked to a commodity index, such commodity index may be a well known and widely available commodity index (such as the S&P GSCI®) or a commodity index which may be less well known (such as a commodity index composed by the relevant Issuer) in which case information (including past performance) may be less readily available. The commodity index may be comprised of futures contracts, mono-indices, or other

commodity indices, which may be proprietary. Commodity Securities may be linked to a commodity index which may be sponsored and/or calculated by BNP Paribas or one of its Affiliates. Pursuant to the operational rules of the relevant commodity index, the commodity index is scheduled to be calculated on a periodic basis (for example on each weekday). In the event that one of the levels, values or prices of a component included in the commodity index is not available for any reason on a relevant day of calculation including, without limitation, (a) where it is not a business day in respect of that commodity index component or (b) that commodity index component is subject to a market disruption event, then the calculation agent of the commodity index may, but is not obliged to, calculate the level of the commodity index for the relevant day by taking a value for the affected index component on the first day following the end of a specified maximum days of disruption based on the price at which it is able to sell or otherwise realise any hedge position. Such an occurrence may potentially result in a delay in the publication of the commodity index and the level of the commodity index may be affected.

The relevant Issuer and/or its Affiliates may not be able to hedge its obligations in respect of the commodity index under the Securities notwithstanding the calculation and publication of the level of the commodity index. In the event that a Market Disruption Event is occurring on any relevant date for valuation, that valuation date will be postponed until the first succeeding day that is not a Commodity Disrupted Day, subject to a specified maximum days of disruption, as more fully set out in the Conditions. Where this occurs on (i) the Initial Pricing Date or Strike Date for valuation, the Calculation Agent will be unable to determine the initial or strike level for the commodity index and (ii) on the final date for valuation, the Calculation Agent will be unable to determine the final level for the commodity index, until either the Market Disruption Event has ceased or the specified maximum days of disruption have elapsed, whichever is sooner. Investors should be aware that any delay to the determination of the final level of the commodity index may result in a delay in the payment of the Cash Settlement Amount, Redemption Amount or Final Redemption Amount, as applicable.

Certain Additional Considerations Associated with Index Securities, Debt Securities or Commodity Securities valued by reference to Futures Contracts

Financial futures contracts are standardised futures transactions that are linked to financial instruments (e.g. stocks, bonds, indices, interest rates and foreign currencies). Commodity futures contracts are standardised futures transactions that are linked to commodities (e.g. mineral commodities, agricultural products and precious metals). A futures transaction constitutes the contractual obligation to buy or sell a certain amount or number of the respective underlying at a fixed price and at a predetermined future point in time. Futures contracts are traded on futures exchanges and standardised for this purpose with respect to their contract size, the nature and quality of the underlying as well as delivery places and dates, if any. Generally, there is a strong correlation between the price development of an underlying financial instrument or commodity (each or "**underlying**") on the spot market and the corresponding futures exchange. However, the price of a futures contract will generally be traded at a premium on, or discount from, the spot price of the underlying. This discrepancy is due to such factors as (i) the need to adjust the spot price due to related expenses (e.g. in the case of commodities, warehousing, transport and insurance costs) and (ii) different methods being used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the underlying, there can be significant differences in the liquidity of the spot and the futures markets.

Investment in futures contracts involves certain other risks, including potential illiquidity. A holder of a futures position may find that such position becomes illiquid because certain exchanges limit fluctuations in such futures contract prices pursuant to "daily limits". Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, contracts can neither be bought nor sold unless holders are willing to trade at or within the limit. This could prevent a holder

from promptly liquidating unfavourable positions and subject it to substantial losses. For example, futures contract prices in various underlyings occasionally exceed the daily limit for several days with little or no trading. Such losses could have an adverse effect on the return of Securities linked to the affected futures contracts. Any illiquidity disruption or force majeure event (such as an act of God, fire, flood, severe weather conditions, act of governmental authority or a labour dispute or shortage) is likely to have an adverse effect on the value of or trading in the underlying or futures contracts on such underlying and adversely affect the value of the Securities.

Where the Securities are linked to the exchange price of a futures contract, knowledge of the market of the underlying to which the futures contract is linked as well as of the functioning and evaluation factors of futures contracts is necessary to make a valid assessment of the risks associated with the purchase of these Securities.

In the case of Index Securities or Debt Securities where Futures Price Valuation is applicable, the Securities are exposed to a futures or options contract relating to a synthetic index (in the case of Index Securities) or a debt instrument (in the case of Debt Securities) and bear similar market risks to a direct investment in such futures or options contract.

Certain Additional Considerations Associated with Rolling Futures Contract Securities

Futures contracts have a predetermined expiration date. Holding a futures contract until expiration will result in delivery of the physical underlying or the requirement to make or receive a cash settlement amount. Rolling Futures Contract Securities are valued by reference to futures contracts that have a delivery or expiry month that do not correspond with the term of the Securities. Consequently the futures contracts are "rolled" which means that the futures contract that is nearing expiration (the "**near-dated futures contracts**") is sold before it expires and a futures contract that has an expiration date further in the future (the "**longer-dated futures contracts**") is purchased ("**Rolling**"). In order to maintain an ongoing exposure to such underlyings Rolling of the applicable futures contracts is applied.

An investment in futures contracts where the future is a commodity may increase or decrease through Rolling. Where the price of a near-dated futures contract is greater than the price of the longer-dated futures contract (the underlying is said to be in "**backwardation**"), then Rolling from the former to the latter will result in greater exposure to the longer-dated futures contract. Therefore, any loss or gain on the new positions will be greater than if an investor had synthetically held the same number of underlying contracts as before the Rolling. Conversely, where the price of the near-dated futures contract is lower than the price of the longer-dated futures contract (the underlying is said to be in "**contango**") then Rolling will result in less exposure to the longer-dated futures contract. Therefore, any gain or loss on the new positions will be less than if an investor had synthetically held the same number of underlying contracts as before the Rolling.

Depending on whether the Securities are synthetically "long" or "short" the relevant futures contract, where a futures contract is in contango, this is expected to (though may not) have a negative (in the case of a "long" position) or positive (in the case of a "short" position) effect over time on the value of the Securities. Where a futures contract is in backwardation this is expected to (though may not) have a positive (in the case of a "long" position) or negative (in the case of a "short" position) effect over time on the value of the Securities. Where an underlying contract is in contango, then the price of the longer-dated underlying contract will be expected to (but may not) decrease over time as it nears expiry. In such event, Rolling is expected to have a negative effect (in the case of a "long" position) or positive (in the case of a "short" position) on an investment in the underlying contract. Where an underlying contract is in backwardation, then the price of the longer-dated underlying contract is

expected to (but may not) increase over time as it nears expiry. In such event, Rolling is expected to have a positive (in the case of a "long" position) or negative (in the case of a "short" position) effect on an investment in the underlying contract.

If, on any Futures Rollover Date (as defined below), a Market Disruption Event (as defined in Commodity Condition 2), a Commodity Index Adjustment Event (as defined in Commodity Condition 4) or a Non-Commencement or Discontinuance of the Exchange-traded Contract (as defined in Index Condition 9.1), as applicable, occurs and it is impossible or materially impracticable for the Calculation Agent to select a futures contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

- (i) in the case of an Index Security or Debt Security that is a Rolling Futures Contract Security:
- (a) in the case of Warrants:
 - (A) the relevant Issuer may cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled, the relevant Issuer will, unless (in the case of Index Warrants) Market Value or Highest Value are specified as applicable in the applicable Final Terms, pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payments being made in such manner as shall be notified to the Holders in accordance with Condition 10;
 - (B) in the case of Index Securities, if Highest Value is specified as being applicable in the applicable Final Terms, the relevant Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, at an amount equal to the greater of the fair market value of such Warrant or Unit, as the case may be, (notwithstanding any illegality (if applicable) and taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract) and the Protected Amount specified in the applicable Final Terms, provided that, (x) no costs shall be deducted from such amount and (y) such amount shall include the reimbursement by the Issuer, pro rata (calculated from the date of cancellation notified to the Holders until the Exercise Date or the Expiration Date, as the case may be, of the Warrants), of any costs (including but not limited to any structuring costs) paid by Holders to the Issuer in the Exercise Price of the Warrants, such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation;
 - (C) in the case of Index Securities, if Market Value is specified as being applicable in the applicable Final Terms, the relevant Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, at an amount equal to the fair market value of a Security or Unit, as the case may be, (notwithstanding the illegality (if applicable) and taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract), calculated (x) without taking account of any costs and no costs shall be deducted from such amount and (y) including reimbursement by the Issuer, pro rata (calculated from the date of cancellation notified to the Holders until the Exercise Date or the Expiration Date, as the case may be, of the Warrants), of any costs (including but not

limited to any structuring costs) paid by Holders to the Issuer in the Exercise Price of the Warrants, such an amount to be paid to the Holders on the date notified in the notice of cancellation; or

- (b) in the case of Certificates:
- (A) unless Delayed Redemption on Occurrence of Index Adjustment Event (in the case of Index Securities) or Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract (in the case of Debt Securities) is specified as being applicable in the applicable Final Terms, the relevant Issuer may redeem the Certificates by giving notice to Holders in accordance with Condition 10. If the Certificates are so redeemed the relevant Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10 or; or
- (B) if Delayed Redemption on Occurrence of Index Adjustment Event (in the case of Index Securities) or Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract (in the case of Debt Securities) is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms); or
- (C) in the case of Index Securities, if Highest Value is specified as being applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated as the greater of the fair market value of such Certificate (notwithstanding any illegality (if applicable) and taking into account any Non-Commencement or Discontinuance of an Exchange-traded Contract) and the Protected Amount specified in the applicable Final Terms, provided that, (x) no costs shall be deducted from such amount and (y) such amount shall include the reimbursement by the Issuer, pro rata (calculated from the early redemption date notified to the Holders until the scheduled Redemption Date of the Certificates), of any costs (including but not limited to any structuring costs) paid by Holders to the Issuer in the Issue Price of the Certificates, such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption;

- (D) in the case of Index Securities, if Market Value is specified as being applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated as the fair market value of a Certificate (notwithstanding the illegality (if applicable) and taking into account any Non-Commencement or Discontinuance of an Exchange-traded Contract) calculated without taking account of any costs and no costs shall be deducted from such amount, such an amount to be paid to the Holders on the date notified in the notice of early redemption;
- (E) in the case of Index Securities, if Monetisation Option is specified as being applicable in the applicable Final Terms the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated as:
- (i) the Monetisation Amount (as defined below), such amount to be paid by the Issuer (notwithstanding the notice of early redemption) on the Redemption Date; or
 - (ii) if the Holder duly elects to receive the fair market value, as provided below, the fair market value of such Certificate, such amount to be paid by the Issuer on the date fixed for early redemption, as notified to the Holders.

Where:

"Monetisation Amount" means, in respect of a Certificate, an amount equal to the greater of the Protected Amount specified in the applicable Final Terms and the amount calculated by the Calculation Agent as follows:

$$(S + D) \times (1 + r)^n$$

"S" is the present value of the Protected Amount of such Certificate on the date on which the event triggering early redemption occurs;

"D" is the market value of the Derivative Component on the date on which the event triggering early redemption occurs;

"r" is a hypothetical annual interest rate that would be applied on an equivalent hypothetical debt instrument issued by the Issuer (or the Guarantor, as applicable) with the same time to redemption as the remaining time to redemption on the Certificates from the date fixed for early redemption until the scheduled redemption date of the Certificates;

"n" is the time remaining until the scheduled redemption date of the Certificates, expressed as a number of years; and

"Derivative Component" means the option component or embedded derivative in respect of the Security or the interest amount due under the Certificate in order to enable the Issuer to issue the Security at the issue price and on their applicable terms. The value of the Derivative Component will be determined by the Calculation Agent, taking into account a number of factors, including, but not limited to:

- (A) market prices or values for the underlying reference asset(s) or basis (bases) and other relevant economic variables (such as interest rates; dividend rates; financing costs; the value, price or level of any relevant underlying reference asset(s) or basis (bases) and any futures or options relating to any of them; the volatility of any

relevant underlying reference asset(s) or basis (bases); and exchange rates (if applicable));

- (B) the time remaining until the scheduled redemption date of the Certificates;
 - (C) internal pricing models; and
 - (D) prices at which other market participants might bid for the Derivative Component.
- (ii) in the case of a Commodity Security that is a Rolling Futures Contract Security, the relevant Issuer may take such actions as described in Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Condition 4 (Adjustments to a Commodity Index), as applicable (see "*Market Disruption Events relating to Commodity Securities*" and "*Adjustment Events relating to Commodity Index Securities*" below).

Rollover ("**Rollover**") will be effected on the relevant day specified in the Final Terms (the "**Futures Rollover Date**") within a certain time frame shortly before the expiration date of the current futures contract. Consequently on any Futures Rollover Date, the relevant Issuer will liquidate its positions assumed through the corresponding hedging arrangements in relation to the existing futures contract whose expiration is imminent and will assume corresponding positions in relation to a new futures contract having identical terms but with a different maturity selected by it acting in good faith and in a commercially reasonable manner.

At each Rollover there may be expenses incurred in replacing the futures contract which may have an adverse effect on the return on the Securities.

Prospective purchasers should be aware that in respect of Rolling Futures Contract Securities, the price difference between the futures involved in each Rollover may have a negative effect on the value of the securities and in the long term be higher than the positive performance of the underlying and result in a total loss of the investment in the Securities. Rolling Futures Contract Securities may not be suitable for investors who intend to invest medium to long term.

Certain Considerations Associated with Currency Securities

An investment in Currency Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Currency Securities, Holders will receive an amount (if any) determined by reference to the value of the currency/currencies and/or the physical delivery of a given amount of a currency or currencies. Accordingly, an investment in Currency Securities may bear similar market risks to a direct currency investment, and investors should take advice accordingly. Currency Linked Interest Certificates pay interest calculated by reference to the value of the underlying currency/currencies.

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency Securities. Furthermore, investors who intend to convert gains or losses from the exercise, redemption or sale of Currency Securities into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces. Purchasers of Currency Securities risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction.

If additional warrants, securities or options relating to particular currencies or particular currency indices are subsequently issued, the supply of warrants and options relating to such currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Securities and such other warrants, securities and options trade in the secondary market to decline significantly.

Certain Considerations Associated with Futures Securities

An investment in Futures Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Futures Securities, Holders will receive an amount (if any) determined by reference to the value of the futures contract or basket of futures contracts. Accordingly, an investment in Futures Securities may bear similar market risks to a direct futures contract investment, and investors should take advice accordingly. Futures Linked Interest Certificates pay interest calculated by reference to the value of the underlying futures contract or basket of futures contracts.

The Calculation Agent may modify the terms of the Securities

The Calculation Agent may, following its determination that there has been a change in the prevailing market standard terms or market trading conventions that affects any hedging transaction, modify the terms of the Securities to the extent reasonably necessary to ensure consistency with the prevailing market standard terms or market trading conventions, without the consent of Holders or prior notice to Holders. The Calculation Agent is not obliged to make any such modifications. If the Calculation Agent modifies the terms of the Securities, it will do so without regard to the interests of the holders of the Securities and any such modification may be prejudicial to the interests of the holder of the Securities.

Certain Considerations Associated with Hybrid Securities

An investment in Hybrid Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Hybrid Securities Holders will receive an amount (if any) determined by reference to the value of a number of different Underlying References. Hybrid Linked Interest Certificates pay interest calculated by reference to the value of a number of different Underlying References.

Certain Considerations Associated with Open End Certificates and OET Certificates

Open End Certificates and OET Certificates do not have any pre-determined maturity and may be redeemed on any date determined by the relevant Issuer, acting in good faith, subject to compliance with the provisions of the Conditions. Investment in Open End Certificates and OET Certificates will entail additional risks compared with other Certificates, due to the fact that the redemption date for such Open End Certificates and OET Certificates cannot be determined by the investor.

Certain Considerations Associated with Securities listed on Euronext Paris which are Knock-in Event, Knock-out Event Securities or OET Certificates listed on Euronext Paris

Securities listed on Euronext Paris in respect of which "Knock-in Event" or "Knock-out Event" is specified as applicable in the relevant Final Terms or which are OET Certificates, in each case listed on Euronext Paris constitute "leverage products" (*produits à levier*) within the meaning of the classification of warrants and certificates published by Euronext Paris in a notice dated 7 November 2007. The use of such classification is recommended by the AMF in accordance with its press release of 28 November 2007. However, all the characteristics and risks of the above mentioned Securities and

OET Certificates may not be totally reflected by this classification. In addition, this classification may be amended at any time by Euronext Paris.

Certain Considerations Associated with Multiple Exercise Certificates

If the Certificates are specified to be Multiple Exercise Certificates, each Certificate will, subject to the renouncement by a Certificate holder, be automatically exercised on each Exercise Date and the relevant Cash Settlement Amount (if any) paid on the relevant Exercise Settlement Date. Following the payment of the Cash Settlement Amount (if any) in respect of the final Exercise Settlement Date, the relevant Issuer shall have discharged its obligations in respect of the Certificates and shall have no other liability or obligation whatsoever in respect of such Certificates.

Certain Considerations Associated with Securities Linked to Emerging Markets

Each Issuer may issue Securities where the amount payable on exercise or redemption or the interest payable is linked to Underlying References which consist of (i) securities, funds or indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, or (ii) securities which are denominated in the currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing countries. Prospective investors should note that additional risks may be associated with investment in such Securities, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status, interpretation and application of laws including, but not limited to, those relating to expropriation, nationalisation and confiscation. Securities traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.

Increased custodian costs as well as administrative difficulties (such as the applicability of the laws of the jurisdictions of emerging or developing countries to custodians in such jurisdictions in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalisation and record access) may also arise from the maintenance of assets in such emerging or developing countries.

Prospective purchasers of the Securities should also be aware that the probability of the occurrence of a Hedging Disruption Event (or other Adjustment Event under the relevant legal terms as set out further in the Conditions) and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets. Prospective purchasers are expected to conduct their own enquiries and be satisfied that there are additional risks associated with investments linked to the performance of underlying assets located in these markets.

Bull Certificates and Bear Certificates are designed for short-term trading only because they are valued on the basis of their compounded daily performance.

Bull Certificates and Bear Certificates (together, the "**Bull and Bear Securities**" or "**ETS Final Payout 2300**") are designed for very short-term trading or intraday trading and are not intended for buy-to-hold investing. The percentage change in value of the Securities over one day will be the Leverage Factor which is a constant factor for each Security multiplied by the daily performance of the relevant Underlying Reference measured as the percentage change of the reference price from one day to the next day adjusted by the applicable Financing Component (which includes a Fee, an Interest Margin and Hedging Costs and may be positive or negative depending on, amongst other things, prevailing interest rates). Bull Certificates aim to produce a performance equal to the Leverage Factor (as specified in the applicable Final Terms) multiplied by the performance of the relevant Underlying

Reference whereas Bear Certificates aim to produce a performance equal to the Leverage Factor times the inverse performance of the relevant Underlying Reference. However, because the performance of the Securities over any period longer than one day will be derived from the compounded daily performance of the relevant Underlying Reference during that period, such Security's performance may differ significantly to the overall performance of the Underlying Reference over that same period. Accordingly, compared to a security that measures change in value of the Underlying Reference between two dates, Bull and Bear Securities may have significantly different outcomes depending on the number and direction of changes in the daily value of the Underlying Reference over such period and the order in which such changes occur. Bull and Bear Securities are therefore described as "path-dependent" financial instruments. The potential for divergence between the Performance of the Bull and Bear Securities and the performance of the Underlying Reference over the same period of time will increase as such period becomes longer and will be most marked in periods when the value of the Underlying Reference is volatile. Consequently, Bull or Bear Securities are only suitable for intra-day trading or very short investment periods.

4. Additional Factors Relating to Disruption and Adjustments

Additional Disruption Events and Optional Additional Disruption Events

If an Additional Disruption Event occurs, or any Optional Additional Disruption Event specified in the applicable Final Terms occurs (other than in respect of a Failure to Deliver due to Illiquidity), the Securities may be subject to adjustment (including, in the case of Share Securities linked to a Basket of Shares, adjustments to the Basket of Shares), cancellation (in the case of Warrants) or early redemption (in the case of Certificates) or the amount payable on scheduled redemption (in the case of Certificates) may be different from the amount expected to be paid at scheduled redemption. In the case of Index Securities linked to a Custom Index the occurrence of an Additional Disruption Event or Optional Redemption Event specified in the applicable Final Terms may lead to the selection of a successor Index.

The Additional Disruption Events relate to changes in law (including changes in tax or regulatory capital requirements) and hedging disruptions in respect of any hedging transactions relating to the Securities (both as more fully set out in the Conditions).

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement, the Issuer may elect in good faith and in a commercially reasonable manner to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with the relevant Conditions. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders.

Consequently the occurrence of an Additional Disruption Event and/or an Optional Additional Disruption Event may have an adverse effect on the value or liquidity of the Securities.

Market Disruption Events or failure to open of an exchange

If an issue of Securities includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on a date for valuation of an Underlying Reference and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such valuation date, any consequential postponement of the valuation date, or any alternative provisions for valuation provided in any Securities may have an adverse effect on the value and liquidity of such Securities.

The occurrence of such a Market Disruption Event or failure to open of an exchange in relation to any Underlying Reference comprising a basket may also have such an adverse effect on Securities related to such basket. In addition, any such consequential postponement may result in the postponement of the relevant Settlement Date or Redemption Date.

Adjustment Events relating to Index Securities

In the case of Index Securities, if a relevant Index is (i) not calculated and announced by the Index Sponsor in respect of the Index but is calculated and announced by a successor sponsor or successor entity, as the case may be, acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index will be deemed to be the Index.

The occurrence of an Index Modification, an Index Cancellation or an Index Disruption (each being an "**Index Adjustment Event**") may lead to (i) changes in the calculation of the relevant value or price (if the Calculation Agent determines such Index Adjustment Event has a material effect on the Securities), (ii) early cancellation of the Securities (in the case of Warrants), (iii) early redemption of the Securities (in the case of Certificates) or (iv) the amount payable on scheduled redemption of the Securities (in the case of Certificates) being different from the amount expected to be paid at scheduled redemption.

Any such adjustment may have an adverse effect on the value and liquidity of such Securities.

Potential Adjustment Events relating to Share Securities

In the case of Share Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will make the corresponding adjustment, if any, to any terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share). Such adjustment may have an adverse effect on the value and liquidity of the affected Share Securities.

Extraordinary Events relating to Share Securities

In the case of Share Securities the occurrence of an Extraordinary Event (as defined in the Share Conditions) in relation to a Share, may lead to:

- (A) adjustments to any of the terms of the Securities (including, in the case of Share Securities linked to a Basket of Shares, adjustments to and/or substitution of constituent shares of the Basket of Shares);

- (B) in the case of Warrants, early cancellation in whole or, in the case of Share Securities relating to a Basket of Sharers, in part;
- (C) in the case of Certificates, early redemption in whole or, in the case of Share Securities relating to a Basket of Shares, in part or the amount payable on scheduled redemption being different from the amount expected to be paid at scheduled redemption;
- (D) the Calculation Agent making an adjustment to any terms of the Securities which corresponds to any adjustment to the settlement terms of options on the Shares traded on such exchanges(s) or quotation system(s) as the Issuer acting in good faith and in a commercially reasonable manner shall select (the "**Option Exchange**") or, if options on the Shares are not traded on the Options Exchange, the Calculation Agent making such adjustment, if any, to any terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

Following such cancellation or redemption, an investor generally would not be able to reinvest the relevant proceeds at an effective interest rate as high as the effective return on the relevant Securities being cancelled or redeemed and may only be able to do so at a significantly lower rate, and potential investors should consider reinvestment risk in light of other investments available at that time. Consequently the occurrence of an Extraordinary Event in relation to a Share may have an adverse effect on the value or liquidity of the Securities.

Potential Adjustment Events relating to ETI Securities

In the case of ETI Securities, except as may be limited in the case of U.S. Securities, following the declaration by the relevant exchange traded instruments or any person appointed to provide services directly or indirectly in respect of such exchange traded instrument, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will make the corresponding adjustment, if any, to any terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest).

Any such adjustment may have an adverse effect on the value and liquidity of such Securities.

Extraordinary Events relating to ETI Securities

In the case of ETI Securities if certain events ("**Extraordinary ETI Events**") including events relating to Global Events, Litigation/Fraudulent Activity Events, Change in Related Parties/Key Persons Events, Modification Events, Net Asset Value/Investment/AUM Level Events, Tax/Law/Accounting/Regulatory Events, Hedging/Impracticality/Increased Costs Events and Miscellaneous Events in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner) occur, the relevant Issuer may, acting in good faith and in a commercially reasonable manner, adjust the terms of the Securities to reflect such event, substitute the relevant ETI Interests or cancel the Securities.

Consequently the occurrence of an Extraordinary ETI Event may have an adverse effect on the value or liquidity of the Securities.

The Issuer will exercise its rights under the ETI Security Conditions, including in particular the action it takes on the occurrence of an Extraordinary ETI Event, acting in good faith. Subject to all regulatory obligations, none of the Issuer, the Guarantor (if any) or the Calculation Agent owes any duty or responsibility to any of the Holders of the ETI Securities. The exercise of such rights in such manner may result in an increased loss in performance of the ETI Securities than if the Issuer had taken different action.

Market Disruption Events relating to Commodity Securities

If a Market Disruption Event occurs or is continuing on a date for valuation then:

- (A) the Calculation Agent will determine if such event has a material effect on the Securities and, if so, will calculate the relevant Interest Amount and/or Final Redemption Amount or Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price or level for the relevant Commodity or Commodity Index, the Commodity Fallback Value;
- (B) the Calculation Agent may substitute the relevant affected Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out in the Commodity Conditions and will make such adjustment, if any, to any terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate; or
- (C) the Issuer will cancel or redeem, as applicable, the Securities.

Consequently the occurrence of a Market Disruption Event in relation to a Commodity, Commodity Index or Index Component may have an adverse effect on the value or liquidity of the Securities.

Adjustment Events relating to Commodity Index Securities

In the case of a Securities linked to a Commodity Index, if a relevant Commodity Index is (i) not calculated and announced by the Index Sponsor in respect of the Commodity Index but is calculated and announced by a successor sponsor or successor entity, as the case may be, acceptable to the Calculation Agent, or (ii) replaced by a successor Commodity Index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then, in each case, that Commodity Index will be deemed to be the Commodity Index. The occurrence of a Commodity Index Modification, Commodity Index Cancellation or Commodity Index Disruption (each being a "**Commodity Index Adjustment Event**") may lead to:

- (A) the Calculation Agent determining the Relevant Price using, in lieu of a published level, the Commodity Fallback Value (if the Calculation Agent determines such Commodity Index Adjustment Event has a material effect on the Securities); or
- (B) cancellation or early redemption of the Securities.

Any such adjustment may have an adverse effect on the value and liquidity of such Securities.

Settlement Disruption Events

In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date or the Redemption Date respectively, settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The Issuer in these circumstances also has the right to pay the Disruption Cash Settlement Price or Disruption Cash Redemption Amount (as defined below) in lieu of delivering the Entitlement. As further described below, the Disruption Cash Settlement Price or Disruption Cash Redemption Amount may be less than the fair market value of the Entitlement.

Option to Vary Settlement

If so indicated in the Final Terms, the Issuer may, in good faith and in a commercially reasonable manner, elect to vary the settlement of the Securities, by (i) in the case of cash settled securities, delivering or procuring delivery of the Entitlement instead of making payment of the Final Redemption Amount or the Cash Settlement Amount, as applicable, to the relevant Holders or (ii) in the case of Physical Delivery Securities, making payment of the Final Redemption Amount or the Cash Settlement Amount, as applicable, to the relevant Holders instead of delivering or procuring delivery of the Entitlement.

Option to Substitute Assets or to Pay the Alternate Cash Amount or Alternate Cash Redemption Amount

The Issuer may, in good faith and in a commercially reasonable manner, if the Calculation Agent determines (in good faith and in a commercially reasonable manner) that the Relevant Asset or Relevant Assets, as the case may be, comprise assets which are not freely tradable, elect either (i) to substitute a Substitute Asset or Substitute Assets, as the case may be, for the Relevant Asset or Relevant Assets or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant holders, but in lieu thereof to make payment to the relevant holders on the Settlement Date of the Alternate Cash Amount or Alternate Cash Redemption Amount, as applicable.

5. Securities Subject to Optional Redemption, Cancellation or Early Exercise by the relevant Issuer or Other Early Redemption or Cancellation

An optional, other early redemption (or cancellation) or early exercise feature is likely to limit the market value of the Securities. In the case of Certificates having an optional redemption (or cancellation) feature, during any period when the relevant Issuer may elect to redeem (or cancel) the relevant Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed (or cancelled). This also may be true prior to any redemption (or cancellation) period. In addition, the Final Terms may provide that the relevant Securities shall be redeemed (or cancelled) early in specified circumstances. Following an optional or early redemption (or cancellation), a Holder generally would not be able to reinvest the redemption (or cancellation) proceeds (if any) at an effective interest rate as high as the interest rate on the relevant Securities being redeemed (or cancelled), 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.

6. Interest

Interest linked to an Underlying Reference

Interest payable on Underlying Reference Linked Interest Certificates may be determined by reference to an Underlying Reference or combinations of a number of different Underlying References. Potential investors should be aware that:

- (A) the market price of such Securities may be volatile;
- (B) they may receive no interest;
- (C) payment of interest may occur at a different time or in a different currency than expected;
- (D) an Underlying Reference may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (E) if an Underlying Reference is applied to Certificates in conjunction with a weighting greater than one or contains some other leverage factor, the effect of changes in the Underlying Reference on interest payable will be magnified; and
- (F) interest may only be payable and/or calculated in respect of certain specified days and/or periods on or during which the Underlying Reference or its value equals, exceeds and/or is less than certain specified thresholds.

7. Limited Exposure to Underlying Reference

If the applicable Final Terms provide that the exposure of the relevant Securities to one or more Underlying References is limited or capped at a certain level or amount, the relevant Securities will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

8. Certain Additional Risk Factors Associated with Warrants

Limitations on Exercise of Warrants

If so indicated in the Final Terms, the Issuer will have the option to limit the number of Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a Holder may not be able to exercise on such date all the Warrants that such Holder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the Issuer. The Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Minimum Exercise Amount of Warrants

If so indicated in the Final Terms, a Holder must tender or, in the case of automatic exercise, hold, a specified number of Warrants at any one time in order to exercise. Thus, Holders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore,

holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the amount of the Entitlement (in the case of Physical Delivery Warrants) of such Warrants.

Time Lag after Exercise of Warrants

In the case of any exercise of Warrants, there will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the applicable Final Terms or the applicable Conditions. However, such delay could be significantly longer, particularly in the case of a delay in the exercise of Warrants arising from any daily maximum exercise limitation, the occurrence of a Market Disruption Event or the failure to open of an exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Securities. The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the relevant Warrants, and may result in such Cash Settlement Amount being zero.

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES

Restrictions on Non-exempt offers of Securities in relevant Member States

Certain issues of Securities with an issue price or a Notional Amount, as applicable of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "**Non-exempt Offer**". This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Securities in each Member State in relation to which the relevant Issuer has given its consent as specified in the applicable Final Terms (each specified Member State a "**Non-exempt Offer Jurisdiction**" and together the "**Non-exempt Offer Jurisdictions**"). Any person making or intending to make a Non-exempt Offer of Securities on the basis of this Base Prospectus must do so only with the relevant Issuer's consent to the use of this Base Prospectus as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive*" and provided such person complies with the conditions attached to that consent.

Save as provided above, neither BNPP B.V. nor BNPP has authorised, nor do they authorise, the making of any Non-exempt Offer of Securities in circumstances in which an obligation arises for either of BNPP B.V. or BNPP to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of a Non-exempt Offer of such Securities, BNPP B.V. and BNPP accept responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an "**Investor**") who purchases any Securities in a Non-exempt Offer made by a Manager or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

Neither BNPP B.V. nor BNPP makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and neither of BNPP B.V. nor BNPP has any responsibility or liability for the actions of that Authorised Offeror.

Except in the circumstances set out in the following paragraphs, neither BNPP B.V. nor BNPP has authorised the making of any Non-exempt Offer by any offeror and BNPP B.V. and BNPP have not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Securities. Any Non-exempt Offer made without the consent of the relevant Issuer is unauthorised and neither BNPP B.V. nor BNPP accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Securities by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of the relevant Non-exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

Consent

In connection with each issue of Securities and subject to the conditions set out below under "*Common Conditions to Consent*":

Specific Consent

- (a) each Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Securities:
- (i) the relevant Manager(s) specified in the applicable Final Terms;
 - (ii) any financial intermediaries specified in the applicable Final Terms; and
 - (iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on BNPP's websites (www.produitsdebourse.bnpparibas.fr; www.bnpparibasmarkets.be; www.bnpparibasmarkets.nl; www.educatedtrading.bnpparibas.se and <https://www.productoscotizados.com/home/>) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer; and

General Consent

- (b) if (and only if) Part A of the applicable Final Terms specifies "General Consent" as "Applicable", each Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Securities by any other financial intermediary which satisfies the following conditions:
- (i) it is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC); and
 - (ii) it accepts each Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets completed with the relevant information) (the "**Acceptance Statement**"):

*"We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Securities] (the "**Securities**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by [] (the "**Issuer**"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Securities [specify Member State(s)] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly."*

The **Authorised Offeror Terms**, being the terms to which the relevant financial intermediary agrees in connection with using this Base Prospectus, are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of BNPP B.V. and BNPP that it will, at all times in connection with the relevant Non-exempt Offer:
 - I. act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Securities by any person and disclosure to any potential Investor, and will immediately inform BNPP B.V. and BNPP if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

- II. comply with the restrictions set out under "Offering and Sale" in this Base Prospectus;
- III. ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Securities does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
- IV. hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Securities under the Rules;
- V. comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Securities by the Investor), and will not permit any application for Securities in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- VI. retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to BNPP B.V. and BNPP or directly to the appropriate authorities with jurisdiction over BNPP B.V. and BNPP in order to enable BNPP B.V. and BNPP to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to BNPP B.V. and BNPP;
- VII. ensure that it does not, directly or indirectly, cause BNPP B.V. or BNPP to breach any Rule or subject BNPP B.V. or BNPP to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- VIII. ensure that Investors understand the risks associated with an investment in the Securities;
- IX. comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements relevant to the Non-exempt Offer as specified in the applicable Final Terms;
- X. make available to each potential Investor in the Securities the Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the relevant Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with the Base Prospectus;
- XI. if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the relevant Issuer for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the relevant Issuer, that such financial intermediary is solely responsible for such communication and that none of BNPP B.V. or BNPP accepts any responsibility for such communication and (C) does not, without the prior written consent of BNPP B.V. or BNPP (as applicable), use the legal or publicity names of BNPP B.V. or BNPP or any other

name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the relevant Issuer as issuer of the relevant Securities and the Guarantor as the guarantor of the relevant Securities on the basis set out in the Base Prospectus;

- XII. ensure that no holder of Securities or potential Investor in Securities shall become an indirect or direct client of BNPP B.V. and BNPP for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- XIII. co-operate with BNPP B.V. and BNPP in providing such information (including, without limitation, documents and records maintained pursuant to paragraph VI) upon written request from BNPP B.V. or BNPP, as applicable, as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by BNPP B.V. or BNPP:
- (i) in connection with any request or investigation by any regulator in relation to the Securities, BNPP B.V. or BNPP; and/or
 - (ii) in connection with any complaints received by BNPP B.V. or BNPP relating to BNPP B.V. or BNPP or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or
 - (iii) which BNPP B.V. or BNPP may reasonably require from time to time in relation to the Securities and/or as to allow BNPP B.V. or BNPP fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- XIV. during the primary distribution period of the Securities: (i) only sell the Securities at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Manager); (ii) only sell the Securities for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Manager); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Securities (unless otherwise agreed with the relevant Manager); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Manager; and
- XV. either (i) obtain from each potential Investor an executed application for the Securities, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Securities on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

- (B) agrees and undertakes to indemnify each of BNPP B.V. and BNPP (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by BNPP B.V. or BNPP; and
- (C) agrees and accepts that:
- I. the contract between the relevant Issuer and itself formed upon its acceptance of the relevant Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Non-exempt Offer (the "**Authorised Offeror Contract**") shall be governed by, and construed in accordance with, French law;
 - II. the courts within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*) have jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "**Dispute**") and the relevant Issuer and the financial intermediary submit to the jurisdiction of such French courts;
 - III. for the purposes of I and II, the relevant Issuer and itself waive any objection to the relevant courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
 - IV. each of the relevant Issuer and itself will be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by itself pursuant to the Authorised Offeror Terms.

The financial intermediaries referred to in paragraphs (a)(ii), (a)(iii) and (b), are together the "**Authorised Offerors**" and each an "**Authorised Offeror**".

Any Authorised Offeror falling within (b) who meets the conditions set out in (b) and the other conditions stated in "*Common Conditions to Consent*" below and who wishes to use this Base Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.

Common Conditions to Consent

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Non-exempt Offer are (in addition to the conditions described in paragraph (b) if Part A of the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

- (i) is only valid during the Offer Period specified in the applicable Final Terms;

- (ii) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Securities in Belgium, Denmark, Finland, France, Luxembourg, the Netherlands, Spain and Sweden as specified in the applicable Final Terms; and
- (iii) the consent is subject to any other conditions set out in Part A of the applicable Final Terms.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

The only Relevant Member States which may, in respect of any Tranche of Securities, be specified in the applicable Final Terms (if any relevant Member States are so specified) as indicated in (ii), will be Belgium, Denmark, Finland, France, Luxembourg, the Netherlands, Spain and Sweden and accordingly each Tranche of Securities may only be offered to Investors as part of a Non-exempt Offer in Belgium, Denmark, Finland, France, Luxembourg, the Netherlands, Spain and Sweden as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for BNPP B.V. or BNPP to publish or supplement a prospectus for such offer.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY SECURITIES IN A NON EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE SECURITIES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF BNPP B.V. OR BNPP HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.

Information relating to the use of this Base Prospectus and offer of Securities generally

The distribution of this Base Prospectus and the offering of Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by BNPP B.V., BNPP and each Manager to inform themselves about and to observe any such restrictions.

In this Base Prospectus references to U.S.\$ and U.S. dollars are to United States dollars and references to euro, € and EUR are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

RESPONSIBILITY STATEMENT

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information contained in this Base Prospectus which is sourced from a third party has been accurately reproduced and, as far as the relevant Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The relevant Issuer has also identified the source(s) of such information.

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the relevant Issuer and, if applicable, the Guarantor for the information relating to the underlying asset, index or other item(s) to which the Securities relate, which is contained in such Final Terms.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Base Prospectus and that have been filed with the Netherlands competent authority for the purpose of the Prospectus Directive, and shall be incorporated in, and form part of, this Base Prospectus:

- (a) The terms and conditions of the Securities contained in the base prospectus (the "**2014 Base Prospectus**") of BNPP B.V. dated 22 August 2014 (as approved by the Authority for the financial Markets (the "**2014 Conditions**")), the terms and conditions of the Securities contained in the base prospectus (the "**2015 Base Prospectus**") of BNPP B.V. dated 24 August 2015 (as approved by the Authority for the financial Markets (the "**2015 Conditions**")) and the terms and conditions of the Securities contained in the base prospectus (the "**2016 Base Prospectus**") of BNPP B.V. dated 5 July 2016 (as approved by the Authority for the financial Markets (the "**2016 Conditions**"));
- (b) the English translation of BNP Paribas' *document de référence et rapport financier annuel* for 2015 including the consolidated financial statements for the year ended 31 December 2015 other than the sections entitled "Person Responsible for the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein (the "**BNPP 2015 Registration Document**");
- (c) the English translation of BNP Paribas' *document de référence et rapport financier annuel* for 2016 including the consolidated financial statements for the year ended 31 December 2016 other than the sections entitled "Person Responsible for the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein (the "**BNPP 2016 Registration Document**");
- (d) the English translation of BNP Paribas' first *Actualisation du Document de référence* other than the sections entitled "Person responsible for the update of the Registration Document" and "Table of Concordance" (the "**First Update to the BNPP 2016 Registration Document**"); and
- (e) the audited annual non-consolidated financial statements of BNPP B.V. as at, and for the years ended, 31 December 2015 (the "**BNPP B.V. 2015 Financial Statements**") and 31 December 2016 (the "**BNPP B.V. 2016 Financial Statements**"), such financial statements and the respective auditors' reports thereon, being available as part of the respective statutory annual reports for 2015 and 2016 (the "**2015 BNPP B.V. Annual Report**" and "**2016 BNPP B.V. Annual Report**" respectively);

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

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

The information incorporated by reference above is available as follows:

Information Incorporated by Reference	Reference
Previous Conditions	

2014 Conditions	Pages 124 to 270 of the 2014 Base Prospectus
2015 Conditions	Pages 124 to 298 of the 2015 Base Prospectus
2016 Conditions	Pages 126 to 311 of the 2016 Base Prospectus

BNP PARIBAS	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
3. Risk Factors	
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 244 to 253 of the BNPP 2016 Registration Document
4. Information about the Issuer	
4.1. History and development of the Issuer:	Pages 5 of the BNPP 2016 Registration Document
4.1.1. The legal and commercial name of the Issuer;	Page 539 of the BNPP 2016 Registration Document
4.1.2. The place of registration of the Issuer and its registration number;	Pages 539 and 560 (back cover) of the BNPP 2016 Registration Document
4.1.3. The date of incorporation and the length of life of the Issuer, except where indefinite;	Page 539 of the BNPP 2016 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 539 and 560 (back cover) of the BNPP 2016 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 126 of the BNPP 2016 Registration Document
5. Business Overview	
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, 162 to 164 and 532 to 538 of the BNPP 2016 Registration Document
5.1.2. An indication of any significant new products and/or activities.	Pages 6 to 15, 162 to 164 and 532 to 538 of the BNPP 2016 Registration Document
5.1.3. A brief description of the principal markets in which the Issuer competes.	Pages 6 to 15, 162 to 164 and 532 to 538 of the BNPP 2016 Registration Document
5.1.4. The basis for any statements in the registration document made by the Issuer regarding its competitive	Pages 6 to 15 and 104 to 115 of the BNPP 2016 Registration Document

position.	
6. Organisational Structure	
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 2016 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 222 to 230, 448 to 450 and 532 to 537 of the BNPP 2016 Registration Document
7. Trend Information	
7.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	Pages 127 to 128 of the BNPP 2016 Registration Document
8. Profit Forecasts or Estimates	
8.1. A statement setting out the principal assumptions upon which the Issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.	N/A
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.	N/A
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:	
(a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;	
(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;	
(c) this financial information has not been audited.	
8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	N/A
9. Administrative, Management, and Supervisory Bodies	

<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>	<p>Pages 30 to 42 and 102 of the BNPP 2016 Registration Document</p>
<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>	<p>Pages 43 to 60, 65 to 66 and 78 to 79 of the BNPP 2016 Registration Document</p>
<p>10. Major Shareholders</p>	
<p>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.</p>	<p>Pages 16 and 17 of the BNPP 2016 Registration Document</p>
<p>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.</p>	<p>Page 17 of the BNPP 2016 Registration Document</p>
<p>11. Financial Information concerning the Issuer's assets and liabilities, financial position and profits and losses</p>	
<p>11.1. Historical Financial Information</p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year.</p>	<p>Pages 4, 21, 103 to 128 , 129 to 232, 400 to 438 of the BNPP 2015 Registration Document</p> <p>Pages 4, 21, 103 to 130, 131 to 233 and 414 to 453 of the BNPP 2016 Registration Document</p>
<p>11.2. Financial statements</p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	<p>Pages 129 to 230, 400 to 431 of the BNPP 2015 Registration Document</p> <p>Pages 131 to 231, 413 to 451 of the BNPP 2016 Registration Document</p>
<p>11.3. Auditing of historical annual financial information</p>	
<p>11.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.</p>	<p>Pages 231 to 232 and 437 to 438 of the BNPP 2015 Registration Document</p> <p>Pages 232 and 233 and 452 to 453 of the BNPP 2016 Registration Document</p>
<p>11.3.2. An indication of other information in the registration document which has been audited by the auditors.</p>	<p>Pages 99 to 100 and 524 to 526 of the BNPP 2015 Registration Document</p> <p>Pages 100 and 101 and 544 and 545 of the BNPP 2016 Registration Document</p>

11.4. Age of latest financial information	
11.4.1. The last year of audited financial information may not be older than 18 months from the date of the registration document.	Pages 132 and 399 of the BNPP 2015 Registration Document Pages 134 and 413 of the BNPP 2016 Registration Document
11.5. Interim and other financial information	
11.5.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.	Pages 3 to 64 of the First Update to the BNPP 2016 Registration Document
11.6. Legal and arbitration proceedings	Pages 161 and 213 of the BNPP 2016 Registration Document Page 89 of the First Update to the BNPP 2016 Registration Document

BNP PARIBAS ISSUANCE B.V.		
	Extract of the Annex IV of the European Regulation 809/2004/EC	
13.	Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses	
13.1	Historical Financial Information	Pages 5-16 of the 2015 BNPP B.V. Annual Report Pages 5-17 of the 2016 BNPP B.V. Annual Report
13.3	Auditing of historical annual financial information	
13.3.1	A statement that the historical financial information has been audited.	Pages 18-21 of the 2015 BNPP B.V. Annual Report Pages 18-21 of the 2016 BNPP B.V. Annual Report
13.3.2	An indication of other information in the registration document which has been audited by the auditors.	N/A
13.3.3	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is un-audited.	N/A

13.4	Age of latest financial information	
13.4.1	The last year of audited financial information may not be older than 18 months from the date of the registration document.	Pages 3-17 of the 2016 BNPP B.V. Annual Report
13.5	Interim and other financial information	
13.5.1	If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document.	N/A
13.5.2	If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is un-audited state that fact.	N/A

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

Each of the documents incorporated by reference in (b) to (e) above will only be made available by the relevant Issuer or the Guarantor (if applicable) to which such document relates. In addition, copies of any documents incorporated by reference will be made available, free of charge, by BNP Paribas Securities Services ("**BP2S**"), BNP Paribas Arbitrage S.N.C. ("**BNPA**") and the other Agents. Requests for such documents should be directed to the specified office of such Agent. Such documents will, along with this Base Prospectus, be available for viewing via the websites of BNPP (www.produitsdebourse.bnpparibas.fr; www.bnpparibasmarkets.be or www.bnpparibasmarkets.nl; www.educatedtrading.bnpparibas.se <https://www.productoscotizados.com/home/>).

GENERAL DESCRIPTION OF THE PROGRAMME AND PAYOUT METHODOLOGY UNDER THIS BASE PROSPECTUS

Issuers	BNP Paribas Issuance B.V. (" BNPP B.V. ") BNP Paribas (" BNPP " and, together with its consolidated subsidiaries, the " Group ").
Guarantor	BNP Paribas.
Description of the Programme under this Base Prospectus	Warrant and Certificate Programme
Securities	Securities may be issued as Index Securities, Share Securities, ETI Securities, Debt Securities, Commodity Securities, Currency Securities or Futures Securities or open end turbo Certificates which will be redeemed on a date determined by the Issuer, acting in good faith, subject as provided herein (" OET Certificates "), or any other or further type of warrants or certificates including Hybrid Securities where the Underlying Reference may be any combination of such indices, shares, interests in exchange traded instruments, debt instruments (or debt futures or options contracts), commodities, currencies or futures contracts or other asset classes or types.
Governing Law	The Securities and the Guarantee will be governed by French law.
Payout Methodology	<p>The amount(s) (if any) payable or deliverable, as applicable, under the Securities will be comprised of the following components (each a "Product Component"): </p> <ul style="list-style-type: none"> (i) on final redemption or exercise, the Cash Settlement Amount (see Conditions 18 (<i>Definitions (Warrants)</i>) and 25 (<i>Definitions (Certificates)</i>), and Payout Conditions 1); (ii) if Automatic Early Redemption or Automatic Early Expiration is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event or an Automatic Early Expiration Event occurs, the Automatic Early Redemption Amount or Automatic Early Expiration Payout Amount, as applicable, (see Conditions 22.8 (<i>Automatic Early Expiration (Warrants)</i>) and 29.6(b) (<i>Automatic Early Redemption (Certificates)</i>)); (iii) if an Issuer Call Option, Holder Put Option is specified as applicable in the applicable Final Terms, the relevant Optional Redemption Amount (see Conditions 29.2 (<i>Issuer Call Option</i>) and 29.3 (<i>Holder Put Option</i>); and/or (iv) in the case of Physical Delivery Securities, the Entitlement (see Conditions 18 (<i>DEFINITIONS (WARRANTS)</i>) and 25 (<i>Definitions (Certificates)</i>)).

The terms of a Series of Securities are comprised of (i) the Conditions, (ii) the Annex relevant to the relevant Underlying References and (iii) if selected in the applicable Final Terms, the Payout(s) selected from Annex 1 to the Conditions (the "**Payout Conditions**") specified in the applicable Final Terms and the related variables specified in the applicable Final Terms (including the relevant valuation provisions) for such Payout(s) (as selected from the Payout Conditions).

Investors must review the Conditions, the Annex relevant to the relevant Underlying Reference and the Payout Conditions, together with the applicable Final Terms to ascertain the terms and conditions applicable to the Securities.

Exempt Securities

The requirement to publish a prospectus under the Prospectus Directive only applies to Securities which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). Under this Base Prospectus, the Issuers may issue Exempt Securities (being Securities for which no prospectus is required to be published under the Prospectus Directive). In the case of Exempt Securities, any terms and conditions not contained in this Base Prospectus which are applicable to such Exempt Securities will be set out in a pricing supplement document (the "**Pricing Supplement**"). The Agency Agreement, as amended or supplemented from time to time (as defined in the Conditions), sets out the form of Pricing Supplement for Exempt Securities which are Securities. For the purposes of any Exempt Securities, references in the Conditions to "Final Terms" shall be deemed to include a reference to "Pricing Supplement".

Taxation

The Holder must pay all taxes, duties and/or expenses arising from the disposal, exercise and settlement or redemption of the Securities and/or the delivery or transfer of the Entitlement.

The relevant Issuer and the Guarantor (if any) shall deduct from amounts payable or assets deliverable to Holders certain taxes and expenses not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent determines are attributable to the Securities.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code.

FORM OF FINAL TERMS

FINAL TERMS DATED [●]

[BNP Paribas Issuance B.V.]

(formerly BNP Paribas Arbitrage Issuance B.V.)

*(incorporated in The Netherlands)
(as Issuer)]*

BNP Paribas

*(incorporated in France)
(as [Issuer] [Guarantor])*

(Warrant and Certificate Programme)

[insert title of Securities]

[BNP Paribas Arbitrage S.N.C.]

(as Manager)]

Any person making or intending to make an offer of the Securities may only do so[:

- (i) in those Non-exempt Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is a Manager or an Authorised Offeror (as such term is defined in the Base Prospectus) and that the offer is made during the Offer Period specified in that paragraph and that any conditions relevant to the use of the Base Prospectus are complied with; or
- (ii) otherwise]³ in circumstances in which no obligation arises for the Issuer[, the Guarantor] or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

[Neither][None of] the Issuer [nor], [the Guarantor or] any Manager has authorised, [n]or [do they] authorise[s], the making of any offer of Securities in any other circumstances.

[Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be, (the "**Publication Date**") have the right within two working days of the Publication Date to withdraw their acceptances.]⁴

³ Include this wording where a non-exempt offer of Securities is anticipated.

⁴ Include in respect of issues of Securities where the public offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 4 July 2017 [, [the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below) and any other Supplement to the Base Prospectus which may have been published and approved before the issue of any additional amount of Securities (the "**Supplements**") (provided that to the extent any such Supplement (i) is published and approved after the date of these Final Terms and (ii) provide for any change to the Conditions of the Securities such changes shall have no effect with respect to the Conditions of the Securities to which these Final Terms relate)] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") (the "**Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on [BNP Paribas Issuance B.V.]/[BNP Paribas] (the "**Issuer**") [and BNP Paribas (the "**Guarantor**")]] and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. [A summary of the Securities (which comprises the Summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms.] **[The Base Prospectus [and any Supplement(s) to the Base Prospectus] [and these Final Terms]⁵ [is/are] available for viewing at [address] [and] [website] and copies may be obtained free of charge at the specified offices of the Security Agents.]]**

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date] [, [the][each] Supplement[s] to it published and approved on or before the date of these Final Terms (copies of which are available as described below) and any other Supplement to it which may have been published and approved before the issue of any additional amount of Securities (the "**Supplements**") (provided that to the extent any such Supplement (i) is published and approved after the date of these Final Terms and (ii) provide for any change to the Conditions of the Securities such changes shall have no effect with respect to the Conditions of the Securities to which these Final Terms relate)] which are incorporated by reference in the Base Prospectus dated [current date]. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated [current date] [and any Supplement[s] to it], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus. Full information on [BNP Paribas Issuance B.V.]/[BNP Paribas] (the "**Issuer**"), [BNP Paribas (the "**Guarantor**")]] and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Base Prospectus. [A summary of the Securities (which comprises the Summary in the Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms][**The Base Prospectus [and any Supplement[s] to the Base Prospectus] [and these Final Terms]⁶ [is/are] available for viewing at [address] [and] [website] and copies may be obtained free of charge at the specified offices of the Security Agents.]**

[The following alternative language applies in respect of issues of Securities where the public offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [date] [, [the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below) and any

⁵ Include in respect of issues of Securities that are listed.

⁶ Include in respect of issues of Securities that are listed.

other Supplement to the Base Prospectus which may have been published and approved (such date of publication and approval, the "**Publication Date**") before the issue of any additional amount of Securities (the "**Supplements**") (provided that to the extent any such Supplement (i) is published and approved after the date of these Final Terms and (ii) provide for any change to the Conditions of the Securities such changes shall have no effect with respect to the Conditions of the Securities to which these Final Terms relate) (together, the "**2016 Base Prospectus**"), notwithstanding the approval of an updated base prospectus which will replace the 2016 Base Prospectus (the "**2017 Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and (i) prior to the Publication Date, must be read in conjunction with the 2016 Base Prospectus, as supplemented, or (ii) on and after the Publication Date, must be read in conjunction with the 2017 Base Prospectus, as supplemented, save in respect of the Conditions which are extracted from the 2016 Base Prospectus as supplemented, as the case may be. The 2016 Base Prospectus, as supplemented, constitutes, and the 2017 Base Prospectus will constitute, a base prospectus for the purposes of the Prospectus Directive. Full information on [BNP Paribas Issuance B.V.]/[BNP Paribas] (the "**Issuer**") [and BNP Paribas (the "**Guarantor**")]) and the offer of the Securities is only available on the basis of the combination of these Final Terms and [either] [(i) prior to the Publication Date, the 2016 Base Prospectus, as supplemented, or (ii)] [on or after the Publication Date, the 2017 Base Prospectus, as supplemented], save in respect of the Conditions which are extracted from the 2016 Base Prospectus, as the case may be. The 2016 Base Prospectus, as supplemented, [and these Final Terms]⁷ are available, and the 2017 Base Prospectus will be available for viewing at [address] [and] [website] and copies may be obtained from [address].]

[Include whichever of the following apply or specify as "Not applicable" or "(N/A)". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub paragraphs. Italics denote directions for completing the Final Terms. However, such numbering may change where individual paragraphs or sub-paragraphs are removed.]

References herein to numbered Conditions are to the terms and conditions of the relevant series of Securities and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms in so far as they relate to such series of Securities, save as where otherwise expressly provided.

[When completing any final terms consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

These Final Terms relate to the series of Securities as set out in "Specific Provisions for each Series" below. References herein to "**Securities**" shall be deemed to be references to the relevant Securities that are the subject of these Final Terms and references to "**Security**" shall be construed accordingly.

SPECIFIC PROVISIONS FOR EACH SERIES

SERIES NUMBER	NO. OF SECURITIES ISSUED	NO OF SECURITIES	[NO. OF WARRANTS PER UNIT]	ISIN/[]	COMMON CODE	[MNEMONIC CODE]	ISSUE PRICE PER [SECURITY/UNIT]	[CALL/PUT]	[EXERCISE PRICE]	[REDEMPTION DATE]	[EXERCISE PERIOD/DATE]	[RELEVANT JURISDICTION]	[PARITY]	[Insert other variable]
[●]	[●]	[Up to] [●]	[●]	[●]	[●]	[●]	[[insert currency] [●]/[[●]% of the Notional Amount]	[call/put]	[[insert currency][●]]	[●]/[Open End] ⁸	[●]	[●]	[●]	[●]
[●]	[●]	[Up to] [●]	[●] ⁹	[●]	[●]	[●] ¹⁰	[[insert currency] [●]/[[●]% of the Notional Amount]	[call/put]	[[insert currency] [●]] ¹¹	[●]/[Open End]	[●] ¹²	[●] ¹³	[●]	[●]

⁷ Include in respect of issues of Securities that are listed.

⁸ Include for Open Ended Securities

⁹ Include for Warrants if applicable.

¹⁰ Only applies where the Securities are listed on Euronext Paris or Euronext Amsterdam.

¹¹ Include for Warrants.

¹² Include for Warrants.

¹³ Include for Certificates.

(Where the Final Terms cover more than one series of Securities, the table above should be completed for all variables which will differ across the different series of Securities. The relevant line item for any such variable in the General Provisions below should include the following language: "See the Specific Provisions for each Series [above]").)

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1. Issuer: [BNP Paribas Issuance B.V.]/[BNP Paribas]
2. [Guarantor: BNP Paribas]
3. Trade Date: [specify]
4. Issue Date [and Interest Commencement Date]: [specify] [Applicable only for Fixed Rate Interest or Coupon Rate Payout 3000/1 - Digital Coupon / Coupon Rate Payout 3000/2 - Snowball Digital Coupon]
5. Consolidation: [The Securities are to be consolidated and form a single series with the [insert title of relevant series of Securities] issued on [insert issue date]/[Not applicable]]
6. Type of Securities:
 - (a) [Warrants/Certificates]
 - (b) The Securities are [Index Securities/Share Securities/ ETI Securities / Debt Securities / Commodity Securities/ Currency Securities/ Futures Securities/Hybrid Securities].

[The Warrants are [European/American] Style Warrants.]
(N.B. Swedish Dematerialised Warrants may only be European Style Warrants)

Automatic Exercise [applies/does not apply]. (N.B. Automatic Exercise may only apply in relation to Cash Settled Warrants/Automatic Exercise will always apply to Swedish Dematerialised Warrants).¹⁴

[The provisions of Annex 2 (Additional Terms and Conditions for Index Securities) shall apply.] [The provisions of Annex 3 (Additional Terms and Conditions for Share Securities) shall apply.] [The provisions of Annex 4 (Additional Terms and Conditions for ETI Securities) shall apply.] [The provisions of Annex 5 ([Additional Terms And Conditions For Debt Securities](#)~~Additional Terms And Conditions For Debt Securities~~) shall apply.] [The provisions of Annex 6 (Additional Terms and Conditions for Commodity Securities) shall apply.] [The provisions of Annex 7 (Additional Terms and Conditions for Currency Securities) shall apply.] [The provisions of Annex 8 (Additional Terms and Conditions for Futures Securities) shall apply.] [The provisions of Annex 9 (Additional Terms

¹⁴ Include for Warrants.

		and Conditions for OET Certificates) shall apply.]
		Unwind Costs: [Applicable/Not applicable] [Essential Trigger:Applicable]
7.	Form of Securities:	[Dematerialised bearer form (<i>au porteur</i>)] [Swedish Dematerialised Securities]
8.	Business Day Centre(s):	The applicable Business Day Centre[s] for the purposes of the definition of "Business Day" in Condition 1 [is/are] [●].
9.	Settlement:	Settlement will be by way of [cash payment (Cash Settled Securities)] [and/or] [physical delivery (Physical Delivery Securities)]. (<i>N.B. Swedish Dematerialised Securities may only be Cash Settled Securities</i>) [Issuer's Option to Substitute: Not applicable]
10.	Rounding Convention for Cash Settlement Amount:	[Rounding Convention 1 (<i>only applicable in the case of Warrants</i>)]/[Rounding Convention 2]/[Not applicable]
11.	Variation of Settlement:	
	(a) Issuer's option to vary settlement:	The Issuer [has/does not have] the option to vary settlement in respect of the Securities. (<i>N.B. the Issuer's option to vary settlement is not applicable to Swedish Dematerialised Securities</i>) (<i>N.B. If the Issuer does not have the option to vary settlement in respect of the Securities, delete the sub-paragraphs of this paragraph 11</i>)
	(b) Variation of Settlement of Physical Delivery Securities:	[Notwithstanding the fact that the Securities are Physical Delivery Securities, the Issuer may make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or on the Redemption Date (in the case of Certificates), and the provisions of Condition 5 will apply to the Securities.]/[The Issuer will procure delivery of the Entitlement in respect of the Securities and the provisions of Condition 5 will not apply to the Securities.]
12.	Final Payout	[NA x [●%]]
	[ETS Payout	[Yield Enhancement Products: [ETS Final Payout 1250/4 [Insert related provisions from Conditions]]] [Participation Products: [ETS Final Payout 1320/1 [Insert related provisions from Conditions]]] [Leverage Products: [ETS Final Payout 2100 Insert related provisions from Conditions]]

[ETS Final Payout 2200/1
[Insert related provisions from Conditions]]

[ETS Final Payout 2200/2
[Insert related provisions from Conditions]]

[ETS Final Payout 2210
[Insert related provisions from Conditions]]

[Constant Leverage Products:

[ETS Final Payout 2300
[Insert related provisions from Conditions]]

[SPS Payout

[SPS Reverse Convertible Securities

[SPS Final Payout 3000 - Reverse Convertible Securities
[Insert related provisions from Conditions]]

[SPS Vanilla Products

[SPS Final Payout 3001 - Vanilla Call Securities
[Insert related provisions from Conditions]]

Aggregation:

[Applicable / Not applicable]

13. Relevant Asset(s):

[The relevant asset to which the Securities relate [is/are]
[●].]/[Not applicable]

14. Entitlement:

[Applicable/Not applicable/Physical Delivery Option [1/2/3]]

[The Entitlement Amount in relation to each Security is:

- (a) The Entitlement will be evidenced by [insert details of how the Entitlement will be evidenced].]
- (b) [The Entitlement will be [delivered] [Delivered] [insert details of the method of delivery of the Entitlement].]

(N.B. Only applicable in relation to Physical Delivery Securities)

15. [Exchange Rate]/[Conversion Rate] [The applicable rate of exchange for conversion of any amount into the relevant [settlement currency]/[Settlement Currency or Calculation Currency, as applicable] for the purposes of determining the Settlement Price (as defined in the relevant Annex to the Terms and Conditions) or the Cash Settlement Amount (as defined in Condition 1) is *[insert rate of exchange and details of how and when such rate is to be ascertained]/[specify]*/[As specified in the OET Certificate Conditions]/[Not applicable].
16. Settlement Currency: The settlement currency for the payment of [the Cash Settlement Amount] (*in the case of Cash Settled Securities*)/[the Disruption Cash Settlement Price] (*in the case of Physical Delivery Securities*) is [●].
17. Syndication: The Securities will be distributed on a [non-]syndicated basis.
[if syndicated, specify names of the Managers]
18. Minimum Trading Size: *[specify]*/[Not applicable]
19. Principal Security Agent: [BNP Paribas Arbitrage S.N.C.]/ [BNP Paribas Securities Services]/[BNP Paribas Securities Services in Amsterdam] /[BNP Paribas Securities Services, Branch in Spain]/*[specify other]*
20. Calculation Agent: [BNP Paribas]/[BNP Paribas Arbitrage S.N.C.]/*[specify other]*[ADDRESS].
21. Governing law: French law
22. Masse provisions (Condition 9.4): [Applicable] / [Not applicable] *[If applicable, insert below details of Representative and alternate Representative and remuneration, if any:*

[Name and address of the Representative: [●]]

Name and address of the alternate Representative: [●]]

[The Representation will receive no remuneration/The Representative will receive a remuneration of [●]].

PRODUCT SPECIFIC PROVISIONS (ALL SECURITIES)

23. Index Securities: [Applicable/Not applicable]
- (a) Index/Basket of Indices/Index Sponsor(s): *[specify name of Index/Indices]*
[specify name of Index Sponsor(s)]

[The [●] Index is a [Component Security]/[Multi-Exchange Index].]¹⁵

[The [●] Index is a Custom Index]¹⁶

¹⁵ Specify each Component Security Index and/or Multi-Exchange Index (if any).
¹⁶ Specify each Custom Index (if any).

- (b) Index Currency: [specify]
- (c) Exchange(s): [specify]
- (d) Related Exchange(s): [specify]/[All Exchanges]
- (e) Exchange Business Day: [Single Index Basis/All Indices Basis/Per Index Basis/As per Conditions]
- (f) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index Basis/As per Conditions]
- (must match election made for Exchange Business Day)
- (g) Weighting: [The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Annex 2]/[specify other]. (N.B. Only applicable in relation to Securities relating to a Basket of Indices)]
- (h) Settlement Price: [Official opening level]/[Official closing level]/[level at the Valuation Time]/[Index Condition 9 (Futures Price Valuation) applies]
- (i) Specified Maximum Days of Disruption: [As per Conditions]/[specify] Scheduled Trading Days.
- [Specified Maximum Days of Disruption will be equal to [●]/[twenty]] (N.B. Only applicable in the case of Custom Indices. If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to twenty)
- (j) Valuation Time: [Continuous monitoring specify other] and the relevant time on the relevant Settlement Price Date or Averaging Date, as the case may be, is [Scheduled Closing Time (in the case of Warrants) or the Valuation Time (in the case of Certificates)] each as defined in Condition 1.] [specify].]
- (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 1. Not applicable in the case of Custom Indices).
- [As per the Conditions]/[●], being the time specified on the last Valuation Date or an Averaging Date or Observation Date as the case may be, for the calculation of the Settlement Price (N.B. Only applicable in the case of Custom Indices).]
- (k) [[Cancellation](in the case of Warrants)/[Redemption] (in the case of Certificates) on Occurrence of Index Adjustment Event: In the case of Warrants:
- [As per Conditions]
- [Highest Value: [Applicable/Not applicable]]
- [Market Value: [Applicable/Not applicable]]

[If Highest Value is applicable: Protected Amount: *[specify]*]

[If the Calculation Agent determines an Index Adjustment Event constitutes a force majeure, Index Condition 3.2(c)(iii) applies]]

In the case of Certificates:

[Delayed Redemption on Occurrence of an Index Adjustment Event: [Applicable/Not applicable]]

[If applicable:

Principal Protected Termination Amount: [Applicable/Not applicable]

[Highest Value:[Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable:

Protected Amount: *[specify]* per cent. of the Notional Amount]

[If the Calculation Agent determines an Index Adjustment Event constitutes a force majeure, Index Condition 3.2(d)(vi) applies]

(l) Index Correction Period: [As per Conditions/*specify*]

(m) Additional provisions applicable to Custom Indices: [Applicable/Not applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Screen Page: *[specify]*

(ii) Custom Index Business Day: [All Indices Basis/Per Index Basis/Single Index Basis/As per Conditions]

(iii) Scheduled Custom Index Business Day: [All Indices Basis/Per Index Basis/Single Index Basis/As per Conditions]

(N.B. Must match election made for Custom Index Business Day)

(iv) Custom Index Correction Period: [As per Conditions/*specify*]

(v) [Cancellation](*in the case of Warrants*)/[Redempti
In the case of Warrants:
[As per Conditions]

	on](<i>in the case of Certificates</i>) on Occurrence of Custom Index Adjustment Event:	<p>[Highest Value: [Applicable/Not applicable]]</p> <p>[Market Value: [Applicable/Not applicable]]</p> <p>[If Highest Value is applicable: Protected Amount: <i>[specify]</i>]</p> <p>[If the Calculation Agent determines a Custom Index Adjustment Event constitutes a force majeure, Index Condition 6.2[(a)/(b)/(c))(ii)(D)III applies.]</p> <p><i>In the case of Certificates:</i></p> <p>[Delayed Redemption on Occurrence of an Index Adjustment Event: [Applicable/Not applicable]]</p> <p>[Highest Value:[Applicable/Not applicable]]</p> <p>[Market Value: [Applicable/Not applicable]]</p> <p>[Monetisation Option: [Applicable/Not applicable]]</p> <p><i>[If Highest Value or Monetisation Option are applicable: Protected Amount: <i>[specify]</i> per cent. of the Notional Amount]</i></p> <p>[If the Calculation Agent determines a Custom Index Adjustment Event constitutes a force majeure, Index Condition 6.2[(a)/(b)/(c))(ii)(E)VI applies]</p>
(n)	Additional provisions applicable to Futures Price Valuation:	<p>[Applicable/Not applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p>
	(i) Rolling Futures Contract Securities:	<p>[Yes/No]</p> <p>[Related Hedging : Not applicable]</p>
	(ii) Exchange-traded Contract:	<i>[specify]/[If the Index Securities are Rolling Futures Contract Securities: Index Condition 9.2 applies]</i>
	(iii) Delivery or expiry month:	<i>[specify]/[Not applicable]</i>
		<i>(Not applicable in the case of Index Securities that are Rolling Futures Contract Securities)</i>
	(iv) Futures or Options Exchange:	<i>[specify]</i>
	(v) Futures Rollover [Date/Period]:	<i>[specify]/[Not applicable]</i>
	(vi) Relevant FTP Screen Page:	<i>[specify]/[Not applicable]</i>
	(vii) Relevant Futures or	<i>[specify]/[Not applicable]</i>

options Exchange
Website:

(viii) Cut-off Time: [specify]/[Not applicable]

(ix) [Cancellation](in the case of Warrants)/[Redemption](in the case of Certificates) on Non-Commencement or Discontinuance of an Exchange-traded Contract: *In the case of Warrants:*
[As per Conditions]
[Highest Value: [Applicable/Not applicable]]
[Market Value: [Applicable/Not applicable]]
[If Highest Value is applicable: Protected Amount: *specify*]

[If the Calculation Agent determines a Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a force majeure, Index Condition 9.2(a)(iii) applies.]

In the case of Certificates:

[Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract: [Applicable/Not applicable]]

[If applicable: Principal Protected Termination Amount: [Applicable/Not applicable]]

[Highest Value:[Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: *specify* per cent. of the Notional Amount]

[If the Calculation Agent determines a Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a force majeure, Index Condition 9.2(b)(vi) or 9.4(vi) applies]

24. Share Securities: [Applicable/Not applicable]

(a) Share(s)/Share Company/Basket Company/GDR/ADR: *[insert type of Share(s) and Share Company/Basket Companies]*

[Insert details of GDR/ADR] ¹⁷

(b) Relative Performance Basket: [Not applicable/specify]

(c) Share Currency: *[specify]*

¹⁷ Specify each GDR or ADR (if any). In the case of Share Securities relating to a GDR/ADR, complete Share Securities Final Terms as applicable for GDR/ADR reference asset(s).

- (d) ISIN of Share(s): [specify]
- (e) Exchange(s): [specify]
- (f) Related Exchange(s): [specify]/[All Exchanges]
- (g) Exchange Business Day: [Single Share Basis/All Shares Basis/Per Share Basis/As per Conditions]
- (h) Scheduled Trading Day: [Single Share Basis/All Shares Basis/Per Share Basis/As per Conditions]
(must match election made for Exchange Business Day)
- (i) Weighting: [The weighting to be applied to each item comprising the Basket of Shares to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Annex 3]/[specify other]. (N.B. Only applicable in relation to Securities relating to a Basket of Shares)]
- (j) Settlement Price: [Official closing price]/[Price at the Valuation Time]]
- (k) Specified Maximum Days of Disruption: [As per Conditions]/[[specify] Scheduled Trading Days].
- (l) Valuation Time: [Continuous monitoring [specify other] and the relevant time on the relevant Settlement Price Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 1.] [specify] (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 1)]
- (m) [Cancellation](in the case of Warrants)/[Redemption] (in the case of Certificates) on Occurrence of an Extraordinary Event: *In the case of Warrants:*
[As per Conditions]
[Highest Value: [Applicable/Not applicable]]
[Market Value: [Applicable/Not applicable]]
[If Highest Value is applicable: Protected Amount: [specify]]
[If the Calculation Agent determines that an Extraordinary Event constitutes a force majeure, Share Condition 4.2(b)(iii) or 4.2(c)(iii) applies.]
In the case of Certificates:
[Delayed Redemption on Occurrence of an Extraordinary Event: [Not applicable/Applicable]]
[If applicable:
Principal Protected Termination Amount: [Applicable/Not applicable]]

[Highest Value:[Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable:Protected Amount: [specify] per cent. of the Notional Amount]]

[If the Calculation Agent determines that an Extraordinary Event constitutes a force majeure, Share Condition 4.2(b)(vi) or 4.2(d)(vi) applies]

(n) Share Correction Period [As per Conditions/specify]

(o) Dividend Payment: [Applicable/Not applicable]

(p) Listing Change: [Applicable/Not applicable]

(q) Listing Suspension: [Applicable/Not applicable]

(r) Illiquidity: [Applicable/Not applicable]

(s) Tender Offer: [Applicable/Not applicable]

(t) Hedging Liquidity Event: [Applicable/Not applicable]

[Maximum Hedging Liquidity Level : [[●] per cent.]/[As per Conditions]]

25. ETI Securities [Applicable/Not applicable]

(a) ETI/ETI Basket: [specify]

(b) ETI Interest(s): [insert type of ETI Interst(s)]

(c) ETI Related Party: [As per Conditions]/[specify]

(d) ETI Documents: [As per Conditions]/[specify]

(e) Exchange(s): [specify]/[Not Applicable]

(f) Related Exchange: [specify]/[All Exchanges]/[Not Applicable]

(g) Scheduled Trading Day: [All ETI Interest Basis/Per ETI Interest Basis/Single ETI Interest Basis]

(h) Exchange Business Day: [All ETI Interest Basis/Per ETI Interest Basis/Single ETI Interest Basis]

(i) Calculation Date(s): [As per Conditions]/[specify]

(j) Initial Calculation Date: [specify]/[Not applicable]

(k) Final Calculation Date: [specify]/[Not applicable]

- (l) Hedging Date: [specify]
- (m) Investment/AUM Level: [As per Conditions]/[specify]
- (n) Value per ETI Interest Trading Price Barrier: [As per Conditions]/[specify]
- (o) Number of Value Publication Days: [[●] calendar days] [[●] Value Business Days]
[Value Business Day Centre(s): [specify]]

(Only applicable if Number of Value Publication Days is calculated by reference to Value Business Days)
- (p) Value Trigger Percentage: [As per Conditions]/[specify]
- (q) Value Trigger Period: [As per Conditions]/[specify]
- (r) Basket Trigger Level: [As per Conditions]/[specify]
- (s) Settlement Price/Closing Price: [As per Conditions]/[specify]
- (t) Weighting: The Weighting to be applied to each ETI Interest comprising the ETI Basket is [specify]
- (u) Valuation Time: [specify]
- (v) Specified Maximum Days of Disruption: [As per Conditions]/[specify]
- (w) Additional Extraordinary ETI Event(s): [specify]
- (x) Maximum Stock Loan Rate: [The Maximum Stock Loan Rate in respect of [specify in relation to each relevant ETI Interest] is [●].]
- (y) ETI Interest Correction Period: [specify]
- (z) Termination Amount: *In the case of Warrants:*

[As per Conditions]/[Highest Value]/[Market Value]

[If Highest Value is applicable: Protected Amount: [specify]]

In the case of Certificates:

[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[specify]/[Market Value]/[Highest Value]/[Monetisation Option]
- (aa) [Simple Interest Spread: [As per Conditions]/[specify]]
- (bb) Termination Date: [specify]
- (cc) [Delayed Redemption on Occurrence of an [Applicable/Not applicable]

Extraordinary ETI Event (*in case of Certificates*):

- (dd) [Protected Amount: *[If Highest Value, Monetisation Option or Delayed Redemption on Occurrence of an Extraordinary ETI Event and Principal Protected Termination Amount are applicable: [specify] per cent. of the Notional Amount]]*
26. Debt Securities: [Applicable/Not applicable]
- (a) Debt Instruments: *[specify] [Not applicable] (Not applicable if Futures Price Valuation applicable)*
- (b) Nominal Amount: [The relevant nominal amount is [●] and the Relevant Screen Page is [●].] [Not applicable]
(Not applicable if Futures Price Valuation applicable)
- (c) Reference Price: [The Reference Price[s] for *[insert relevant Debt Instrument(s)]* is/are the [bid price]/[mid price]/[offer price]/[bid yield]/[mid yield]/[offer yield].]/[Not applicable]
- (d) Exchange Business Day Centre(s): *[specify]*
- (e) Valuation Time: *[specify]*
- (f) Specified Maximum Days of Disruption: [[As per Conditions]/*[specify]* Scheduled Trading Days.] [Not applicable] *(Not applicable if Futures Price Valuation applicable)*
- (g) Delayed Redemption on Occurrence of Debt Instrument Redemption Event: [Applicable/Not applicable]
[If applicable:
Principal Protected Termination Amount: [Applicable/ Not applicable]
[If Principal Protected Termination Amount is applicable:
Protected Amount: *[specify]* per cent. of the Notional Amount]]
(Not applicable if Futures Price Valuation applicable)
- (h) Debt Instrument Correction Period: [As per Conditions]/[●]/[Not applicable]
(Not applicable if Futures Price Valuation applicable)
- (i) Debt Instrument Issuer: [●]/[Not applicable]
(Not applicable if Futures Price Valuation applicable)
- (j) Weighting: [Not applicable/The weighting to be applied to each item comprising the Basket of Debt Instruments to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]

- (k) Additional provisions applicable to Futures Price Valuation: [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rolling Futures Contract Securities: [Yes/No]
- (ii) Exchange-traded Contract: [specify]/[If the Debt Securities are Rolling Futures Contract Securities: Debt Condition 7 applies]
- (iii) Synthetic Debt Instrument: [include description of the key terms of the synthetic debt instrument]
- (iv) Delivery or expiry month: [specify]/[Not applicable]
(Not applicable in the case of Debt Securities that are Rolling Futures Contract Securities)
- (v) Period of Exchange-traded Contracts [specify]/[Not applicable]
(Not applicable in the case of Debt Securities that are Rolling Futures Contract Securities)
- (vi) Futures or Options Exchange: [specify]
- (vii) Futures Rollover [Date/Period]: [Not applicable]/[specify]
- (viii) Delayed redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract: [Applicable/Not applicable]
[If applicable: Principal Protected Termination Amount: [Applicable/Not applicable]
[If Principal Protected Termination Amount is applicable:
Protected Amount: [specify] per cent. of the Notional Amount])
- (ix) Daily Settlement Price Correction Period: [As per Conditions][specify]
27. Commodity Securities: [Applicable/Not applicable]
- (a) Commodity/Commodities/Commodity Index/Commodity Indices: [specify Commodity/Commodities/Commodity Index/Commodity Indices]
[The Sponsor[s] of the Commodity [Index/Indices] [is/are] [●]]
- (b) Pricing Date(s): [specify]
- (c) Initial Pricing Date: [specify]
- (d) Final Pricing Date: [specify]

- (e) Commodity Reference Price: *[specify]*
The Price Source is/are ☐ ¹⁸
- (f) Delivery Date: *[specify]*/[Not applicable]
- (g) Nearby Month: *[specify]*/[Not applicable]
- (h) Specified Price: *[specify]*/[Not applicable]
- (i) Exchange: *[specify]*/[Not applicable]
- (j) Disruption Fallback(s): *[specify]*/[As per Conditions]
- (k) Valuation Time: [Continuous monitoring *[specify other]* and the relevant time on *[insert relevant date(s)]*]/*[specify]*
- (l) Specified Maximum Days of Disruption: *[specify]* ☐ Commodity Business Days ¹⁹/[As per Conditions]
- (m) Weighting: The Weighting to be applied to each item comprising the Commodity Basket is *[specify]* / [Not applicable]
- (n) Rolling Futures Contract Securities: [Yes/No]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

Futures Rollover [Date/Period]: [Not applicable]/*[specify]*
- (o) [Cancellation] *(in the case of Warrants)* / [Redemption] *(in the case of Certificates)* following Market Disruption Event or Commodity Index Adjustment Event: *In the case of Warrants:*
[As per Conditions]
[Highest Value]/[Market Value]
[If Highest Value is applicable: Protected Amount: *[specify]*]

[If the Calculation Agent determines a Market Disruption Event or Commodity Index Adjustment Event constitutes a force majeure, Commodity Condition 3(c)(iii) or 4(b)(ii)C applies.]

In the case of Certificates:

[Commodity Condition 3(d)(i) applies]/[Highest Value]/[Market Value]/[Monetisation Option]

[If Highest Value or Monetisation Option are applicable: Protected Amount: *[specify]* per cent. of the Notional Amount]]

¹⁸ Delete if using automated Commodity Reference Prices

¹⁹ Only applicable in respect of Commodity Securities linked to a single Commodity.

[If the Calculation Agent determines a Market Disruption Event or Commodity Index Adjustment Event constitutes a force majeure, Commodity Condition 3(d)(v) or 4(b)(iii)E applies.]

28. Currency Securities: [Applicable/Not applicable]
- (a) Relevant Screen Page: [specify]
- (b) The relevant base currency (the "Base Currency") is: [specify]
- (c) The relevant subject [currency/currencies] ([the]/[each a] "Subject Currency") [is/are]: [specify]
- (d) Weighting: [specify]
- (e) Price Source: [specify]
- (f) Specified Maximum Days of Disruption: [specify]/[five] Scheduled Trading Days
- (g) Settlement Price: [specify]
- (h) Valuation Time: [specify]
- (i) [Cancellation](*in the case of Warrants*)[Redemption](*in the case of Certificates*) on Occurrence of a Disruption Event: *In the case of Warrants:*
[As per Conditions]
[Highest Value]/[Market Value]
[If Highest Value is applicable: Protected Amount: [specify]]

In the case of Certificates:
[Delayed Redemption on Occurrence of an Disruption Event:
[Applicable/Not applicable]
[If applicable:
Principal Protected Termination Amount: [Applicable/Not applicable]]
[Highest Value:[Applicable/Not applicable]]
[Market Value: [Applicable/Not applicable]]
[Monetisation Option: [Applicable/Not applicable]]
[If Principal Protected Termination Amount, Highest Value

or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Notional Amount]

[If the Calculation Agent determines a Disruption Event constitutes a force majeure, Currency Condition 3. (c)(vi) applies]

29. Futures Securities: [Applicable/Not applicable]
- (a) Future(s): [insert type of Future(s)]
- (b) Exchange(s): [specify]
- (c) Exchange Business Day: [Single Future Basis/All Futures Basis/Per Futures Basis/As per Conditions]
- (d) Scheduled Trading Day: [Single Future Basis/All Futures Basis/Per Futures Basis/As per Conditions]
- (must match election made for Exchange Business Day)
- (e) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Annex 8]/[specify other]. (N.B. Only applicable in relation to Securities relating to a Basket)]
- (f) Specified Maximum Days of Disruption: [As per Conditions]/[[specify] Scheduled Trading Days].
- (g) Valuation Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 1.] [specify] (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 1)]
- (h) Futures Correction Period: [As per Conditions/specify]
- (i) [Cancellation](in the case of Warrants)/[Redemption](in the case of Certificates) on Occurrence of Futures Adjustment Event
- In the case of Warrants:*
- [As per Conditions]
- Highest Value: [Applicable/Not applicable]]
- [Market Value: [Applicable/Not applicable]]
- [If Highest Value is applicable: Protected Amount: [specify]]
- [If the Calculation Agent determines a Futures Adjustment Event constitutes a force majeure, Futures Condition 3.1(b)(iii) applies.]
- In the case of Certificates*
- [Delayed Redemption on Occurrence of Futures Adjustment Event: [Applicable/Not applicable]]

[If applicable:

Principal Protected Termination Amount: [Applicable/Not applicable]]

[Highest Value:[Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Notional Amount]]

[If the Calculation Agent determines a Futures Adjustment Event constitutes a force majeure, Futures Condition 3.1(c)(vi) applies]

30. OET Certificates: [Applicable/Not applicable]

(a) Final Price: [As per OET Certificate Conditions]

(b) Valuation Date: [As per OET Certificate Conditions]/[specify]

(c) Exercise Price: [specify]

(d) Capitalised Exercise Price: [Capitalised Exercise Price applicable, in accordance with the OET Certificate Conditions]/[Unrounded Capitalised Exercise Price applicable, in accordance with the OET Certificate Conditions] (As set out in sub-paragraph [1] [2] of the definition of "Capitalised Exercise Price " provided in Condition 1 of Annex 9 - Additional Terms and Conditions for OET Certificates)

OET Website(s):

[www.produitsdebourse.bnpparibas.fr]/[www.bnpparibasmarkets.be]/[www.bnpparibasmarkets.nl] / [www.educatedtrading.bnpparibas.se] / [specify]

Local Business Day Centre(s): [specify]

(e) Capitalised Exercise Price Rounding Rule: [upwards/downwards] [[●] digits] [specify]

(f) Dividend Percentage: [specify]/[Not applicable]

(N.B. Not applicable in respect of Commodity OET Certificates, Currency OET Certificates or Futures OET Certificates)

(g) Financing Rate:

(i) Interbank Rate 1 Screen Page: [specify]

- (ii) Interbank Rate 1 Specified Time: [specify][As per OET Certificate Conditions]
- (iii) Interbank Rate 2 Screen Page: [specify]
- (iv) Interbank Rate 2 Specified Time: [specify][As per OET Certificate Conditions]
- (v) Financing Rate Percentage: [+/-][specify]
- (vi) Financing Rate Range: [specify]
- (h) Automatic Early Redemption: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Automatic Early Redemption Payout: [Automatic Early Redemption Payout 2210/1]
- [Insert related provisions from Conditions]
- [Automatic Early Redemption Payout 2210/2]
- [Insert related provisions from Conditions]
- (ii) Automatic Early Redemption Date: [●] Business Days following the Valuation Date.
- (iii) Observation Price: [Official level]/[Opening price]/[Official close]/[Closing price]/[Purchase price]/[Sale price]/[Traded price]/[Bid price]/[Asked price]/[Last price]/[Official settlement price]/[Daily settlement price]/ [high]/[mid]/ [low]/ [bid high]/[bid low]/[ask high]/[ask low]
- (iv) Observation Price Source: [specify source]
- (v) Observation Time(s): [At any time during the opening hours of the Exchange]/[specify]
- (vi) Security Threshold: [As per OET Certificate Conditions]
- The Security Threshold in respect of a Relevant Business Day will be published as soon as practicable after its determination on the OET Website(s), as set out in § 30(d)
- (vii) Security Threshold Rounding Rule: [upwards/downwards] [●] digits [specify]
- (viii) Security Percentage: [specify]
- (ix) Minimum Security Percentage: [specify]/[Not applicable]

- (x) Maximum Security Percentage: [specify]/[Not applicable]
- (xi) Reset Date: [Option [1/2] is applicable]/[Not applicable]
31. Illegality (Condition 7.1) and Force Majeure (Condition 7.2) :
- Illegality: [[Highest Value]/[Market Value]/[Monetisation Option] applicable]/[redemption][cancellation] in accordance with Condition 7.1(d)]
- [If Highest Value or Monetisation Option are applicable: Protected Amount: [Specify]]*
- Force Majeure: [redemption][cancellation] in accordance with Condition [7.2(a)]/[7.2(b)]
32. Additional Disruption Events and Optional Additional Disruption Events:
- (a) Additional Disruption Events: [Applicable/Not applicable]/[[Change in Law/Hedging Disruption] does not apply to the Securities]
- [Change in Law – Hedge Maintenance Cost: Not applicable]
- (b) [The following Optional Additional Disruption Events apply to the Securities:
- (specify each of the following which applies. N.B. Optional Additional Disruption Events are applicable to certain Index Securities, Share Securities, ETI Securities and Commodity Securities. Careful consideration should be given to whether Optional Additional Disruption Events would apply for Debt Securities and for Currency Securities and if so, the relevant definitions will require amendment.)*
- [Not applicable]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Insolvency Filing]
- (N.B. Only applicable in the case of Share Securities)*
- [Cancellation Event]
- (N.B. Only applicable in the case of Debt Securities)*
- [Loss of Stock Borrow]
- [[Stop-Loss Event]
- [Stop-Loss Event Percentage: [5] per cent.]]
- [Currency Event]

[Extraordinary External Event]

[Jurisdiction Event]

[Hedging Arrangements: Not applicable]

[Significant Alteration Event]

[Failure to Deliver due to Illiquidity]

(N.B. Only applicable in the case of Physical Delivery Securities– Failure to Deliver due to Illiquidity is applicable to certain Share Securities. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Securities)

- (c) [The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share/Security] is [●].

(N.B. Only applicable if Loss of Stock Borrow is applicable)]

[The Initial Stock Loan rate in respect of [specify in relation to each relevant Share/Security] is [●].

(N.B. Only applicable if Increased Cost of Stock Borrow is applicable)]

- (d) [Redemption:

(only applicable in case of Certificates)

[Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event: [Applicable/Not applicable]

[If applicable:

Principal Protected Termination Amount: [Applicable/Not applicable]

[Highest Value:[Applicable/Not applicable]]

[Market Value: [Applicable/Not applicable]]

[Monetisation Option: [Applicable/Not applicable]]

[If Principal Protected Termination Amount, Highest Value or Monetisation Option are applicable: Protected Amount: [specify] per cent. of the Notional Amount]]

- (e) [Cancellation:
- (only applicable in case of Warrants)*
- [Cancellation in accordance with Condition 15.2(b)(iii)]
- [Highest Value: [Applicable/Not applicable]]
- [Market Value: [Applicable/Not applicable]]
- [If Highest Value is applicable]: Protected Amount: [specify]]
33. Knock-in Event: [Applicable/Not applicable]
- [If applicable:*
- [specify]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]]*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Level: [Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Level]/[Traded price]/[Not applicable]
- (b) Knock-in Level/Knock-in Range Level: [specify]
- (c) Knock-in Period Beginning Date: [specify]
- (d) Knock-in Period Beginning Date Day Convention: [Applicable/Not applicable]
- (e) Knock-in Determination Period: [specify]/[See definition in Condition 16]
- (f) Knock-in Determination Day(s): [specify]/[Each [Scheduled Trading Day/ Scheduled Custom Index Business Day/ Commodity Business Day] in the Knock-in Determination Period]
- (g) Knock-in Period Ending Date: [specify]
- (h) Knock-in Period Ending Date Day Convention: [Applicable/Not applicable]
- (i) Knock-in Valuation Time: [specify/See definition in Condition 16]/[Valuation Time]/[Any time on a Knock-in Determination Day]/[Not applicable]
- (j) Knock-in Observation Price Source: [specify]
- (k) Disruption Consequences: [Applicable/Not applicable]

34. Knock-out Event: [Applicable/Not applicable]
- [If applicable:
- [specify]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Level: [Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Level]/[Traded price]/[Not applicable]
 - (b) Knock-out Level /Knock-out Range Level: [specify]
 - (c) Knock-out Period Beginning Date: [specify]
 - (d) Knock-out Period Beginning Date Day Convention: [Applicable/Not applicable]
 - (e) Knock-out Determination Period: [specify]/[See definition in Condition 16]
 - (f) Knock-out Determination Day(s): [specify]/[Each [Scheduled Trading Day/ Scheduled Custom Index Business Day/ Commodity Business Day/ Business Day] in the Knock-out Determination Period]
 - (g) Knock-out Period Ending Date: [specify]
 - (h) Knock-out Period Ending Date Day Convention: [Not applicable/Applicable]
 - (i) Knock-out Valuation Time: [specify]/[See definition in Condition 16] [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not applicable]
 - (j) Knock-out Observation Price Source: [specify]
 - (k) Disruption Consequences: [Applicable/Not applicable]

PROVISIONS RELATING TO WARRANTS

35. Provisions relating to Warrants: [Applicable][Not applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Units: Warrants must be exercised in Units. Each Unit consists of the number of Warrants set out in "Specific Provisions for each Series" above. *(N.B. This is in addition to any requirements relating to "Minimum Exercise Number" or "Maximum Exercise Number" as set out below).*
- (b) Minimum Exercise Number: The minimum number of Warrants that may be exercised (including automatic exercise) on any day by any Holder is [●] [and Warrants may only be exercised (including automatic exercise) in integral multiples of [●] Warrants in excess thereof].
- (c) Maximum Exercise Number: The maximum number of Warrants that must be exercised on any day by any Holder or group of Holders (whether or not acting in concert) is [●]. *(N.B. not applicable for European Style Warrants [and therefore generally not available for Swedish Dematerialised Warrants])*
- (d) Exercise Price(s): The exercise price(s) per [Warrant/Unit] (which may be subject to adjustment in accordance with Annex 3 in the case of Share Securities and Annex 2 in the case of Index Securities and Annex 6 in the case of Commodity Securities) is set out in "Specific Provisions for each Series" above. *(N.B. This should take into account any relevant Weighting and, in the case of an Index Security, must be expressed as a monetary value).*
- (e) Exercise Date: The exercise date of the Warrants is set out in "Specific Provisions for each Series" above, provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately succeeding Exercise Business Day. *(N.B. Only applicable in relation to European Style Warrants).*
- (f) Exercise Period: The exercise period in respect of the Warrants is set out in "Specific Provisions for each Series" above, [inclusive of the dates specified] [, or if either day specified is not an Exercise Business Day, the immediately succeeding Exercise Business Day]. *(N.B. Only applicable in relation to certain American Style Warrants).*
- (g) Valuation Date: [The Valuation Date shall be the Actual Exercise Date of the relevant Warrant, subject to adjustments in accordance with Condition 18]/[The Valuation Date shall be the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant, subject to adjustments in accordance with Condition 18]/[specify]. *(N.B. specify if different from the definition in Condition 18.)*

- (h) Strike Date: [specify] (N.B. Only relevant for certain Index, Share, and Currency Securities)
- (i) Averaging: Averaging [applies/does not apply] to the Warrants. [The Averaging Dates are [specify].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] (as defined in Condition 18) will apply.] (N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities)]
- (j) Observation Dates: [specify]/[Not applicable]
- [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] (N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities) [Observation Day Disruption Consequences are not applicable.]
- (k) Observation Period: [specify]/[Not applicable]
- (l) Settlement Date: [specify] /[As per Conditions]
- (m) Settlement Business Day ["Settlement Business Day" for the purposes of Condition 5 means [specify].]
- (N.B. Only applicable in the case of Physical Delivery Warrants)]
- (n) Automatic Early Expiration: [Applicable / Not applicable]
- (if not applicable, delete the remaining sub-paragraphs of this paragraph)
- [If applicable: ["greater than" / "greater than or equal to" / "less than" / "less than or equal to"]
- [AER Knock-out: [Knock-out Event]/[Knock-in Event]
- [Insert formula, relevant value(s) and other related provisions from Conditions.]
- (i) Automatic Early Expiration Level: [●]
- (ii) Automatic Early Expiration Valuation Time: [specify]
- (iii) Automatic Early Redemption Payout: [Automatic Early Redemption Payout 2200/1]
- [Insert related provisions from Conditions]
- [Automatic Early Redemption Payout 2200/2]

[Insert related provisions from Conditions]

[Automatic Early Redemption Payout 2210/1]

[Insert related provisions from Conditions]

[Automatic Early Redemption Payout 2210/2]

[Insert related provisions from Conditions]

[SPS Automatic Early Redemption Payout]

[Insert related provisions from Conditions]

- | | | |
|--------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| (iv) | Automatic Early
Expiration Valuation
Time: | [specify] |
| (v) | Automatic Early
Expiration Valuation
Date(s)/Period(s): | [specify]/[AER Knock-out Date] |
| (vi) | Automatic Early
Expiration Settlement
Date: | [specify]/[Not applicable] |
| (vii) | Observation Price
Source: | [specify]/[Not applicable] |
| (viii) | Underlying Reference
Level: | [Official level]/[Official close]/[last price]/[bid price]/[asked
price]/[Standard Underlying Reference Level] / [Traded
price]/[Not applicable] |
| (o) | Identification information of
Holders as provided by
Condition 19: | [Applicable/Not applicable] |

PROVISIONS RELATING TO CERTIFICATES

36. Provisions relating to Certificates: [Applicable][Not applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- | | | |
|-----|-----------------------------------------|-----------------------------|
| (a) | Notional Amount of each
Certificate: | [specify]. |
| (b) | Interest | [Applicable/Not applicable] |

(Applicable only for SPS Payout [OR] and Fixed Rate Provisions)

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- | | | |
|-----|--------------------------------|-----------|
| (i) | Interest Period End
Date(s) | [specify] |
|-----|--------------------------------|-----------|

- (ii) Business Day Convention for Interest Period End Date(s): [Following/Modified Following/Preceding/None/Not applicable]
- (iii) Interest Payment Date(s): [specify]
- (iv) Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/None/Not applicable]
(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)
- (v) Day Count Fraction: [specify]/[unadjusted]
- (vi) Determination Dates: [specify] in each year *[insert regular payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon.] (N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Accrual to Redemption: [Applicable/Not applicable]
- (viii) Coupon Rate: [Applicable/Not applicable]
(include one or more of the following if applicable): [Coupon Rate Payout 3000/1 – Digital Coupon
[insert formula, relevant value(s) and other related provisions from Payout Conditions]]
 [Coupon Rate Payout 3000/2 – Snowball Digital Coupon
[insert formula, relevant value(s) and other related provisions from Payout Conditions]]
- (c) Fixed Rate Provisions [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
(specify if more than one fixed rate is to be determined)
- (i) Fixed Rate[(s)] of Interest ([including/excluding] on overdue amounts after Redemption Date or date set for early redemption): [specify] per cent. *[per annum]*.
- (ii) Fixed Coupon Amount[(s)]: [[specify] per Certificate [Not applicable]]
- (d) [Instalment Certificates:] The Certificates [are/are not] Instalment Certificates.
- (i) Instalment Amount(s) [specify]
- (ii) Instalment Date(s): [specify]

- (e) [Issuer Call Option:] [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [specify]
- (ii) Optional Redemption Valuation Date(s): [specify]
- (iii) Optional Redemption Amount(s): [NA x [●] per cent.] [Call Payout 2300]
- (iv) Minimum Notice Period: [specify]
- (v) Maximum Notice Period: [specify]
- (f) [Holder Put Option:] [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [specify]
- (ii) Optional Redemption Valuation Date(s): [specify]
- (iii) Optional Redemption Amount(s): [NA x [●] per cent.]
- [Put Payout 2210]
- [Put Payout 2300]
- [Insert formula, relevant value(s) and related provisions for Payout Conditions]*
- (iv) Minimum Notice Period: [specify]
- (v) Maximum Notice Period: [specify]
- (g) [Automatic Early Redemption:] [Applicable/Not applicable]
- (i) Automatic Early Redemption Event: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"
- [AER Knock-out: [Knock-out Event]/
- [Knock-in Event]

		[As per Condition 29.6(a)]
		<i>[Insert formula, relevant value(s) and other related provisions from Conditions.]</i>
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(ii)	Automatic Early Redemption Payout:	[Automatic Early Redemption Payout 2200/1] <i>[Insert related provisions from Conditions]</i> [Automatic Early Redemption Payout 2200/2] <i>[Insert related provisions from Conditions]</i> [Automatic Early Redemption Payout 2210/1] <i>[Insert related provisions from Conditions]</i> [Automatic Early Redemption Payout 2210/2] <i>[Insert related provisions from Conditions]</i> [SPS Automatic Early Redemption Payout] <i>[Insert related provisions from Conditions]</i>
(iii)	Automatic Early Redemption Date(s):	<i>[specify]</i>
(iv)	Observation Price Source:	<i>[specify]</i> /[Not applicable]
(v)	Underlying Reference Level:	[Official level]/[Official close]/[last price]/[bid price]/[asked price]/[Standard Price]/[Not applicable]
(vi)	Automatic Early Redemption Level:	<i>[specify]</i>
(vii)	[AER Rate:]	[●] <i>[Insert relevant provisions from Conditions]</i>
(viii)	Automatic Early Redemption Valuation Date(s)/Period(s):	<i>[specify]</i> /[AER Knock-out Date]
(h)	[Strike Date:]	<i>[specify]</i> /[Not applicable]/[see item [●] above]
(i)	[Strike Price:]	<i>[specify]</i> / [see item [●] above] / [Not applicable]
(j)	[Redemption Valuation Date:]	<i>[specify]</i> /[As specified in Condition [●] in relation to Open End Certificates] / [Not applicable]
(k)	[Averaging:]	Averaging [applies/does not apply] to the Securities. [The

Averaging Dates are *[specify].*]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] (as defined in Condition 25) will apply.] *(N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities)*

[In the event that an Averaging Date is a Disrupted Day, the provisions of Annex 2 will apply] *(N.B. Only applicable to Index Securities relating to a Custom Index)*

(l) [Observation Dates:]

[specify]/[Not applicable]

[In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] [Observation Day Disruption Consequences are not applicable.] *(N.B. Not applicable to Index Securities relating to a Custom Index or Commodity Securities)*

[In the event that an Observation Date is a Disrupted Day, the provisions of Annex 2 will apply] *(N.B. Only applicable to Index Securities relating to a Custom Index)*

(m) [Observation Period:]

[specify]/[Not applicable]

(n) [Settlement Business Day:]

"Settlement Business Day" for the purposes of Condition 5.1 means *[specify]*. *(N.B. Only applicable in the case of Physical Delivery Securities)*

(o) [Cut-off Date:]

[specify]/[Not applicable] *(N.B. Only applicable in the case of Physical Delivery Securities and if provisions in Conditions not applicable)*

(p) Identification information of Holders as provided by Condition 27:

[Applicable / Not applicable]

DISTRIBUTION

37. Non-exempt Offer:

[Applicable] [Not applicable] *(if not applicable, delete the remaining placeholders of this paragraph 36 and paragraph 7 of Part B).*

- | | | | |
|-------|-----------------------------------------------------------------------------------------------------------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Non-exempt Jurisdictions: | Offer | <i>[specify relevant Member State(s) where the Issuer intends to make Non-exempt Offers (select from the list of Non-exempt Offer Jurisdictions in the Base Prospectus) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)]</i> |
| (ii) | Offer Period: | | <i>[specify date and, if applicable, time] until [and including] [specify date (and, if applicable, time) or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"] [subject to any early closing]</i> |
| (iii) | Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it: | | <i>[insert names and addresses of financial intermediaries receiving consent (specific consent)]</i> |
| (iv) | General Consent: | | [Not applicable]/[Applicable] |
| (v) | Other Authorised Offeror Terms: | | [Not applicable] <i>[Add here any other Authorised Offeror Terms]</i> |
- (Authorised Offeror Terms should only be included here where General Consent is applicable)*
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*
38. Additional U.S. Federal income tax considerations:
- [insert details]/[Not applicable]/[The Securities are [not] Specified Securities for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986.] [Additional information regarding the application of Section 871(m) to the Securities will be available at [give name(s) and addresses.] [The Issuer will arrange for withholding under Section 871(m) to be imposed on any dividend equivalent payment at a rate of 30 per cent.]]*
- (The Securities will not be Specified Securities if they (i) are issued prior to 1 January 2018 and provide a return that differs significantly from the return on an investment in the underlying or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Securities are issued on or after 1 January 2018 and reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis would be required. If the Securities*

are Specified Securities, include the "Additional information" sentence and provide the appropriate contact information.))]

39. Prohibition of Sales to EEA Retail Investors:

(a) Selling Restriction: [Applicable/Not applicable]

(If the offer of the Securities is concluded prior to 1 January 2018, or on or after that date and the Securities clearly do not constitute "packaged" products, or on or after that date and the Securities constitute "packaged" products for which a key information document will be prepared, "Not Applicable" should be specified. If the offer of the Securities will be concluded on or after 1 January 2018 and the Securities may constitute "packaged" products and no key information document will be prepared or if the Issuer wants to prohibit offers to EEA retail investors for any other reason, "Applicable" should be specified)

(b) Legend: [Applicable/Not applicable]

(Where agreed that the Securities clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Securities is concluded prior to 1 January 2018 and the Securities may constitute "packaged" products and mature on or after 1 January 2018 then "Applicable" should be specified if agreed by the parties. If the offer of the Securities will be concluded on or after 1 January 2018 and the Securities may constitute "packaged" products, "Applicable" should be specified.)

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Signed on behalf of [BNP Paribas Issuance B.V.]/[BNP Paribas]

As Issuer:

By: _____

Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to trading – [De-listing]

[The Securities are unlisted.]/[Application [has been/will be] made to list the Securities on [Euronext Paris]/[Euronext Brussels]/[Euronext Amsterdam] and to admit the Securities for trading on [Euronext Paris]/[Euronext Brussels]/[Euronext Amsterdam] [with effect from [●]]./[Application has been made to list the Securities on the stock exchange of [Madrid/Barcelona/Valencia/Bilbao] and to admit the Securities to trading in the Warrants and Certificates Module of the Spanish stock market trading system (*Sistema de Interconexión Bursátil Español* ("SIBE")) [with effect from [●]]./[Application will be made to list the Securities on the Nordic Derivatives Exchange Stockholm (the "NDX") and to admit the Securities for trading on the NDX [with effect from [●]]./[Application will be made to list the Securities and to admit the Securities for trading on the Official List of NASDAQ OMX Stockholm [with effect from [●]]./[Application [has been/will be] made to list the Securities and to admit the Securities for trading [with effect from [●]] on the Official List of NASDAQ OMX Helsinki Ltd. and/or on the Nordic Derivatives Exchange of the Nordic Growth Market NGM AB]/[specify other exchange] [with effect from [●]]./[Application has been made to list the Securities on the Nordic MTF and to admit the Securities for trading on the Nordic MTF [with effect from [●]].] [Application has been made to list the Securities on the Boerse Stuttgart cats GmbH (the "Cats") and to admit the Securities to trading on the cats [with effect from [●]]./[Application has been made to list the Securities on [specify relevant MTF] and to admit the Securities for trading on [specify relevant MTF] [with effect from [●]].]

[The de-listing of the Securities on the [exchange/regulated market] specified above shall occur on [specify], subject to any change to such [date/period] by such [exchange/regulated market] or any competent authorities, for which the Issuer [and the Guarantor] shall under no circumstances be liable].

[Estimate of total expenses related to admission to trading: [●]]²⁰

(Where documenting a fungible issue need to indicate if original Securities are already admitted to trading)

2. [Ratings]

Ratings: [The Securities to be issued [[have been]/[are expected to be]] rated [insert details] by [insert credit rating agency name(s)].]

[The Securities have not been rated.]

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

[●]

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

[[Insert the legal name of the relevant CRA entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009

²⁰

Delete if minimum denomination is less than EUR 100,000 (or its equivalent in the relevant currency as of the Issue Date) or if the Securities are Derivative Securities.

(as amended). [As such *[insert the legal name of the relevant CRA entity]* is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with such Regulation.]

3. [Interests of Natural and Legal Persons Involved in the [Issue/Offer]

[Need to include a description of any interest, including conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement]:

"Save as discussed[in the "Potential Conflicts of Interest" paragraph in the "Risk Factors" in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer."

4. [Reasons for the Offer, Estimated Net Proceeds and Total Expenses²¹

(a) Reasons for the offer: [●]

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

(b) Estimated net proceeds: [Up to] [●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(c) Estimated total expenses: [●] *[Include breakdown of expenses]*

5. Performance of Underlying/Formula/Other Variable and Other Information concerning the Underlying Reference

[Need to include details of where past and further performance and volatility of the index/formula/other variables can be obtained.]

[Where the underlying is an index need to include the name of the index and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained]

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information].

6. Operational Information

Relevant Clearing System(s): [Euroclear France/Euroclear Netherlands/
Euroclear Sweden/Iberclear/ other]

²¹ Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed and the Securities are derivative securities to which Annex XII of the Prospectus Regulation applies.

[if Iberclear add: [Insert relevant entity] will act as link entity [Entidad de Enlace]/Paying Agent (Entidad de Pago)/Depository Entity (Entidad Depositaria)/Liquidity Entity/Entidad Especialista)]

[N.B. Ensure all relevant entities have been appointed and formalities complied with in accordance with the rules and regulations of the relevant clearing system]

If other than Euroclear Bank S.A./N.V., Clearstream Banking, S.A., Euroclear France, Euroclear Netherlands, [Iberclear,] include the relevant identification number(s) and in the case of Swedish Dematerialised Securities, the Swedish Security Agent:

[Identification number(s):]

[Swedish Security Agent;

[Svenska Handelsbanken AB (publ)/other]

[Address: [●]]

[N.B. Ensure all relevant entities have been appointed and formalities complied with in accordance with the rules and regulations of the relevant clearing system]

7. [Terms and Conditions of the Public Offer]

Offer Price:

[Issue Price/ *specify* / The notice indicating the Offer Price will be published before the end of the Offer Period (*in a case where the Offer Price is unknown at the beginning of the Offer Period*)]

[Conditions to which the offer is subject:]

[Not applicable/*give details*]

[The Issuer will in good faith and in a commercially reasonable manner determine the final amount of Securities issued up to a limit of [●]. The final amount that are issued on [●] will be listed on the [Euronext Amsterdam/Euronext Paris/Euronext Brussels]/[Stock exchange of [Madrid/Barcelona/Valencia/Bilbao]/[NASDAQ OMX Helsinki Ltd]/[the Nordic Growth Market]/[NASDAQ OMX Stockholm]/[the Nordic Derivatives Exchange Stockholm]/[*specify other exchange*]. [Application has been made to list the Securities on the Nordic MTF and to admit the Securities for trading on the Nordic MTF [with effect from [●]].] [Application has been made to list the Securities on the Boerse Stuttgart cats GmbH (the "Cats") and to admit the Securities to trading on the cats [with effect from [●]].] [Application has been made to list the Securities on the [●] and to admit the Securities

for trading on the [●] [with effect from [●]]. Securities will be allotted subject to availability in the order of receipt of investors' applications. The final amount of the Securities issued will be determined by the Issuer in light of prevailing market conditions, and in good faith in a commercially reasonable manner depending on the number of Securities which have been agreed to be purchased as of [●].]

[Description of the application process:]	[Not applicable/ <i>give details</i>]
[Details of the minimum and/or maximum amount of application:]	[Not applicable/ <i>give details</i>]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not applicable/ <i>give details</i>]
[Details of the method and time limits for paying up and delivering the Securities:]	[Not applicable/ <i>give details</i>]
[Manner in and date on which results of the offer are to be made public:]	[Not applicable/ <i>give details</i>]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not applicable/ <i>give details</i>]
[Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:]	[Not applicable/ <i>give details</i>]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not applicable/ <i>give details</i>]

8. [Placing and Underwriting]²²

[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None/ <i>give details</i>]
Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: ²³	[●]
Name and address of any paying agents and depository agents in each country (in addition to the Principal Security Agent):	[●]
Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to	[●]

²² To the extent known to the Issuer, of the placers in the various countries where the offer takes place.
²³ Where not all of the issue is underwritten, a statement of the portion not covered.

place the issue without a firm commitment or under "best efforts" arrangements:²⁴

When the underwriting agreement has been or [●]
will be reached:]

9. [Yield (in the case of Certificates)]

[Fixed Rate Certificates only]

[An indication of yield. Describe the method whereby that yield is calculated in summary form.]]

²⁴ See "Risk Factors relating to Securities – Potential Conflicts of Interest" in the Base Prospectus for further information.

[ISSUE SPECIFIC SUMMARY]

[Issue specific summary to be inserted where applicable]

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which will include the additional terms and conditions contained in Annex 1 in relation to the payouts for Securities, the additional terms and conditions contained in Annex 2 in the case of Index Securities, the additional terms and conditions contained in Annex 3 in the case of Share Securities, the additional terms and conditions contained in Annex 4 in the case of ETI Securities, the additional terms and conditions contained in Annex 5 in the case of Debt Securities, the additional terms and conditions contained in Annex 6 in the case of Commodity Securities, the additional terms and conditions contained in Annex 7 in the case of Currency Securities, the additional terms and conditions contained in Annex 8 in the case of Futures Securities, the additional terms and conditions contained in Annex 9 in the case of OET Certificates or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time, in the case of any other security linked to any other underlying reference (the "Terms and Conditions"). In the case of Swedish Dematerialised Securities the applicable Final Terms in respect of such Securities will be available at the specified office of the relevant Issuer and at the office of the Swedish Security Agent specified in the applicable Final Terms).

For the purposes of Securities which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive ("**Exempt Securities**"), references in these Terms and Conditions to "Final Terms" shall be deemed to be references to "Pricing Supplement". The expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended, and includes any relevant implementing measure in the relevant Member State of the European Economic Area.

The series of Securities described in the applicable Final Terms (in so far as it relates to such series of Securities) (such Securities being hereinafter referred to as the "**Securities**") are issued by whichever of BNP Paribas Issuance B.V. ("**BNPP B.V.**") or BNP Paribas ("**BNPP**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly and guaranteed by BNP Paribas ("**BNPP**" or the "**Guarantor**") where the Issuer is BNPP B.V.. Securities will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "Security", "Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

As used herein, "**Tranche**" means Securities which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Securities together with any further Tranche or Tranches of Securities which are (i) expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the Issue Date, Issue Price, the amount and date of the first payment of interest thereon (if any) and/or the date from which interest starts to accrue (if any), as applicable.

The Securities are issued pursuant to an Agency Agreement dated 4 July 2017 (as amended and/or supplemented from time to time, the "**Agency Agreement**") between BNPP B.V. as Issuer, BNPP as Issuer or Guarantor (where the Securities are issued by BNPP B.V.), BNP Paribas Securities Services in Amsterdam as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Amsterdam Security Agent**"), BNP Paribas Securities Services as agent (the "**French Security Agent**"), BNP Paribas Arbitrage S.N.C. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Principal Security Agent**"), BNP Paribas Securities Services, Branch in Spain as Spanish agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Madrid Security Agent**") (each a "**Security Agent**" and collectively, the "**Security Agents**"), as supplemented in the case of Swedish Dematerialised Securities by an issuing and paying agency agreement as amended and/or supplemented from time to time (the "**Swedish Agency Agreement**") to be entered into between BNPP B.V. and Svenska Handelsbanken AB (publ)

as Euroclear Sweden security agent (the "**Swedish Security Agent**"). The expression "Security Agent" shall include, in respect of Swedish Dematerialised Securities, the Swedish Security Agent and shall include any additional or successor security agent(s) in respect of the Securities.

BNP Paribas or BNP Paribas Arbitrage S.N.C. (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Securities as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. Whenever the Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and commercially reasonable manner. The expression "Calculation Agent" shall, in relation to the relevant Securities, include such other specified calculation agent.

The Swedish Agency Agreement will be governed by Swedish Law.

The applicable Final Terms for the Securities supplements these Terms and Conditions for the purposes of the Securities.

References herein to the "applicable Final Terms" are to the Final Terms or two or more sets of Final Terms (in the case of any further Securities issued pursuant to Condition 12 and forming a single series with the Securities) (which, for the avoidance of doubt, may be issued in respect of more than one series of Securities) insofar as they relate to the Securities.

Subject as provided in Condition 4 and in the Guarantee (as defined in Condition 1), the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee. The original of the Guarantee is held by BNP Paribas Securities Services on behalf of the Holders at its specified office.

Copies of the Agency Agreement (as amended or supplemented from time to time), the Guarantee and the applicable Final Terms may be obtained from the specified office of the relevant Security Agent, save that if the Securities are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Security Agent as to identity. Copies of the Swedish Agency Agreement will be available for inspection at the office of the Swedish Security Agent specified in the applicable Final Terms.

Words and expressions defined in the Agency Agreement (as amended or supplemented from time to time) or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Holders are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement, as amended or supplemented from time to time, (insofar as they relate to the Securities) and the applicable Final Terms, which are binding on them.

The provisions of Article 1195 of the French *Code civil* will not apply to these Terms and Conditions.

1. DEFINITIONS

For the purposes of these Terms and Conditions, the following general definitions will apply:

"**Account Holder**" is as defined in Condition 2.2;

"**Accrual Period**" is as defined in Condition 28(c);

"**Actual/Actual (ICMA)**" is as defined in Condition 28(c);

"**Actual Exercise Date**" is as defined in Condition 18 and Condition 21.1(a);

"**Additional Disruption Event**" is as defined in Condition 15.1;

"**AER Knock-out**" is as defined in Condition 22.8(b) and Condition 29.6(b);

"**Affected Item**" is as defined in this Condition 1 under the definition of Strike Date and in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"**Affected Relevant Assets**" is as defined in Condition 15.1;

"**Affected Share**" is as defined in Condition 15.2(e);

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity;

"**Agency Agreement**" (as amended or supplemented from time to time) is as defined in paragraph 5 of these Terms and Conditions;

"**Alternate Cash Amount**" is as defined in Condition 5.4;

"**American Style Warrants**" is as defined in Condition 20;

"**Annex**" and "**Annexes**" is as defined in paragraph 1 of these Terms and Conditions;

"**Asset Transfer Notice**" is as defined in Condition 30.2(a);

"**Automatic Early Expiration Date**" is as defined in Condition 22.8(b);

"**Automatic Early Expiration Event**" is as defined in Condition 22.8(b);

"**Automatic Early Expiration Level**" is as defined in Condition 22.8(b);

"**Automatic Early Expiration Payout Amount**" is as defined in Condition 22.8(b);

"**Automatic Early Expiration Settlement Date**" is as defined in Condition 22.8(b);

"**Automatic Early Expiration Valuation Date**" is as defined in Condition 22.8(b);

"**Automatic Early Expiration Valuation Time**" is as defined in Condition 22.8(b);

"**Automatic Early Redemption Amount**" is as defined in Condition 29.6(b);

"**Automatic Early Redemption Date**" is as defined in Condition 29.6(b);

"**Automatic Early Redemption Event**" is as defined in Condition 29.6(a);

"**Automatic Early Redemption Level**" is as defined in Condition 29.6(b);

"**Automatic Early Redemption Valuation Date**" is as defined in Condition 29.6(b);

"**Automatic Early Redemption Valuation Period**" is as defined in Condition 29.6(b);

"**Automatic Early Redemption Valuation Time**" is as defined in Condition 29.6(b);

"**Automatic Exercise**" is as defined in Condition 20;

"**Averaging**" is as defined in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates);

"**Averaging Date**" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"**Basket Company**" is as defined in Condition 15.2(e);

"**Basket of Underlying References**" is as defined in Condition 22.8(b) and Condition 29.6(b);

"**Basket Price**" is as defined in Condition 22.8(b) and in Condition 29.6(b);

"**BNPP**" is as defined in paragraph 3 of these Terms and Conditions;

"**BNPP B.V.**" is as defined in paragraph 3 of these Terms and Conditions;

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open (a "**TARGET2 Settlement Day**") and where the Securities are Swedish Dematerialised Securities, a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm;

"**Calculated Additional Disruption Amount**" is as defined in Condition 15.2(c)(ii);

"**Calculated Additional Disruption Amount Determination Date**" is as defined in Condition 15.2(c)(ii);

"**Calculation Agent**" is as defined in paragraph 6 of these Terms and Conditions and Condition 28(b)(ii);

"**Calculation Period**" is as defined in Condition 25;

"**Call Warrants**" is as defined in Condition 20;

"**Cancellation Event**" is as defined in Condition 15.1;

"**Cash Settled Certificates**" is as defined in Condition 27;

"**Cash Settled Securities**" means (a) in the case of an issue of Warrants, Cash Settled Warrants and (b) in the case of an issue of Certificates, Cash Settled Certificates;

"**Cash Settled Warrants**" is as defined in Condition 20;

"**Cash Settlement Amount**" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"**Certificates**" is as defined in paragraph 3 of these Terms and Conditions;

"**Change in Law**" is as defined in Condition 15.1;

"**Clearing System**" means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or Euroclear Netherlands and/or Euroclear Sweden and/or Iberclear and/or any additional or alternative

clearing system approved by the Issuer and the relevant Security Agent(s) from time to time and specified in the applicable Final Terms;

"Commodity OET Certificate" means a Commodity Security that is an OET Certificate;

"Commodity Securities" is as defined in Condition 2.1;

"Cumulative Coupon" is as defined in Condition 29.6(b);

"Currency Event" is as defined in Condition 15.1;

"Currency OET Certificate" means a Currency Security that is an OET Certificate;

"Currency Securities" is as defined in Condition 2.1;

"Current Interest Period" is as defined in Condition 29.6(b);

"Cut-off Date" is as defined in Condition 25 (in the case of Certificates);

"Day Count Fraction" is as defined in Condition 28(c);

"Debt Securities" is as defined in Condition 2.1;

"Delivery Date" is as defined in Condition 30.2(c);

"Delayed Date" is as defined in Condition 30.1;

"Designated Maturity" is as defined in Condition 28(b)(ii);

"Determination Date(s)" is as defined in Condition 28(c);

"Determination Period" is as defined in Condition 28(c);

"Disruption Cash Settlement Price" is as defined in Condition 5.1;

"Documents" is as defined in Condition 13.2(b);

"due exercise" is as defined in Condition 21.4;

"Entitlement" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"EURIBOR" is as defined in Condition 28(b)(ii)(C);

"ETI Securities" is as defined in Condition 2.1;

"Euroclear France Securities" is as defined in Condition 2.2;

"Euroclear France Warrants" is as defined in Condition 21.1;

"Euroclear Netherlands" means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.;

"Euroclear Netherlands Securities" is as defined in Condition 2.2;

"Euroclear Netherlands Warrants" is as defined in Condition 21.1(a);

"Euroclear Sweden" means Euroclear Sweden AB (a Swedish Central Securities Depository authorised as such under the Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012);

"Euroclear Sweden Register" means the register maintained in the Euroclear Sweden System for Swedish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Sweden System" means the technical system at Euroclear Sweden for the registration of securities and the clearing and settlement of securities transactions;

"Euronext Paris" is as defined in Condition 29.2;

"European Style Warrants" is as defined in Condition 20;

"ETI Securities" is as defined in Condition 2.1;

"Exempt Securities" is as defined in paragraph 2 of these Terms and Conditions;

"exercise" is as defined in Condition 21.4;

"Exercise Business Day" is as defined in Condition 18;

"Exercise Notice" is as defined in Condition 22.1;

"Exercise Price" is as specified in the applicable Final Terms;

"Expenses" is as defined in Condition 11.2;

"Expiration Date" is as defined in Condition 18;

"Extraordinary External Event" is as defined in Condition 15.1;

"Failure to Deliver due to Illiquidity" is as defined in Condition 15.1;

"Failure to Deliver Settlement Price" is as defined in Condition 15.2(e);

"FBF Agreement" is as defined in Condition 28(b)(iii);

"FBF Rate" is as defined in Condition 28(b)(iii);

"Fixed Rate Certificates" is as defined in Condition 28;

"Floating Rate" is as defined in Condition 28(b)(ii);

"Floating Rate Certificates" is as defined in Condition 28;

"Floating Rate Option" is as defined in Condition 28(b)(ii);

"freely tradable" is as defined in Condition 5.4;

"French Security Agent" is as defined in paragraph 5 of these Terms and Conditions;

"Futures OET Certificate" means a Futures Security that is an OET Certificate;

"Futures Securities" is as defined in Condition 2.1;

"**GDR/ADR**" is as defined in Condition 2.1;

"**General Meeting**" is as defined in Condition 9.4;

"**Government Authority**" is as defined in Condition 15.1;

"**Guarantee**" means the *garantie* dated 4 July 2017 executed by BNPP in respect of Securities issued by BNPP B.V.;

"**Guaranteed Cash Settlement Amount**" is as defined in Condition 4;

"**Guarantor**" means BNPP;

"**Hedge**" is as defined in Condition 15.1;

"**Hedging Disruption**" is as defined in Condition 15.1;

"**Hedging Shares**" is as defined in Condition 15.1;

"**Holder**" is as defined in Condition 2.2;

"**Holder of Certificates**" is as defined in Condition 2.2;

"**Holder of Securities**" is as defined in Condition 2.2;

"**Hybrid Securities**" is as defined in Condition 2.1;

"**Iberclear**" means "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" whose commercial name is Iberclear;

"**Increased Cost of Hedging**" is as defined in Condition 15.1;

"**Increased Cost of Stock Borrow**" is as defined in Condition 15.1;

"**Index OET Certificate**" means an Index Security that is an OET Certificate;

"**Index Securities**" is as defined in Condition 2.1;

"**Initial Stock Loan Rate**" is as defined in Condition 15.1;

"**Insolvency Filing**" is as defined in Condition 15.1;

"**Interest Amount**" is as defined in Condition 28(b)(v);

"**Interest Determination Date**" is as defined in Condition 28(b)(v);

"**Interest Period End Date**" is as defined in Condition 28(b)(i);

"**Interest Period End Final Date**" is as defined in Condition 28(a) and Condition 28(a)(i);

"**Intervening Period**" is as defined in Condition 30.2(d);

"**ISDA Definitions**" is as defined in Condition 28(b)(ii);

"**Issuer**" is as defined in paragraph 3 of these Terms and Conditions;

"**Jurisdiction Event**" is as defined in Condition 15.1;

"**Knock-in Determination Day**" is as defined in Condition 16.6;

"**Knock-in Determination Period**" is as defined in Condition 16.6;

"**Knock-in Event**" is as defined in Condition 16.6;

"**Knock-in Level** " is as defined in Condition 16.6;

"**Knock-in Observation Price Source**" is as defined in Condition 16.6;

"**Knock-in Period Beginning Date**" is as defined in Condition 16.6;

"**Knock-in Period Ending Date**" is as defined in Condition 16.6;

"**Knock-in Range Level** " is as defined in Condition 16.6;

"**Knock-in Valuation Time**" is as defined in Condition 16.6;

"**Knock-out Determination Day**" is as defined in Condition 16.6;

"**Knock-out Determination Period**" is as defined in Condition 16.6;

"**Knock-out Event**" is as defined in Condition 16.6;

"**Knock-out Level**" is as defined in Condition 16.6;

"**Knock-out Observation Price Source**" is as defined in Condition 16.6;

"**Knock-out Period Beginning Date**" is as defined in Condition 16.6;

"**Knock-out Period Ending Date**" is as defined in Condition 16.6;

"**Knock-out Range Level**" is as defined in Condition 16.6;

"**Knock-out Valuation Time**" is as defined in Condition 16.6;

"**Level**" is as defined in Condition 16.6;

"**LIBOR**" is as defined in Condition 28(b)(ii)(C);

"**Linked Interest Certificates**" is as defined in Condition 28;

"**Local Currency**" is as defined in Condition 15.1;

"**Local Time**" means local time in the city of the relevant Clearing System;

"**Loss of Stock Borrow**" is as defined in Condition 15.1;

"**Luxembourg or Brussels time**" is as defined in Condition 21.4;

"**Madrid Security Agent**" is as defined in paragraph 5 of these Terms and Conditions;

"**Masse**" is as defined in Condition 9.4;

"**Maximum Stock Loan Rate**" is as defined in Condition 15.1;

"Modified Postponement" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"Notice Period" is as defined in Condition 29.3;

"Observation Date" is as defined in Condition 18 (in the case of Warrants) and 25 (in the case of Certificates);

"Observation Period" is as defined in Condition 18 (in the case of Warrants) and 25 (in the case of Certificates);

"Observation Price Source" is as defined in Condition 22.8(b) and Condition 29.6(b);

"OET Certificate" means Securities specified as Open End Turbo Certificates in the applicable Final Terms;

"Omission" is as defined in Condition 18 (in the case of Warrants) and in Condition 25 (in the case of Certificates);

"Open End Certificate" is as defined in Condition 25;

"Optional Additional Disruption Event" is as defined in Condition 15.1;

"Optional Redemption Amount" is as defined in Conditions 29.2 and 29.3;

"Optional Redemption Date" is as defined in Condition 29.2;

"Paris Business Day" is as defined in Condition 28(b)(vii);

"Physical Delivery Certificates" is as defined in Condition 27;

"Physical Delivery Securities" means (a) in the case of an issue of Warrants, Physical Delivery Warrants and (b) in the case of an issue of Certificates, Physical Delivery Certificates;

"Physical Delivery Warrants" is as defined in Condition 20;

"Postponement" is as defined in Condition 18 (in the case of Warrants) and in Condition 25 (in the case of Certificates);

"Principal Security Agent" is as defined in paragraph 5 of these Terms and Conditions;

"Proceedings" is as defined in Condition 14;

"Put Warrants" is as defined in Condition 20;

"Quota" is as defined in Condition 23.1(b);

"Redemption Date" is as defined in Condition 29.1;

"Reference Banks" is as defined in Condition 25;

"Related Expenses" is as defined in Condition 11.2;

"Relevant Adjustment Provisions" is as defined in Condition 16.6, in Condition 22.8(b) and 29.6(b);

"Relevant Automatic Early Expiration Valuation Date" is as defined in Condition 22.8(a);

"Relevant Jurisdiction" means the country in which (as the case may be) the Shares or the Shares relating to the depositary receipts are issued (or in which the issuer of such Shares is incorporated) or the Index is based, as specified in the applicable Final Terms;

"Reset Date" is as defined in Condition 28(b)(ii);

"Rolling Futures Contract Securities" means a Security that is specified as such in the applicable Final Terms;

"Scheduled Averaging Date" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time;

"Scheduled Payment Date" is as defined in Condition 30.1;

"Scheduled Strike Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"Securities" is defined in paragraph 3 of these Terms and Conditions;

"Security Agent" and **"Security Agents"** are as defined in paragraph 5 of these Terms and Conditions;

"Security Expenses" is as defined in Condition 11.1;

"Series" is as defined in paragraph 4 of these Terms and Conditions;

"Settlement Business Day" is as defined in Condition 5.1;

"Settlement Date" is as defined in Condition 18;

"Settlement Disruption Event" is as defined in Condition 5.1;

"SFIA Act" is as defined in Condition 19;

"Share" is as defined in Condition 15.2(e);

"Share OET Certificate" means a Share Security that is an OET Certificate;

"Share Securities" is as defined in Condition 2.1;

"Significant Alteration Event" is as defined in Condition 15.1;

"Specified Maximum Days of Disruption" means (other than with respect to Commodity Securities, Custom Indices and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Currency Securities,

five Scheduled Trading Days, with respect to Custom Indices, twenty Scheduled Custom Index Business Days and with respect to Commodity Securities, five Commodity Business Days;

"**Stop-Loss Event**" is as defined in Condition 15.1;

"**Strike Date**" means, in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Futures Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Securities are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price:
 - (i) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the relevant price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (b) where the Securities are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:
 - (i) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and
 - (ii) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value,

amount, level or price of the Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Strike Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions.

- (c) where the Securities are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item:
 - (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the price for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (d) where the Securities are Index Securities relating to a Basket of Component Security Indices, the Strike Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:
 - (i) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and

- (ii) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Strike Date shall be deemed to be the earliest date on which the Calculation Agent can determine the level of the Component Security Index in accordance with the above provisions; or

- (e) in the case of Commodity Securities, the Initial Pricing Date;

"**Strike Day**" means each date specified as such in the applicable Final Terms and, if Averaging Date Consequences are specified as applicable in the applicable Final Terms, the provisions contained in the definition of "Averaging Date" shall apply mutatis mutandis as if references in such provisions to "Averaging Date" were to "Strike Day";

"**Strike Period**" means the period specified as such in the applicable Final Terms;

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Condition 5.4;

"**Substitute Guarantee**" is as defined in Condition 13.2(b);

"**Substitute Guarantor**" is as defined in Condition 13;

"**Substitute Share**" is as defined in Condition 15.2(e);

"**Substitution Date**" is as defined in Condition 15.2(e);

"**sub-unit**" is as defined in Condition 28(a);

"**Successor Index**" is as defined in Condition 15.2(d);

"**Swedish Agency Agreement**" is as defined in paragraph 5 of these Terms and Conditions;

"**Swedish Dematerialised Certificates**" is as defined in Condition 28;

"**Swedish Dematerialised Securities**" means Swedish Dematerialised Warrants and Swedish Dematerialised Certificates;

"**Swedish Dematerialised Warrants**" is as defined in Condition 18;

"**Swedish Security Agent**" is as defined in paragraph 5 of these Terms and Conditions;

"**Taxes**" is as defined in Condition 11.2;

"**Terms and Conditions**" is as defined in paragraph 1 of these Terms and Conditions;

"**Tranche**" is as defined in paragraph 4 of these Terms and Conditions;

"**Underlying Reference**" is as defined in Condition 16.6, 22.8 and 29.6(b);

"**Underlying Reference Level**" is as defined in Condition 22.8 and 29.6(b);

"**Underlying Share**" is as defined in Condition 2.1;

"**Units**" is as defined in Condition 20;

"**Valid Date**" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"**Valuation Date**" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"**Valuation Time**" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"**Warrants**" is as defined in paragraph 3 of these Terms and Conditions.

2. TYPE, TITLE AND TRANSFER

2.1 Type

The Securities relate to a specified index or basket of indices ("**Index Securities**"), a specified share or basket of shares, or a specified depositary receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Securities**"), a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Securities**"), a specified debt instrument or basket of debt instruments or futures or options contracts related to a specified debt instrument or basket of debt instruments (synthetic or otherwise) ("**Debt Securities**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Securities**"), a specified currency or basket of currencies ("**Currency Securities**"), a specified futures contract or basket of futures contract(s) ("**Futures Securities**") and/or Securities which relate to any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, currencies, futures contract(s) and other asset classes or types ("**Hybrid Securities**").

Securities related to a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices, a specified inflation index or basket of inflation indices, specified currency or basket of currencies, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, a specified futures contract or basket of futures contracts, or Hybrid Securities related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised, transferred or delivered, directly or indirectly, in the United States or to, by or for the account or benefit of, persons that are (i) a "U.S. person" as defined in Regulation S under the Securities Act ("**Regulation S**"); or (ii) a person other than a "Non-United States person" as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended (the "**Commodity Exchange Act**"); or (iii) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the

Commodity Futures Trading Commission (the "**CFTC**"); or (iv) any other "U.S. person" as such term may be defined in Regulation S or in regulations or guidance adopted under the Commodity Exchange Act (each such person, a "**U.S. person**"). Any such applicable U.S. wrapper may restrict the types of Securities that can be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered and the terms of such Securities.

If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 18 in the case of Warrants or Condition 25 in the case of Certificates) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to (a) Physical Delivery Securities, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of cash payment, and (b) Physical Delivery Securities where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 5.3. References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of physical delivery.

Securities may, if specified in the applicable Final Terms, allow Holders to elect for settlement by way of cash payment and/or by way of physical delivery. Those Securities where the Holder has elected for cash payment will be Cash Settled Securities and those Securities where the Holder has elected for physical delivery will be Physical Delivery Securities. The rights of a Holder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms and will be subject to the Issuer's right to substitute assets or pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with these Conditions.

2.2 Title to Securities

Title to Securities held through Euroclear France ("**Euroclear France Securities**") will be evidenced in accordance with Article L.211-3 of the French *Code Monétaire et Financier* by book-entries (*inscription en compte*). No document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be issued in respect of such Securities. The Securities held through Euroclear France will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders (including Euroclear S.A./N.V. and Clearstream, Luxembourg).

"**Euroclear Netherlands Securities**" means Securities held by Euroclear Netherlands. Title to Securities cleared through Euroclear Netherlands is established by account entry in accordance with the Dutch Act on Giro Transfers of Securities (*Wet giraal effectenverkeer*). No physical document or certificate will be issued in respect of such Securities.

In the case of Swedish Dematerialised Securities, the person (including a nominee account holder, as the case may be) for the time being recorded in the Euroclear Sweden Register as the holder of a particular amount of Securities shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, if any, the Security Agents, Euroclear Sweden and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and

"**Holder of Securities**" and related expressions shall be construed accordingly). The Issuer shall cause such Securities to be accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System in accordance with the SFIA Act and the rules of Euroclear Sweden. The Issuer shall have the right to obtain extracts from the debt register (*Sw. skuldbok*) of Euroclear Sweden in respect of the Securities. No physical document or certificate will be issued in respect of Swedish Dematerialised Securities.

Title to Securities cleared through Iberclear is established by account entry in accordance with the rules and procedures of Iberclear. No physical document or certificate will be issued in respect of such Securities.

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, Euroclear Netherlands or Iberclear, as the case may be, and includes the depositary bank for Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

For the purpose of these Conditions, "**Holder**", "**Holder of Certificates**" and "**Holder of Securities**" mean the individual or entity whose name appears in the account held by the relevant Account Holder or the Issuer (as the case may be) as being entitled to such Certificates or Securities, as the case may be.

2.3 Transfers of Interests

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 22.

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 29.

Subject as set forth in this Condition, all transactions (including permitted transfers of Securities) in the open market or otherwise must be effected through Account Holder(s), subject to and in accordance with the rules and procedures for the time being of the relevant Clearing System(s). Title will pass upon registration of the transfer in the books of the relevant Clearing System.

Any reference herein to Clearstream, Luxembourg and/or Euroclear and/or any other relevant Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Security Agent from time to time and notified to the Holders in accordance with Condition 10.

Title to Swedish Dematerialised Securities will pass upon registration of the transfer in the Euroclear Sweden Register (or, if applicable, upon notice to a nominee under the terms of the SFIA Act) in accordance with the SFIA Act.

3. STATUS OF THE SECURITIES AND GUARANTEE

The Securities are unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* among themselves.

The Guarantee is an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law.

4. **GUARANTEE**

Where the Issuer is BNPP B.V., subject as provided below and in the Guarantee, the Guarantor has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Securities as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Securities as and when such obligations become due, the Guarantor will after a demand has been made on the Guarantor pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though the Guarantor were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates and, in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, the Guarantor will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Security of an amount determined by the Guarantor in good faith and in a commercially reasonable manner equal to the Cash Settlement Amount that would have been payable upon exercise (in the case of Warrants) or redemption (in the case of Certificates) of such Securities assuming they were Cash Settled Securities calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Security less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the costs of unwinding any underlying related hedging arrangements (the "**Guaranteed Cash Settlement Amount**") and (ii) in the case of Securities where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of the Guarantor, delivery of the Entitlement using such method is not practicable by reason of (A) a Settlement Disruption Event (as defined in Condition 5.1) or (B) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 15.1), in lieu of such delivery the Guarantor will make payment in respect of each such Security of, in the case of (A) above, the Guaranteed Cash Settlement Amount or, in the case of (B) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of the Guarantor's obligations in respect of such Security. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

5. **GENERAL PROVISIONS RELATING TO PHYSICAL SETTLEMENT IN RESPECT OF SECURITIES**

5.1 **Settlement Disruption**

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date (in the case of Warrants) or Delivery Date (in the case of Certificates), then such Settlement Date or Delivery Date, as the case may be, for such Securities shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in good faith and in a

commercially reasonable manner to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date or Delivery Date, as the case may be, shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date or Delivery Date, as the case may be, for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date or Delivery Date, as the case may be.

In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in good faith and in a commercially reasonable manner to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For the purposes hereof:

"Disruption Cash Settlement Price" means, in respect of any relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, the fair market value of such Security or in the case of Warrants, if applicable, Unit, as the case may be (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such non-affected Relevant Assets), less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Issuer in good faith and in a commercially reasonable manner, plus in the case of Warrants, if applicable and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion);

"Settlement Business Day" has the meaning specified in the applicable Final Terms; and

"Settlement Disruption Event" means, in the opinion of the Calculation Agent or, if the proviso to Condition 4 applies, the Guarantor, an event beyond the control of the Issuer or, if the proviso to Condition 4 applies, the Guarantor as a result of which the Issuer or the Guarantor, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

5.2 Failure to Deliver due to Illiquidity

"**Failure to Deliver due to Illiquidity**", if specified as applying in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Condition 15.1 below.

5.3 Variation of Settlement

- (a) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Securities, and subject in the case of Warrants to a valid exercise of the Warrants in accordance with these Conditions, the Issuer may at its sole and absolute discretion in respect of each such Security or in the case of Warrants, if applicable, Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.
- (b) If specified in the applicable Final Terms, and subject in the case of Warrants to a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such Security or in the case of Warrants, if applicable, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders.

5.4 Issuer's option to Substitute Assets or to pay the Alternate Cash Amount

Unless Issuer's Option to Substitute is specified as not applicable in the applicable Final Terms, following a valid exercise or redemption, as the case may be, of Securities in accordance with these Conditions, the Issuer may, in good faith and in a commercially reasonable manner in respect of such Securities, if the Calculation Agent determines (in good faith and in a commercially reasonable manner) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in good faith and in a commercially reasonable manner) of such other shares or interests in ETIs which the Calculation Agent determines, in good faith and in a commercially reasonable manner, are freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in good faith and in a commercially reasonable manner by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Holders in accordance with Condition 10.

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or interest in an ETI, as the case may be, and not purchased from an Affiliate of the issuer of such share or interest in an ETI, as the case may be, or which otherwise meets the requirements of a freely tradable share or interest in an ETI, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent in good faith and in a commercially reasonable

manner or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

5.5 Commodity Securities shall not be Physical Delivery Securities.

6. GENERAL

None of the Issuer, the Guarantor (if applicable), the Calculation Agent and any Security Agent shall have any responsibility for any errors or omissions (to the extent permitted by any applicable law) in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Securities does not confer on any Holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

In making any election, modification, determination or adjustment, the Issuer or the Calculation Agent, as applicable, will act in good faith and in a commercially reasonable manner, to preserve or restore the economics of the agreed terms, as far as reasonably practicable. Any such election, modification, determination or adjustment shall not create a significant imbalance between the rights and obligations of the Issuer compared to the Holders, to the detriment of the Holders.

If Essential Trigger is specified as applicable in the applicable Final Terms, the Issuer or the Calculation Agent, as the case may be, may only modify or adjust the terms of the Securities (other than modifications or adjustments that do not relate to essential characteristics of the Securities) or redeem the Securities prior to their scheduled Redemption Date (in the case of Certificates), or cancel the Warrants prior to their scheduled Exercise Date (in the case of European Style Warrants) or Expiration Date (in the case of American Style Warrants) as described in the Terms and Conditions, following an event or circumstance (or combination of events or circumstances) that (a) is not attributable to the Issuer that significantly alters the economics of the Securities compared to the economics as of the Issue Date, or (b) constitutes a force majeure.

For the purpose of this Condition, essential characteristics of the Securities means characteristics of the Securities that are considered essential to the Holders generally, including without limitation, the yield (coupon structure) (in the case of Certificates), the Underlying Reference, the principal protected amount (if any), the identity of the Issuer and of the Guarantor, the scheduled Redemption Date (in the case of Certificates), the scheduled Exercise Date (in the case of European Style Warrants) or Expiration Date (in the case of American Style Warrants).

7. ILLEGALITY AND FORCE MAJEURE

7.1 Illegality

If the Issuer determines that the performance of its obligations under the Securities has become illegal in whole or in part for any reason, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem all but not some only of the Securities by giving notice to Holders in accordance with Condition 10, provided that, if such illegality also constitutes a force majeure, the provisions of Condition 7.2 will apply.

If the Issuer cancels or redeems, as the case may be, the Securities then, if and to the extent permitted by applicable law:

- (a) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will pay to each Holder an amount in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by

such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a) (in the case of Certificates) or 21.5(a) (in the case of Warrants);

- (b) if Market Value is specified in the applicable Final Terms, the Issuer will pay to each Holder an amount in respect of each Security or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b) (in the case of Certificates) or 21.5(b) (in the case of Warrants); or
- (c) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or
- (d) otherwise, the Issuer will pay an amount to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, notwithstanding such illegality less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

7.2 Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible to perform its obligations under the Securities, the Issuer may, either (i) take the action described in Condition 15.2(a), or if applicable, (c) or (d), or (ii) in the case of Warrants, cancel all, but not some only of the Warrants, or in the case of Certificates, redeem all, but not some only of the Certificates by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities then the Issuer will:

- (a) if Condition 7.2(a) is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such force majeure or act of state, provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted; or
- (b) if Condition 7.2(b) is specified in the applicable Final Terms, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value (if any) of a Security or Unit, as the case may be, taking into account such force majeure or act of state less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging

arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

8. PURCHASES

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation.

9. SECURITY AGENTS, DETERMINATIONS, MEETINGS PROVISIONS AND MODIFICATIONS

9.1 Security Agents

The specified offices of each of the Security Agents are as set out at the end of these Terms and Conditions.

Each of the Issuer and the Guarantor (if applicable) reserves the right at any time to vary or terminate the appointment of any Security Agent and to appoint further or additional Security Agents, provided that no termination of appointment of the Security Agent shall become effective until a replacement Security Agent shall have been appointed and provided that, so long as any of the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority. Notice of any termination of appointment and of any changes in the specified office of any of the Security Agents will be given to Holders in accordance with Condition 10. In acting under the Agency Agreement (as amended or supplemented from time to time), the Security Agent acts solely as agent of the Issuer and the Guarantor (if applicable), and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders and any determinations and calculations made in respect of the Securities by the Security Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor (if applicable), and the respective Holders.

In the case of Swedish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Swedish Security Agent, provided that it appoints another Swedish Security Agent that is duly authorised under the SFIA Act as an account operator.

9.2 Calculation Agent

In relation to each issue of Securities, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage S.N.C. or another entity) acts solely as agent of the Issuer and the Guarantor (if applicable), and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor (if applicable), and the Holders. Because the Calculation Agent may be an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

9.3 Determinations by the Issuer and the Guarantor

Any determination made by the Issuer or the Guarantor (if applicable), pursuant to these Terms and Conditions shall, to the extent permitted by applicable law, (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor (if applicable), and the Holders.

9.4 Meetings of Holders

If the relevant Final Terms specify that Holders will be grouped automatically for the defence of their common interests constituting a separate legal body called *masse* (the "**Masse**"), the Masse will be governed by the provisions of Articles L.228-46 *et seq* of the French *Code de commerce* subject to the provisions of sub-paragraph (i) below.

If the relevant Final Terms specify that Holders shall not be grouped in a Masse, a general meeting of Holders (the "**General Meeting**") may be convened to consider some matters relating to any series of Securities as provided hereunder in sub-paragraphs (ii) to (v) below.

(i) Representation

If the provisions of the Masse are specified as applicable in the applicable Final Terms, the below provisions will apply:

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first tranche of any series of Securities will be the representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement, liquidation, dissolution or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement, liquidation, dissolution or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Holders.

The place where a general meeting shall be held will be set out in the notice convening such general meeting.

If the provisions of the Masse are specified as applicable in the applicable Final Terms, Holders shall not be represented by any representative of such body.

(ii) Powers of the General Meetings

The General Meeting is empowered to deliberate on any proposal relating to any matter affecting the interests of the Holders of the Securities and their rights, actions and benefits which now or in the future may accrue with respect to the Securities, including the:

- (A) power to agree to any modification of the Securities including but not limited to, a modification of the Exercise Price (in the case of Warrants), Exercise Period (in the case of Warrants), Cash Settlement Amount, Entitlement, Expiration Date (in the case of Warrants), Redemption Date (in the case of Certificates), Settlement Date or

more generally the modification of any term which can affect the amount to be paid under a Security or the scheduled payment date, which is proposed by the Issuer;

- (B) power to give any authority or approval which under the provisions of this Condition 9.4 is required to be given by a resolution of the General Meeting;
- (C) power to appoint any persons (whether Holders or not) to a committee or committees to confer upon any such committee or committees any powers or discretions which the Holders could themselves exercise by a resolution of the General Meeting; and
- (D) power to approve any contractual compromise or arrangement proposed to be made between the Issuer and the relevant Holders in respect of the rights of the Holders against the Issuer or against any of its property.

It is specified, however, that a General Meeting may not:

- I. appoint any person as the representative of the Holders of any series for all actions intended to defend the common interests of the Holders, and particularly to bring any court or arbitration action or proceedings, against the Issuer or any Agent; and
- II. agree on (a) any modification of the majority required to pass a resolution of the General Meeting, (b) any proposal relating to a change in the Issuer's corporate purpose or status, (c) any proposal for a settlement or a transaction concerning disputed rights or rights in respect of which court decisions have been handed down, or (d) proposals to merge or demerge the Issuer.

Any resolution passed at a General Meeting of the Holders of a series of Securities, duly convened and held in accordance with the provisions of this Condition, shall be binding upon all the Holders of such series of Securities whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least a fifth of the Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 10 by the Issuer within 14 calendar days of the result being known provided that non-publication shall not invalidate the resolution.

(iii) Convening and holding of the General Meeting

The General Meeting shall be convened by an authorised representative of the Issuer or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period and held, all with the same formal and deadline conditions as the shareholders' meetings of the Issuer including the provisions of Articles R. 225-66, R. 225-95, R. 225-101, R. 225-106 and R. 225-107 but excluding the provisions of Articles R. 225-72 to R. 225-74 of the French *Code de commerce*.

Any meeting unduly convened may be cancelled. However, the action to cancel this shall not be admissible when all the Holders of the relevant series are present or represented.

The day, time and place of the meeting and agenda of a meeting are determined at its discretion by the person convening it. However, one or more Holders holding at least one thirtieth of the relevant series of Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding are entitled to require that draft resolutions be placed on the agenda. Such resolutions are placed on the agenda and put to the vote by the chairman of the meeting. The meeting shall not deliberate on an item which is not placed on the agenda. The agenda for the meeting may be amended on a second convening.

The meeting shall be chaired by a representative of the Issuer.

An attendance sheet is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee which are entered in a special register kept at the registered office of the Issuer. The elements that must be included in the attendance sheet and the minutes are the same as with respect to the shareholders' meetings of the Issuer.

All Holders of the relevant series of Securities are entitled to participate in the meeting or to be represented at it by the representative of their choice. Any Holder may vote by correspondence with the same formal and deadline conditions as the shareholders' meetings of the Issuer. Any contrary provision in the articles of association is deemed not to exist. When the quorum is calculated, only voting forms received by the Issuer before the date of the meeting in the manner and within the time limits being the same as for the shareholders' meetings of the Issuer shall be included in such calculation. Forms which do not indicate a voting intention or which express an abstention are treated as negative votes. If the articles of association of the Issuer so provide, Holders who participate in the meeting via videoconferencing or via a telecommunications medium which permits their identification are deemed to be present for calculation of the quorum and the majority.

The rights of each Holder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Holder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 00.00, Paris time. The voting right in General Meetings shall belong to the bare owner (*nu-propriétaire*) of the relevant Securities. Each Security shall confer the right to one vote.

Holders shall not be allowed individually to exercise control over the operations of the Issuer or to request notification of Issuer documents.

(iv) Information to Holders

Each Holder will have the right, during the 15-day period preceding the holding of the relevant General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Security Agents during usual business hours and at any other place specified in the notice of the General Meeting. The relevant Holders shall at all times have the same right with regard to the minutes and attendance sheets of the said General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting.

In the case of Certificates, it is expressly stipulated that no expenses may be imputed against interest payable under the Certificates.

9.5 Modifications

The Issuer may modify these Terms and Conditions and/or the Agency Agreement (as amended or supplemented from time to time) without the consent of the Holders (but in the case of Swedish Dematerialised Securities, with the consent of Euroclear Sweden) in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to cure, correct or supplement a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. NOTICES

All notices to Holders shall be valid if:

- (a) delivered to the relevant Account Holder for communication by them to the Holders;
- (b) in the case of Securities held through Euroclear France listed on Euronext Paris or Euroclear Netherlands Securities listed on Euronext Amsterdam (other than Securities issued and cleared through Iberclear listed on the Madrid Stock Exchange), and in the case of OET Certificates and Call Payout 2300, published on the "Certificate" website of the Issuer ("www.produitsdebourse.bnpparibas.fr" or www.bnpparibasmarkets.be or www.bnpparibasmarkets.nl or www.educatedtrading.bnpparibas.se) or other website of the Issuer as may be notified to Holders;
- (c) in the case of Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange, published by the Madrid Stock Exchange or on any other stock exchange in Spain, if applicable, in the manner specifically provided by Spanish law and regulations for the relevant notice, as the case may be; or
- (d) in the case of Swedish Dematerialised Securities, mailed to a Holder on the address registered for such Holder in the Euroclear Sweden Register maintained by Euroclear Sweden in accordance with the rules of Euroclear Sweden; and
- (e) for so long as the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority. Any such notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

11. EXPENSES AND TAXATION

- 11.1** A Holder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the disposal, exercise and settlement (in the case of

Warrants) or redemption (in the case of Certificates) of the Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Securities ("Security Expenses") relating to such Securities as provided above.

- 11.2** The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses, not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent shall in good faith and in a commercially reasonable manner determine are attributable to the Securities.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Holders shall be liable to pay the Related Expenses attributable to their Securities.

"Expenses" means Security Expenses and any Related Expenses.

"Related Expenses" means (a) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (b) any other present, future, or contingent expenses (including without limitation, any applicable depositary charges, transaction charges, issue registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Securities;
- (b) any payment (or delivery of assets) to Holders;
- (c) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, acting in good faith and in a commercially reasonable manner, may determine to be appropriate as a hedge or related trading position in connection with the Securities; or
- (d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the Securities.

"Taxes" means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits, capital gains or, for the avoidance of doubt, any withholding or deduction required pursuant to (i) an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any agreements or regulations thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto) together with any interest, additions to tax or penalties and (ii) Section 871(m) of the Code.

12. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further Securities so as to be consolidated with and form a single series with the outstanding Securities.

13. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR

13.1 Substitution Event

The occurrence of any of the following events, in respect of the Issuer or the Guarantor, as the case may be, shall constitute a "**Substitution Event**":

- (a) a divestment in respect of the Issuer;
- (b) the cancellation, suspension or revocation of any relevant authorisation or licence of the Issuer or the Guarantor, as the case may be, by any governmental, legal or regulatory authority;
- (c) a consolidation, amalgamation, merger or binding share exchange in respect of the Issuer or the Guarantor, as the case may be, with or into another entity or person;
- (d) a takeover offer, tender offer, exchange offer, solicitation proposal or other event by any entity or person to purchase or otherwise obtain a controlling stake in the Issuer or the Guarantor, as the case may be; or
- (e) any other event affecting the Issuer or the Guarantor, as the case may be, pursuant to which substitution is permissible in accordance with the regulations of any stock exchange, any applicable law or regulation in force in the jurisdiction of the Issuer or the Guarantor, as the case may be or any applicable law or regulation in force in the jurisdiction in which the securities are offered.

13.2 Substitution Conditions

A substitution of the Issuer pursuant to Conditions 13.3 or 13.4 below may only occur if the following conditions (the "**Substitution Conditions**") are satisfied:

- (a) where BNPP B.V. is the Issuer, the creditworthiness of the Substitute at such time being at least equal to the creditworthiness of the Issuer (or of any previous substitute), as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner by reference to, *inter alia*, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, or such other rating agency as the Calculation Agent determines to the Substitute or, as the case may be, to the Issuer (or to any previous substitute);
- (b) the Issuer confirms that there are no payment arrears in respect of the Securities and that there is no indication that payments will imminently be in arrears or that there may be any issues in making any payments in respect of the Securities;
- (c) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- (d) the Substitute becomes party to the Agency Agreement (unless the Substitute is already a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
- (e) each stock exchange on which the Securities are listed has confirmed that, following the proposed substitution of the Substitute, the Securities will continue to be listed on such stock exchange and in the case of Swedish Dematerialised Securities, Euroclear Sweden, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (f) if appropriate, the Substitute has appointed a process agent as its agent in to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities; and
- (g) the Issuer has given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

13.3 Securities issued by BNPP

BNPP or any previously substituted company, may, but is not obliged to, at any time, without the consent of the Holders, substitute for itself as principal obligor under the Securities another company within the BNP Paribas Group (the "**Substitute**"), subject to:

- (a) BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Securities;
- (b) BNPP having obtained from the Substitute an undertaking that the substitution will not have a material impact on the interests of the Holders as a consequence of any tax or regulatory regime to which the Substitute is subject (compared to the Issuer) and that it will not deduct any costs relating to the substitution from amounts due to the Holder; and
- (c) the Substitution Conditions having been satisfied.

13.4 Securities issued by BNPP B.V.

Following the occurrence of a Substitution Event, the Issuer may, but is not obliged to, without the consent of the Holders, substitute for itself as principal obligor under the Securities a Substitute, being BNPP B.V. (where BNPP B.V. has previously been substituted as Issuer) or any other company in the BNP Paribas Group, subject to:

- (a) BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Securities on substantially the same terms as the relevant Guarantee;
- (b) BNPP B.V. having obtained from the Substitute an undertaking that the substitution will not have a material impact on the interests of the Holders as a consequence of any tax or regulatory regime to which the Substitute is subject (compared to the Issuer) and that it will not deduct any costs relating to the substitution from amounts due to the Holder; and
- (c) the Substitution Conditions having been satisfied.

13.5 Securities guaranteed by BNPP

Following the occurrence of a Substitution Event, BNPP or any previously substituted company may, but is not obliged to, without the consent of the Holders, substitute for itself as guarantor in respect of the Securities any company (the "**Substitute Guarantor**"), being BNPP (where BNPP has previously been substituted as Guarantor) or another company in the BNP Paribas Group subject to:

- (a) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner by reference to, inter alia, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's

Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, or such other rating agency as the Calculation Agent determines to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);

- (b) the Substitute Guarantor having entered into a guarantee (the "**Substitute Guarantee**") in respect of the Securities in substantially the same form as the relevant BNPP Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions, the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents, the Agency Agreement as the guarantor in respect of the Securities in place of BNPP (or of any previous substitute under this Condition);
- (c) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, to be held by BNP Paribas Securities Services for so long as any Securities remain outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Securities, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
- (d) each stock exchange on which the Securities are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the Securities and in the case of Swedish Dematerialised Securities, Euroclear Sweden, has consented to such substitution (such consent not to be unreasonably withheld or delayed);
- (e) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in France to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities or the Substitute Guarantee;
- (f) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10;
- (g) BNPP confirming that there are no payment arrears in respect of the Securities and that there is no indication that payments will imminently be in arrears or that there may be any issues in making any payments in respect of the Securities; and
- (h) BNPP having obtained from the Substitute Guarantor an undertaking that the substitution will not have a material impact on the interests of the Holders as a consequence of any tax or regulatory regime to which the Substitute is subject (compared to the Issuer) and that it will not deduct any costs relating to the substitution from amounts due to the Holder.

14. GOVERNING LAW

The Securities, the Agency Agreement (as amended or supplemented from time to time) and the Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto ("**Proceedings**") shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*). BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

15. ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS

15.1 Definitions

"**Additional Disruption Event**" means (i) if "Applicable" is specified in the applicable Final Terms, Change in Law and Hedging Disruption, (ii) if "Not applicable" is specified in the applicable Final Terms, none of Change in Law and Hedging, (iii) if "Change in Law does not apply to the Securities" is specified in the applicable Final Terms, Hedging Disruption and (iv) if "Hedging Disruption does not apply to the Securities" is specified in the applicable Final Terms, Change in Law; "**Cancellation Event**" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Securities;

"**Change in Law**" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in good faith and in a commercially reasonable manner that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Debt Instrument (in the case of Debt Securities) or any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) (each a "**Hedge**"); or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Securities in issue or, unless Hedge Maintenance Cost is specified as not applicable in the applicable Final Terms, in holding, acquiring or disposing of any Hedge;

"**Currency Event**" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index or the Shares or the Debt Instruments are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index or the Shares respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

"Extraordinary External Event" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates, of all or substantially all of its assets in the Local Currency jurisdiction.

"Failure to Deliver due to Illiquidity" means, following the exercise of Physical Delivery Securities, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **"Affected Relevant Assets"**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets;

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Securities;

"Hedging Shares" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, or, in respect of any Debt Securities, any relevant hedge positions relating to a Debt Instrument it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, or, in respect of any Debt Securities, any relevant hedge positions relating to a Debt Instrument, provided that any such

materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

"Increased Cost of Stock Borrow" means that the Issuer and/or any of its Affiliates would incur a rate to borrow any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) that is greater than the Initial Stock Loan Rate;

"Initial Stock Loan Rate" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"Insolvency Filing" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares, the Debt Instruments or, unless Hedging Arrangements is specified as not applicable in the applicable Final Terms, any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations:

- (a) under the Securities; or
- (b) unless Hedging Arrangements is specified as not applicable in the applicable Final Terms, in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Securities),

or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Optional Additional Disruption Event" means any of Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Extraordinary External Event, Increased Cost of Hedging, Increased Cost

of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow, Stop-Loss Event and/or Significant Alteration Event, in each case if specified in the applicable Final Terms;

"Protected Amount" means the amount specified as such in the applicable Final Terms;

"Significant Alteration Event" means the occurrence after the Issue Date of any event or combination of events or circumstances that are not attributable to the Issuer that significantly alters the economics of the Certificates compared to the economics as of the Issue Date, but do not render performance of the Issuer's obligations under the Certificates impossible;

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent.

15.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer acting in good faith and in a commercially reasonable manner may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

- (a) require the Calculation Agent to determine in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;
- (b) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or
 - (ii) if Market Value is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or
 - (iii) otherwise, pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for

otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;

- (c) in the case of Certificates,
- (i) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event, Highest Value, Market Value or Monetisation Option are specified in the applicable Final Terms, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms); or
 - (iii) if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or
 - (iv) if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all, but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
 - (v) if Monetisation Option is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay an amount to each Holder an amount in respect of

each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or

- (d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 10 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be effective as of the date selected by the Calculation Agent in good faith and in a commercially reasonable manner which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or
- (e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant Issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in good faith and in a commercially reasonable manner and specified in the notice referred to below

which may, but need not, be the relevant date of the Additional Disruption Event and/or Optional Additional Disruption Event.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share by the Calculation Agent acting in good faith and in a commercially reasonable manner, the relevant share must be a share which:

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) in accordance with Condition 5.1 and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in good faith and in a commercially reasonable manner to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

For the purposes hereof:

"Failure to Deliver Settlement Price" means, in respect of any relevant Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, the fair market value of such Security or Unit, as the case may be (taking into account the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in good faith and in a commercially reasonable manner, plus, in the case of Warrants, if applicable and already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

Notwithstanding the foregoing the Calculation Agent will adjust any relevant terms of the Securities as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Securities.

15.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

16. KNOCK-IN EVENT AND KNOCK-OUT EVENT

16.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the Conditions to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

16.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the Conditions to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

16.3 In respect of Index Securities, Share Securities, ETI Securities, Debt Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Securities other than Custom Index Securities or Debt Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Securities or Debt Securities, a Custom Index Disruption event is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure or Custom Index Disruption event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

16.4 In respect of Commodity Securities or Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such day being a Commodity Disrupted Day or a Disrupted Day, as the case may be or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

16.5 In respect of Securities other than Custom Index Securities or Debt Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that

begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities, ETI Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, Disruption Event or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Securities other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

16.6 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

"Knock-in Determination Day" means (a) each date, (b) each Scheduled Trading Day in the Knock-in Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-in Determination Period, (d) each Commodity Business Day in the Knock-in Determination Period or (e) each Business Day in the Knock-in Determination Period, as specified in the applicable Final Terms;

"Knock-in Determination Period" means the period which commences on, and includes, the Knock in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

"Knock-in Event" means:

- (a) (in respect of a single Underlying Reference) that the Level is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference and (y) the relevant Weighting is, or
- (c) (in case of a SPS Payout) the applicable Underlying Reference Value or the applicable Underlying Reference Intraday Value, as specified in the applicable Final Terms, is

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level or, if applicable, (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, specified in the applicable Final Terms;

"Knock-in Level" means the other level, amount, number or percentage specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Observation Price Source" means the source specified as such in the applicable Final Terms;

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Debt Securities or Currency Securities), a Custom Index Business Day (in the case of Custom Index Securities) or Business Day (in the case of other Securities), the next following Scheduled Trading Day, Custom Index Business Day or Business Day, as the case may be;

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Debt Securities or Currency Securities), a Custom Index Business Day (in the case of Custom Index Securities) or Business Day (in the case of other Securities), the next following Scheduled Trading Day, Custom Index Business Day or Business Day, as the case may be;

"Knock-in Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Valuation Time" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"Knock-out Determination Day" means (a) each date, (b) each Scheduled Trading Day in the Knock-out Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-out Determination Period, (d) each Custom Index Business Day in the Knock-in Determination Period or (e) each Business Day in the Knock-out Determination Period as specified in the applicable Final Terms;

"Knock-out Determination Period" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

"Knock-out Event" means:

- (a) (in respect of a single Underlying Reference) that the Level is; or
 - (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference and (y) the relevant Weighting is,
- (A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms (x) on a Knock-out Determination Day or (y) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms;

"Knock-out Level" means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Observation Price Source" means the source specified as such in the applicable Final Terms;

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities), a Custom Index Business Day (in the case of Custom Index Securities) or Business Day (in the case of other Securities), the next following Scheduled Trading Day, Commodity Business Day, Custom Index Business Day or Business Day, as the case may be;

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Debt Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities), a Custom Index Business Day (in the case of Custom Index Securities) or Business Day (in the case of other Securities), the next following Scheduled Trading Day, Commodity Business Day, Custom Index Business Day or Business Day, as the case may be;

"Knock-out Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Valuation Time" means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time;

"Level" means, for the purposes of this Condition 16, (i) the "official level", "official close", "last price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms, published by the Knock in Observation Price Source or Knock-out Observation Price Source, as applicable, or (ii) if "Standard Level" is specified as applicable in the applicable Final Terms (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case determined by the Calculation Agent as of the Knock-in Valuation Time or Knock-out Valuation Time on any Knock-in Determination Day or Knock-out Determination Day, as applicable, or, in the case of the "official close" level, at such time as the official close is published by the Knock-in Observation Price Source or Knock-out Observation Price Source, as applicable;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Condition 2 (Market Disruption) and Index Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Index Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);

- (c) in the case of Share Securities, Share Condition 2 (Market Disruption), Share Condition 3 (Potential Adjustment Events) and Share Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Debt Securities, Debt Condition 3 (Market Disruption), Debt Condition 4 (Correction of Debt Instrument Price) and Debt Condition 5 (Redemption or Cancellation of a Debt Instrument);
- (f) in the case of Commodity Securities, Commodity Condition 2 (Market Disruption) and Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks);
- (g) in the case of Currency Securities, Currency Condition 2 (Disruption Events) and Currency Condition 3 (Consequences of a Disruption Event); and
- (h) in the case of Futures Securities, Futures Condition 3 (Adjustments to a Future); and

"Underlying Reference" means, for the purposes of this Condition 16, each Index, Custom Index, Share, ETI, Interest, Debt Instruments, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate.

- 16.7** In respect of Debt Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the exchange on which the relevant Debt Instrument is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded and if on any Knock-in Determination Day or Knock-out Determination Day and at any time at which the Level triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event has occurred or is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

17. TERMS APPLICABLE TO WARRANTS ONLY

Conditions 18 to 24 apply to Warrants only.

18. DEFINITIONS (WARRANTS)

"Actual Exercise Date" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 21, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified in the applicable Final Terms, is automatically exercised (as more fully set out in Condition 21);

"Averaging Date" means, in respect of an Actual Exercise Date:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index (other than a Component Security Index) or Basket of Custom Indices (each as defined in Annex 2)), Share Securities, ETI Securities, Debt Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
- (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price, value or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price, value or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
 - (iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms then:
 - (A) where the Warrants are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level, value or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and
 - (B) where the Warrants are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the level of the Component Security Index for the Averaging Date in accordance with subparagraph (a)(ii) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the relevant level of the Component Security Index in accordance with the provisions of subparagraph (a)(ii) of the definition of "Valuation Date" below;

- (C) where the Warrants are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant level, value, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; or
- (D) where the Warrants are Index Securities relating to a Basket of Component Security Indices, the Averaging Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of subparagraph (a)(iv) of the definition of "Valuation Date" below; or
- (b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply;

"Cash Settlement Amount" means, in relation to Cash Settled Warrants, the amount (which may never be less than zero) to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, equal to the Final Payout specified in the applicable Final Terms. The Cash Settlement Amount (if any) shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, provided that:

- (a) if Rounding Convention 1 is specified as applicable in the applicable Final Terms, the Cash Settlement Amount shall be calculated using a maximum of four decimal places (with 0.00005 being rounded upwards) and shall be rounded to the second decimal place (with 0.005 being rounded upwards); or
- (b) if Rounding Convention 2 is specified as applicable in the applicable Final Terms, the Cash Settlement Amount shall not be subject to rounding but Securities of the same Series held by the same Holder will be aggregated for the purpose of determining the aggregate Cash Settlement Amount in respect of such Warrants and the aggregate of such Cash Settlement Amounts will be rounded down to the nearest whole sub-unit of the Settlement Currency in such manner as the Calculation Agent shall determine,

Provided That if the product of the Final Payout is zero, no amount shall be payable in respect of the relevant Warrant (and such Warrant shall expire worthless);

"Entitlement" means in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 11) rounded down as provided in Condition 21.3, as determined by the Calculation Agent including any documents evidencing such Entitlement which amount will be the Entitlement Amount specified in the applicable Final Terms;

"Exercise Business Day" means:

- (a) in the case of Cash Settled Warrants, a day that is a Business Day; and
- (b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"Expiration Date" means the last day of the Exercise Period;

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms or if any such date is not a Scheduled Trading Day (in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities) or Commodity Business Day (in the case of Commodity Securities), the immediately following Scheduled Trading Day or Commodity Business Day, as applicable. The provisions contained in the definition of "Averaging Date" shall apply if any such day is a Disrupted Day or, in the case of Commodity Securities, a day on which a Market Disruption Event has occurred or is continuing, *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date" unless Observation Day Disruption Consequences is specified as not applicable in the applicable Final Terms, in which case such date will be an Observation Date notwithstanding the occurrence of a Disrupted Day and (i) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, the provisions of (a)(i)(B) or (a)(iii)(B), as applicable, of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on such Observation Date as if such Observation Date were a Valuation Date that was a Disrupted Day or (ii) in the case of Commodity Securities the provisions of Commodity Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) will apply;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Settlement Date" means:

- (a) in relation to Cash Settled Warrants:
 - (i) (other than in respect of Commodity Securities) in relation to each Actual Exercise Date, (A) where Averaging is not specified in the applicable Final Terms, (x) the date specified in the applicable Final Terms or, if none, (y) the fifth Business Day following the Valuation Date provided that if the Warrants are Index Securities relating to a Basket of Indices, Debt Securities relating to a basket of Debt Instruments Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, ETI Interests or Futures, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, ETI Interests, Debt Instrument or Future, as the case may be, or (B) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket, Debt Securities relating to a basket of Debt Instruments or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, ETI Interests Debt Instrument or Futures, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, ETI Interests, Debt Securities Commodity or Commodity Index or Future, as the case may be; or
 - (ii) in respect of Commodity Securities, the date as specified in the applicable Final Terms; and
- (b) in relation to Physical Delivery Warrants, the date specified as such in the applicable Final Terms;

"Swedish Dematerialised Warrants" means Warrants in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date or another Observation Date does not or is deemed not to occur;

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities (x) the Scheduled Trading Day immediately preceding the Actual Exercise Date or (y) the Actual Exercise Date (or, if such date is not a Scheduled Trading Day the first Scheduled Trading Day following such date) or the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant, as specified in the applicable Final Terms, unless in either case, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (i) where the Warrants are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level or price:
 - (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the relevant value or price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (ii) where the Warrants are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:
 - (A) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and
 - (B) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of

the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

- (iii) where the Warrants are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument, or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level or price using, in relation to the Affected Item, the level, value or price as applicable, determined using:
 - (A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of a Share, ETI Interest, Debt Instrument or Future its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and
- (iv) where the Warrants are Index Securities relating to a Basket of Component Security Indices, the Valuation Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:
 - (A) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price

of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and

- (B) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

- (b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Valuation Time specified in the applicable Final Terms; or
- (b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index or Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

19. FORM OF WARRANTS

Warrants are issued in dematerialised bearer form (*au porteur*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et*

Financier) will be issued in respect of Warrants. Title of the Warrants will pass upon registration in the books of Euroclear France, Euroclear Netherlands or Iberclear, as the case may be.

Unless this possibility is expressly excluded in the applicable Final Terms and to the extent permitted by applicable French law, the Issuer may at any time request from the central depository identification information of Holders of French Law Warrants in dematerialised bearer form (*au porteur*) such as the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, email address of such Holders²⁵.

Swedish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*Sw. Lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) (the "**SFIA Act**"). Swedish Dematerialised Warrants will not be issued in definitive form.

20. TYPE (WARRANTS)

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**"), in the case of Cash Settled Warrants whether automatic exercise ("**Automatic Exercise**") applies to the Warrants, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), whether the Warrants may only be exercised in units ("**Units**") and whether Averaging ("**Averaging**") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Swedish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

21. EXERCISE RIGHTS (WARRANTS)

21.1 Exercise of Warrants

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

The following provisions apply to Warrants held through Euroclear France ("**Euroclear France Warrants**") , Warrants held through Euroclear Netherlands ("**Euroclear Netherlands Warrants**") or Warrants held through Iberclear ("**Iberclear Warrants**"):

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, on the Expiration Date, shall become void.

²⁵

The possibility for the Issuer of requesting from the central depository identification information of Holders of French Law Warrants in dematerialised bearer form (*au porteur*) such as the name or company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, email address of such Holders is provided by the *Ordonnance n°2014-863 du 31 juillet 2014 relative au droit des sociétés prise en application de l'article 3 de la loi n° 2014-1 du 2 janvier 2014 habilitant le Gouvernement à simplifier et sécuriser la vie des entreprises*. This *Ordonnance* was adopted on 2 August 2014.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 22.6 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the relevant Clearing System or to the relevant Account Holder, and the copy thereof is received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the relevant Clearing System or, as the case may be, the relevant Account Holder, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 22 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) if the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

The following provisions apply to Euroclear France Warrants, Euroclear Netherlands Warrants or Iberclear Warrants:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m. (Local Time) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 22.6 shall apply.

(c) Swedish Dematerialised Warrants

If the Warrants are Swedish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

21.2 Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject, to receive from the Issuer on the Settlement Date the Cash Settlement Amount

If the Cash Settlement Amount is not an amount in the Settlement Currency, it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. If Aggregation is specified as applicable in the applicable Final Terms Warrants exercised at the same time by the same Holder will be aggregated for the

purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be.

21.3 Physical Settlement

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

If Aggregation is specified as applicable in the applicable Final Terms, Warrants or Units, as the case may be, exercised at the same time by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants or Units, as the case may be, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, and a cash adjustment will be made in respect thereof.

Following exercise of a Share Security which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 22.

Commodity Securities shall not be Physical Delivery Warrants.

21.4 General

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "**exercise**", "**due exercise**" and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

All references in this Condition to "**Luxembourg or Brussels time**" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

21.5 Payments on cancellation of Warrants

(a) Highest Value

If "**Highest Value**" is specified as applicable in the applicable Final Terms, the greater of the fair market value or, as the case may be, Settled Amount, of a Security or Unit, as the case may be, (notwithstanding any illegality (if applicable) and taking into account any Index Adjustment Event, Custom Index Adjustment Event, Non-Commencement or Discontinuance of an Exchange-traded Contract, Extraordinary Event, Commodity Index Adjustment Event, Market Disruption Event, Index Cancellation, or Futures Adjustment Event, as the case may be) and the Protected Amount specified in the applicable Final Terms or, as the case may be, proportionate share of such Protected Amount, provided that, (x) no costs shall be deducted from such amount and (y) such amount shall include the reimbursement by the Issuer, pro rata

(calculated from the date of cancellation or, as the case may be, partial cancellation date, notified to the Holders until the Exercise Date or the Expiration Date, as the case may be, of the Securities), of any costs or, as the case may be, proportionate share of such costs (including but not limited to any structuring costs) paid by Holders to the Issuer in the Issue Price of the Securities, such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation or, as the case may be, notice of partial cancellation.

(b) Market Value

If "**Market Value**" is specified as applicable in the applicable Final Terms, the fair market value or, as the case may be, Settled Amount, of a Security or Unit, as the case may be, (notwithstanding the illegality (if applicable) and taking into account any Index Adjustment Event, Custom Index Adjustment Event, Non-Commencement or Discontinuance of an Exchange-traded Contract, Extraordinary Event, Commodity Index Adjustment Event, Market Disruption Event, Index Cancellation, or Futures Adjustment Event, as applicable), calculated (x) without taking account of any costs and no costs shall be deducted from such amount and (y) including the reimbursement by the Issuer, pro rata (calculated from the date of cancellation or, as the case may be, partial cancellation date, notified to the Holders until the Exercise Date or the Expiration Date, as the case may be, of the Securities), of any costs or, as the case may be, proportionate share of such costs (including but not limited to any structuring costs) paid by Holders to the Issuer in the Issue Price of the Securities, such an amount to be paid to the Holders on the date notified in the notice of cancellation or, as the case may be, notice of partial redemption.

22. EXERCISE PROCEDURE (WARRANTS)

22.1 Exercise Notice in respect of Warrants

Subject as provided in Condition 22.6, Warrants may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement, as amended or supplemented from time to time, (copies of which form may be obtained from the relevant Clearing System or the relevant Account Holder (in the case of Euroclear France Warrants, Euroclear Netherlands Warrants or Iberclear Warrants) and the relevant Security Agents during normal office hours) to the relevant Clearing System or, as the case may be, the relevant Account Holder, with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 21 and this Condition.

(a) In the case of Cash Settled Warrants, the Exercise Notice shall:

- (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) specify the number of the Holder's securities account at the relevant Account Holder to be debited with the Warrants;
- (iii) irrevocably instruct the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised;
- (iv) specify the number of the Holder's account at the relevant Account Holder to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;

- (v) include an undertaking to pay all Security Expenses, and an authority to the relevant Account Holder to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at the relevant Clearing System or as the case may be, the relevant Account Holder; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement (as amended or supplemented from time to time).

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) specify the number of the Holder's securities account at the relevant Account Holder to be debited with the Warrants being exercised;
- (iii) irrevocably instruct the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised;
- (iv) irrevocably instruct the relevant Account Holder to debit on the Actual Exercise Date a specified account of the Holder with such Account Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
- (v) include an undertaking to pay all Security Expenses and an authority to the relevant Account Holder to debit a specified account of the Holder at the relevant Account Holder in respect thereof and to pay such Security Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with the relevant Account Holder to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount;
- (vii) in the case of Currency Securities only, specify the number of the Holder's account at the relevant Account Holder to be credited with the amount due upon exercise of the Warrants or Units, as the case may be; and
- (viii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement (as amended or supplemented from time to time).

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Account Holder and the Security Agents during normal office hours.

If Condition 5.3(b) applies, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

22.2 Verification of the Holder

Upon receipt of an Exercise Notice, the relevant Account Holder shall verify that the person exercising the Warrants is the holder thereof according to the accounts of the relevant Account Holders. Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Security Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Security Agent will inform the Issuer thereof. The relevant Account Holder will on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised.

22.3 Settlement

(a) Cash Settled Warrants

If the Warrants other than Swedish Dematerialised Warrants are Cash Settled Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Security Expenses.

If the Warrants are Swedish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Sweden on the fourth Business Day immediately prior to the Settlement Date (the "**Swedish Record Date**"). The Security Agent will on the Settlement Date pay the Cash Settlement Amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date.

(b) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Security Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 21.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

22.4 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the relevant Account Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Security Agent or the Issuer, as the case may be, immediately after being delivered or sent to the relevant Account Holder as provided in Condition 22.1 above shall be null and void. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor (if applicable) shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

If such Exercise Notice is subsequently corrected to the satisfaction of the relevant Account Holder, in consultation with the Principal Security Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the relevant Account Holder and the Principal Security Agent or the Issuer, as the case may be.

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 21.1(a), in the case of American Style Warrants, or Condition 21.1(b), in the case of European Style Warrants, shall become void.

The relevant Account Holder shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Security Agent or the Issuer, as the case may be, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor (if applicable), the Security Agents, the relevant Account Holder shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

22.5 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

22.6 Automatic Exercise

- (a) This Condition only applies if the Warrants are Cash Settled Warrants which are not Swedish Dematerialised Warrants for which Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 21.1(a) or Condition 21.1(b).
- (b) No Exercise Notice is required to be submitted or any other action required to be taken by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Holder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor the Guarantor (if applicable) shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.

22.7 Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor (if applicable) or the Security Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the

Guarantor (if applicable), or the Agents shall, to the extent permitted by applicable law, under any circumstances be liable for any acts or defaults of the relevant Clearing System or, as the case may be, the relevant Account Holder in relation to the performance of its duties in relation to the Warrants.

22.8 Automatic Early Expiration

(a) If "Automatic Early Expiration" is specified as applicable in the applicable Final Terms, then unless previously exercised or cancelled, if on (i) any Automatic Early Expiration Valuation Date (the "**Relevant Automatic Early Expiration Valuation Date**") or (ii) in respect of an Automatic Early Expiration Valuation Period, as specified in the applicable Final Terms, an Automatic Early Expiration Event occurs, then the Warrants will be automatically cancelled in whole, but not in part, on the relevant Automatic Early Expiration Date and the amount (if any) payable on the Automatic Early Expiration Settlement Date by the Issuer upon cancellation shall be equal to the relevant Automatic Early Expiration Payout Amount.

(b) Definitions relating to Automatic Early Expiration

"AER Knock-out" means the occurrence (such date of occurrence the **AER Knock-out Date**) of a Knock-out Event and/or a Knock-in Event as specified in the applicable Final Terms;

"Automatic Early Expiration Date" means the Relevant Automatic Early Expiration Valuation Date or if such date is not a Business Day, the next following Business Day, and no Holder shall be entitled to any interest or further payment in respect of such delay;

"Automatic Early Expiration Event" means (i) if AER Knock-out is specified as applicable, an AER Knock-out occurs or (ii) if AER Knock-out is specified as not applicable (x) in the case of a single Underlying Reference, the Underlying Reference Level or (y) in the case of a Basket of Underlying References, the Basket Price is in each case, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Expiration Level as specified in the applicable Final Terms;

"Automatic Early Expiration Level" means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"Automatic Early Expiration Payout Amount" means an amount in the Settlement Currency equal to the Automatic Early Redemption Payout set out in the applicable Final Terms, provided that if the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on cancellation of the Warrant pursuant to this Condition and such Warrant shall expire worthless;

"Automatic Early Expiration Settlement Date" means the date specified as such in the applicable Final Terms;

"Automatic Early Expiration Valuation Time" means the time specified as such in the applicable Final Terms;

"Automatic Early Expiration Valuation Date" means (i) the AER Knock-out Date or (ii) each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, Debt Securities or ETI Securities, a Custom Index Business Day (in the case of Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities), Business Day (in the case of other Securities), as applicable, the next following Scheduled Trading Day, Custom Index Business Day, Commodity

Business Day or Business Day, as applicable, unless in the case of Index Securities, Share Securities, Debt Securities, ETI Securities or Commodity Securities, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in respect of Index Securities (other than Custom Index Securities), Share Securities, Debt Securities or ETI Securities), a Custom Index Disruption event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Expiration Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Automatic Early Expiration Valuation Date";

"Basket of Underlying References" means, for the purposes of this Condition 22.8, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Debt Instruments, Basket of Commodities, Basket of Commodity Indices, Basket of Futures or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"Basket Price" means, in respect of any Automatic Early Expiration Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Expiration Valuation Date and (b) the relevant Weighting;

"Observation Price Source" means the source specified as such in the applicable Final Terms;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Condition 2 (Market Disruption) and Index Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Index Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Condition 2 (Market Disruption), Share Condition 3 (Potential Adjustment Events) and Share Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Debt Securities, Debt Condition 3 (Market Disruption), Debt Condition 4 (Correction of Debt Instrument Price) and Debt Condition 5 (Redemption or Cancellation of a Debt Instrument);
- (f) in the case of Commodity Securities, Commodity Condition 2 (Market Disruption), Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Condition 4 (Adjustments to a Commodity Index);
- (g) in the case of Currency Securities, Currency Condition 3 (Consequences of a Disruption Event); and
- (h) in the case of Futures Securities, Futures Condition 3 (Adjustments to a Future);

"Underlying Reference" means, for the purposes of this Condition 22.8 each Index, Custom Index, Share, ETI Interest, Debt Instrument, Commodity, Commodity Index, Subject Currency, Future, or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Level" means, in respect of any Automatic Early Expiration Valuation Date, (i) "official level", "official close", "last price", "bid price", or "asked price" of the Underlying Reference, as specified in the applicable Final Terms published by the Observation Price Source or (ii) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case, as determined by the Calculation Agent as of the Automatic Early Expiration Valuation Time on such Automatic Early Expiration Valuation Date or, in the case of the "official close" level, at such time on such Automatic Early Expiration Valuation Date as the "official close" level is published by the Observation Price Source.

22.9 AER Rate Determination

Where the applicable Final Terms specify that the AER Rate is determined by reference to a Screen Rate, the provisions of Condition 29.6 will apply.

23. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

23.1 American Style Warrants

This Condition 23.1 applies only to American Style Warrants.

- (a) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

23.2 European Style Warrants

This Condition 23.2 applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

24. TERMS APPLICABLE TO CERTIFICATES ONLY

Conditions 25 to 31 apply to Certificates only.

25. DEFINITIONS

"**Averaging Date**" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 2)), Share Securities, ETI Securities, Debt Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price, value or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price, value or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
 - (iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:
 - (A) where the Certificates are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, or Futures Securities relating to single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading

Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level, value or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and

- (B) where the Certificates are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the level of the Component Security Index for the Averaging Date in accordance with subparagraph (a)(ii) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of subparagraph (a)(ii) of the definition of "Valuation Date" below;
- (C) where the Certificates are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant level, price, value or amount for that Averaging Date in accordance with subparagraph (a)(ii) of the definition of "Valuation Date" below; or
- (D) where the Certificates are Index Securities relating to a Basket of Component Security Indices, the Averaging Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and for each Component Security Index affected (an "Affected Item") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of the Component Security Index in accordance with the provisions of subparagraph (a)(iv) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of subparagraph (a)(iv) of the definition of "Valuation Date" below; or

- (b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity

Business Day unless, in the opinion of the Calculation Agent, any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply; or

- (c) in the case of Open End Certificates, the date designated as such by the Issuer acting in good faith, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Averaging Date;

"Calculation Period" means each Interest Period, AER Calculation Period, FR Calculation Period, Call Calculation Period or Put Calculation Period, as applicable;

"Cash Settlement Amount" means, in relation to Cash Settled Certificates, the amount (which may never be less than zero) to which the Holder is entitled in the Settlement Currency in relation to each such Certificate equal to the Final Payout specified in the applicable Final Terms.

The Cash Settlement Amount (if any) shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, provided that if Rounding Convention 2 is specified as applicable in the applicable Final Terms, the Cash Settlement Amount shall not be subject to rounding but Securities of the same Series held by the same Holder will be aggregated for the purpose of determining the aggregate Cash Settlement Amount in respect of such Certificates and the aggregate of such Cash Settlement Amounts will be rounded down to the nearest whole sub-unit of the Settlement Currency in such manner as the Calculation Agent shall determine,

provided that if the product of the Final Payout is zero, no amount shall be payable in respect of the relevant Certificate;

"Cut-off Date" means the date specified as such in the applicable Final Terms or if not so set out in respect of Physical Delivery Certificates, the third Business Day immediately preceding the Redemption Date;

"Entitlement" means in relation to a Physical Delivery Certificate, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 11 rounded down as provided in Condition 30.2(d) as determined by the Calculation Agent including any documents evidencing such Entitlement which amount will be the Entitlement Amount specified in the applicable Final Terms;

"Observation Date" means:

- (a) in the case of Certificates other than Open End Certificates, each date specified as an Observation Date in the applicable Final Terms or if any such date is not a Scheduled Trading Day (in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities) or Commodity Business Day (in the case of Commodity Securities), the immediately following Scheduled Trading Day or Commodity Business Day, as applicable. The provisions contained in the definition of "Averaging Date" shall apply if any such day is a Disrupted Day or, in the case of Commodity Securities, a day on which a Market Disruption Event has occurred or is continuing, *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date" unless Observation Day Disruption

Consequences is specified as not applicable in the applicable Final Terms, in which case such date will be an Observation Date notwithstanding the occurrence of a Disrupted Day and (i) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, the provisions of (a)(i)(B) or (a)(iii)(B), as applicable, of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on such Observation Date as if such Observation Date were a Valuation Date that was a Disrupted Day or (ii) in the case of Commodity Securities the provisions of Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) will apply; and

- (b) in the case of Open End Certificates, the date designated as such by the Issuer acting in good faith, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Observation Date;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Open End Certificate" means a Certificate in respect of which "Open End" is specified as applicable in the relevant Final Terms and which may be redeemed on a date determined by the Issuer in good faith, subject to the other provisions of these Terms and Conditions;

"Reference Banks" means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the relevant rate (which, if EURIBOR is the relevant rate, shall be the euro-zone);

"Swedish Dematerialised Certificates" means Certificates in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not or is deemed not to occur;

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, unless otherwise specified in the applicable Final Terms, the Interest Valuation Date and/or the Redemption Valuation Date (subject to paragraph (b) below in respect of Open End Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Certificates are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument, Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day

shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level or price:

- (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the relevant value, level or price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (ii) where the Certificates are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:
- (A) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and
 - (B) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and
- the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or
- (iii) where the Certificates are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of

Shares, ETI Securities relating to a Basket comprised of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant value, level or price using, in relation to the Affected Item, the level or value as applicable, determined using:

- (A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of a Share, ETI Interest Debt Instrument or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day, and
- (iv) where the Certificates are Index Securities relating to a Basket of Component Security Indices, the Valuation Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:
- (A) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and
 - (B) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive

Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

- (b) in the case of Open End Certificates and for the purposes of the "Provisions relating to Valuation on Redemption" set out in the applicable Final Terms, the date designated as the Redemption Valuation Date by the Issuer acting in good faith, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 13 at the latest on the tenth (10th) Business Day preceding the contemplated Redemption Valuation Date; and
- (c) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b)
 - (i) in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
 - (ii) in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index or Share to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

26. FORM OF CERTIFICATES

Certificates are issued in dematerialised bearer form (*au porteur*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et*

Financier) will be issued in respect of Certificates. Title will pass upon registration of the transfer in the books of Euroclear France Euroclear Netherlands or Iberclear, as the case may be.

Unless this possibility is expressly excluded in the applicable Final Terms and to the extent permitted by applicable French law, the Issuer may at any time request from the central depository identification information of Holders of French Law Certificates in dematerialised bearer form (*au porteur*) such as the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, email address of such Holders.²⁶

Swedish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (*Sw.: Lag (1998:1479) om kontoföring av finansiella instrument*) (the "**SFIA Act**"). Swedish Dematerialised Certificates will not be issued in definitive form.

27. TYPE (CERTIFICATES)

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled Certificates**") or physical delivery ("**Physical Delivery Certificates**"), whether Cash Settled Certificates are redeemable in instalments and whether Averaging ("**Averaging**") will apply to the Certificates. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

If the Certificates are Swedish Dematerialised Certificates, they will be Cash Settled Certificates.

The applicable Final Terms will indicate if the Certificates are exercisable, if so whether Multiple Exercise applies and the relevant Exercise Date(s).

28. INTEREST (CERTIFICATES)

If so specified in the applicable Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest ("**Fixed Rate Certificates**"), a floating rate of interest ("**Floating Rate Certificates**") or by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Commodity, Currency, Futures or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Interest Certificates**");

(a) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate pays interest calculated from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount

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The possibility for the Issuer of requesting from the central depository identification information of Holders of French Law Certificates in dematerialised bearer form (*au porteur*) such as the name or company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, email address of such Holders is provided by the *Ordonnance n°2014-863 du 31 juillet 2014 relative au droit des sociétés prise en application de l'article 3 de la loi n° 2014-1 du 2 janvier 2014 habilitant le Gouvernement à simplifier et sécuriser la vie des entreprises*. This *Ordonnance* was adopted on 2 August 2014.

shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (ii) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or
- (iii) the Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

If no Business Day Convention is specified as applicable to an Interest Period End Date in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) the Interest Period End Final Date in respect of such Interest Period will amount to the Fixed Coupon Amount.

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and if a Day Count Fraction is specified in the applicable Final Terms multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

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

(b) Interest on Floating Rate Certificates and Linked Interest Certificates

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of Condition 28(c), each Linked Interest Certificate pays interest in respect of each Interest Period (which expression shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 28(b), "**Interest Period End Date**" shall mean either: (A) the Interest Period End Date(s) in each year specified in the applicable Final Terms or (B) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or,

in the case of the first Interest Period End Date, after the Interest Commencement Date.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment Date falls after an Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (I) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (II) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

(ii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest or Rate is to be determined, such Rate of Interest or Rate, as the case may be, for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the

purposes of this subparagraph (ii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended and updated as at the Issue Date of the Certificates (the "**ISDA Definitions**") and under which:

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

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

(iii) FBF Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**FBF Rate**") and in such amounts, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to foreign exchange and derivatives transactions (an "**FBF Agreement**"), as in effect on the date of issue of the Certificates, published by the *Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the FBF Agreement) with the holder of the relevant Certificate under which:

- (A) the Issuer was the Floating Amount Payer;
- (B) the Principal Security Agent (as defined herein) was the Agent (as defined in the FBF Agreement) or as otherwise specified in the applicable Final Terms;
- (C) the Interest Commencement Date was the Transaction Date;
- (D) the Notional Amount in respect of a Certificate was the Notional Amount;
- (E) the Interest Payment Dates were the Floating Amount Payment Dates; and
- (F) all other terms were as specified in the applicable Final Terms.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under subparagraph (v) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the FBF Agreement) determined by the Principal Security Agent in accordance with the preceding sentence; and
- III. the Calculation Agent will be deemed to have discharged its obligations under subparagraph (v) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(iv) Screen Rate Determination

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

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

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (A), no offered quotation appears or, in the case of subparagraph (B), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest or Rate, as the case may be, for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest or Rate, as the case may be, for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London

inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest or Rate, as the case may be, cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest or Rate, as the case may be, shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(v) Determination of Rate of Interest and Calculation of Interest Amount

In the case of Floating Rate Certificates and Linked Interest Certificates the Calculation Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the "**Interest Determination Date**"), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms) for the relevant Interest Period. In the case of Floating Rate Certificates and Linked Interest Certificates, the Calculation Agent will notify the Principal Security Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified

Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vi) Minimum and/or Maximum Interest Rate

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of subparagraphs (i), (ii), (iii) or (iv) above (as appropriate) is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of subparagraphs (i), (ii), (iii) or (iv) above (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(vii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Paris and the rules of such stock exchange so require) Euronext Paris and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Paris Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Holders in accordance with Condition 10. For the purposes of the Terms and Conditions, the expression "**Paris Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Paris. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Day Count Fractions

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Calculation Period if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

- (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number

of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates that would occur in one calendar year;

"Determination Date(s)" means the date(s) specified in the applicable Final Terms;

"Determination Period" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of a Calculation Period ending in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the 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 would be 31, in which case D₁ will be 30; and

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

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the 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 (A) that day is the last day of February or (B) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the redemption date or (B) such number would be 31, in which case D₂ will be 30.

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "unadjusted", the Calculation Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

(d) Interest on Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest shall be determined in the manner specified in the applicable Final Terms in accordance with the applicable Additional Terms and Conditions.

(e) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless such Certificate is redeemed early. If such Certificate is redeemed early, (i) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (ii) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant payment date has not occurred on or prior to the due date for redemption of such Certificate, unless in either case payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Principal Security Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Holders and notice to that effect has been given to the Holders in accordance with Condition 10.

29. REDEMPTION (CERTIFICATES)

29.1 General

Subject as provided in these Terms and Conditions and each Certificate will be redeemed by the Issuer:

- (a) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (b) in the case of a Physical Delivery Certificate, subject as provided in Condition 5 and Condition 30, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date falling on the fifth Business Day following the Valuation Date, unless specified otherwise in the applicable Final Terms (the "**Redemption Date**"). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 5.1 above), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Condition 29.6 if specified in the applicable Final Terms.

29.2 Issuer Call Option

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, having given not less than 15 days (or such Notice Period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the relevant Security Agent, (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Certificates then outstanding at the Optional Redemption Amount on the Option Redemption Date specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

The "**Optional Redemption Amount**" in respect of each Certificate shall be an amount calculated by the Calculation Agent equal to

- (i) Notional Amount x the percentage (as specified in the applicable Final Terms), or
- (ii) the Call Payout, as specified in the applicable Final Terms

Provided that if the product of the Call Payout is zero, no amount shall be payable on redemption of such Certificate.

In the case of a partial redemption of Certificates, the rights of Holders of Swedish Dematerialised Certificates, Securities will, be governed by the standard procedures of Euroclear Sweden, or any relevant Clearing System (as the case may be). So long as the Certificates are listed on the official list of Euronext Paris ("**Euronext Paris**") or any other regulated stock exchange and admitted to trading on the regulated market of Euronext Paris and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Certificates, cause to be published on the website of Euronext Paris (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

29.3 Holder Put Option

If Holder Put Option is specified in the applicable Final Terms, upon the Holder of any Certificate giving to the Issuer not less than the minimum notice period nor more than the maximum notice period notice specified in the applicable Final Terms (the "**Notice Period**") the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate at the Optional Redemption Amount on the relevant Optional Redemption Date together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

The "**Optional Redemption Amount**" in respect of each Certificate shall be an amount calculated by the Calculation Agent equal to:

- (i) Notional Amount x the percentage (as specified in the applicable Final Terms) or
- (ii) the Put Payout, as specified in the applicable Final Terms,

Provided That if the product of the Put Payout is zero, no amount shall be payable on redemption of such Certificate.

If the Certificate is held through Euroclear France, Euroclear Netherlands, Euroclear Sweden, and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Holder of the Certificate must, within the Notice Period, give notice to the Security Agent concerned of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Euroclear Sweden and/or any other relevant Clearing System (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Euroclear Sweden and/or any other relevant Clearing System or any common depositary for them to the Security Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Euroclear Sweden and/or any other relevant Clearing System from time to time.

29.4 Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

29.5 Open End Certificates

If "Open End" is specified as applicable in the relevant Final Terms, the Redemption Date of such Open End Certificates will, notwithstanding any provision to the contrary, be the date falling five (5) Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer acting in good faith, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Holders at the latest ten (10) Business Days prior to the contemplated date in accordance with Condition 10.

If a Certificate is an Open End Certificate, "Knock-in Event" and "Knock-out Event" may not be specified as applicable in the relevant Final Terms in respect of such Certificate.

29.6 Automatic Early Redemption (Certificates)

This Condition 29.6 applies to Index Securities, Share Securities, ETI Securities, Debt Securities, Currency Securities, Commodity Securities and Futures Securities only.

- (a) If "Automatic Early Redemption" is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on (i) any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the applicable Final Terms, an Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date and the amount (if any) payable by the Issuer on such date upon redemption of each Certificate shall be equal to the relevant Automatic Early Redemption Amount.

- (b) Definitions relating to Automatic Early Redemption

"AER Knock-out" means the occurrence (such date of occurrence **AER Knock-out Date**) of a Knock-out Event and/or a Knock-in Event as specified in the applicable Final Terms;

"Automatic Early Redemption Amount" means an amount in the Settlement Currency equal to the Automatic Early Redemption Payout set out in the applicable Final Terms or, if not set out, an amount equal to the product of (i) the Notional Amount in respect of such Certificate and (ii) the relevant AER Rate relating to that Automatic Early Redemption Date provided that if the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Certificate pursuant to this Condition;

"Automatic Early Redemption Date" means (i) the Interest Payment Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event occurs, or, otherwise, (ii) each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the next following Business Day, and no Holder shall be entitled to any interest or further payment in respect of such delay;

"Automatic Early Redemption Event" means:

- (a) (A) in the case of a single Underlying Reference, the Underlying Reference Level is or (B) in the case of a Basket of Underlying References, the Basket Price is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms; or
- (b) if AER Knock-out is specified in the applicable Final Terms, an AER Knock-out occurs;
- (c) in case of SPS Payout, the Underlying Reference Value or the Underlying Reference Intraday Value, as specified in the applicable Final Terms, is (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

"Automatic Early Redemption Level" means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"Automatic Early Redemption Valuation Date" means (i) the AER Knock-out Date or (ii) each date specified as such in the applicable Final Terms or, if such date is not a Scheduled

Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities or Debt Securities, a Custom Index Business Day (in respect of Custom Index Securities), a Commodity Business Day (in respect of Commodity Securities) or Business Day (in the case of other Securities), as applicable, the next following Scheduled Trading Day, Custom Index Business Day, Commodity Business Day or Business Day, as applicable, unless, in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Commodity Securities, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities or Debt Securities, a Custom Index Disruption event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Automatic Early Redemption Valuation Date";

"Automatic Early Redemption Valuation Period" means the period specified as such in the applicable Final Terms;

"Automatic Early Redemption Valuation Time" means the time specified as such in the applicable Final Terms;

"Basket of Underlying References" means, for the purposes of this Condition 29.6, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Debt Instruments, Basket of Commodities, Basket of Commodity Indices, Basket of Futures or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"Basket Price" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

"Cumulative Coupon" means, in respect of an Automatic Early Redemption Valuation Date, (a) the sum of the values calculated for each Interest Period preceding the Current Interest Period as the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for such Interest Period plus (b) the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for the Current Interest Period;

"Current Interest Period" means, in respect of an Automatic Early Redemption Valuation Date, the Interest Period during which such Automatic Early Redemption Valuation Date falls;

"Observation Price Source" means the source specified as such in the applicable Final Terms;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Condition 2 (Market Disruption) and Index Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Index Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Condition 2 (Market Disruption), Share Condition 3 (Potential Adjustment Events) and Share Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Debt Securities, Debt Condition 3 (Market Disruption), Debt Condition 4 (Correction of Debt Instrument Price) and Debt Condition 5 (Redemption or Cancellation of a Debt Instrument);
- (f) in the case of Commodity Securities, Commodity Condition 2 (Market Disruption), Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Condition 4 (Adjustments to a Commodity Index);
- (g) in the case of Currency Securities, Currency Condition 3 (Consequences of a Disruption Event); and
- (h) in the case of Futures Securities, Futures Condition 3 (Adjustments to a Future);

"Underlying Reference" means, for the purposes of this Condition 29.6 each Index, Custom Index, Share, ETI Interest, Debt Instrument, Commodity, Commodity Index, Currency, Future or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Level" means, in respect of any Automatic Early Redemption Valuation Date, (i) "official level", "official close", "last price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms published by the Observation Price Source or (ii) if Standard Price is specified as applicable in the applicable Final Terms (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such Automatic Early Redemption Valuation Date or, in the case of the "official close" level, at such time on such Automatic Early Redemption Valuation Date as the "official close" level is published by the Observation Price Source.

- (c) Accrual

Notwithstanding Condition 28, if Accrual to Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs on an Automatic Early Redemption Valuation Date, interest will cease to accrue on such Automatic Early Redemption Valuation Date.

(d) AER Rate Determination

Where the applicable Final Terms specify that the AER Rate is determined by reference to a Screen Rate the AER Rate will, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the AER Reference Rate(s) which appears or appear, as the case may be, on the AER Screen Page (or such replacement page on that service which displays the information) as at the AER Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the AER Reference Rate Determination Date in question plus or minus (as indicated in the applicable Final Terms) the AER Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the AER Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the AER Screen Page is not available or if, in the case of subparagraph (i), no offered quotation appears or, in the case of subparagraph (ii), fewer than three offered quotations appear, in each case as at the AER Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the AER Reference Rate at approximately the AER Specified Time on the AER Reference Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the AER Rate shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the AER Margin (if any), all as determined by the Calculation Agent.

If on any AER Reference Rate Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the AER Rate shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the AER Specified Time on the relevant AER Reference Rate Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the AER Reference Rate by leading banks in the inter-bank market applicable to the AER Reference Rate (which will be the London inter-bank market, if the AER Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the AER Reference Rate is EURIBOR) plus or minus (as appropriate) the AER Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the AER Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the AER Reference Rate, at which, at approximately the AER Specified Time on the relevant AER Reference Rate Determination Date, any one or more banks (which

bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the AER Reference Rate (which will be the London inter-bank market, if the AER Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the AER Reference Rate is EURIBOR) plus or minus (as appropriate) the AER Margin (if any) provided that, if the AER Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Calculation Agent shall determine the AER Rate from such source(s) as it in good faith may select.

If the applicable Final Terms specifies a Minimum AER Reference Rate then, in the event that the AER Reference Rate determined in accordance with the above provisions is less than such Minimum AER Reference Rate, the AER Rate shall be such Minimum AER Reference Rate.

If the applicable Final Terms specifies a Maximum AER Reference Rate then, in the event that the AER Reference Rate determined in accordance with the above provisions is greater than such Maximum AER Reference Rate, the AER Rate shall be such Maximum AER Reference Rate

If the applicable Final Terms specifies a Maximum AER Reference Rate then, in the event that the AER Reference Rate determined in accordance with the above provisions is greater than such Maximum AER Reference Rate, the AER Rate shall be such Maximum AER Reference Rate.

29.7 Early Redemption Amounts

- (a) If Highest Value is specified as applicable in the applicable Final Terms, the greater of the fair market value of a Certificate or, as the case may be, Settled Amount (notwithstanding any illegality (if applicable) and taking into account any Additional Disruption Event, Optional Additional Disruption Event, Index Adjustment Event, Custom Index Adjustment Event, Non-Commencement or Discontinuance of an Exchange-traded Contract, Extraordinary Event, Commodity Index Adjustment Event, Market Disruption Event, Index Cancellation, or Futures Adjustment Event as the case may be) and the Protected Amount specified in the applicable Final Terms or, as the case may be, proportionate share of such Protected Amount, provided that, (x) no costs shall be deducted from such amount and (y) such amount shall include the reimbursement by the Issuer, *pro rata* (calculated from the early redemption date or, as the case may be, partial redemption date, notified to the Holders until the scheduled Redemption Date of the Certificates), of any costs or, as the case may be, proportionate share of such costs, (including but not limited to any structuring costs) paid by Holders to the Issuer in the Issue Price of the Certificates, such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption or, as the case may be, notice of partial redemption;
- (b) if Market Value is specified as applicable in the applicable Final Terms, the fair market value of a Certificate or, as the case may be, Settled Amount (notwithstanding the illegality (if applicable) and taking into account any Additional Disruption Event, Optional Additional Disruption Event, Index Adjustment Event, Custom Index Adjustment Event, Non-Commencement or Discontinuance of an Exchange-traded Contract, Extraordinary Event, Commodity Index Adjustment Event, Market Disruption Event, Index Cancellation, or Futures Adjustment Event, as applicable) calculated (x) without taking account of any costs and no costs shall be deducted from such amount, and (y) including the reimbursement by the Issuer, *pro rata* (calculated from the early redemption date or, as the case may be, partial redemption date notified to the Holders until the scheduled Redemption Date of the

Certificates), of any costs or, as the case may be, proportionate share of such costs (including but not limited to any structuring costs) paid by Holders to the Issuer in the Issue Price of the Certificates, such an amount to be paid to the Holders on the date notified in the notice of early redemption or, as the case may be, notice of partial redemption;

- (c) If Monetisation Option is specified as applicable in the applicable Final Terms:
- (i) the Monetisation Amount (as defined below), such amount to be paid by the Issuer (notwithstanding the notice of early redemption) on the Redemption Date; or
 - (ii) if the Holder duly elects to receive the fair market value, as provided below, the Market Value calculated in accordance with Condition 29.7(b) of such Certificate, such amount to be paid by the Issuer on the date fixed for early redemption, as notified to the Holders.

In the Issuer's notice of early redemption, the Issuer must include the following:

- (i) the cut-off date and time for each Holder to elect to receive the fair market value on the date fixed for early redemption;
- (ii) the date of determination for the fair market value in respect of such election and the amount determined by the Calculation Agent as the fair market value of the Securities on such date; and
- (iii) the amount calculated by the Calculation Agent as the Monetisation Amount.

If the Certificate is held outside Euroclear France and/or any other relevant Clearing System to make a valid election to receive the Market Value on redemption of a Certificate the Holder of the Certificate must no later than the cut-off date and time set out in the Issuer's notice of early redemption give notice to the Principal Security Agent of such election, accompanied by the Certificate or evidence satisfactory to the Principal Security Agent that the Certificate will, following delivery of notice, be held to its order or under its control in a manner reasonably satisfactory to the Principal Security Agent. If the Certificate is held through Euroclear France, Euroclear Sweden, and/or any other relevant Clearing System, to make a valid election to receive the Market Value on early redemption of the Certificate the Holder of the Certificate must no later than the cut-off date and time set out in the Issuer's notice of early redemption give notice to the Principal Security Agent in accordance with the standard procedures of Euroclear France, Euroclear Sweden, and/or any other relevant Clearing System (which may include notice being given on his instruction by Euroclear France, Euroclear Sweden, and/or any other relevant Clearing System or any common depositary for them to the Security Agent by electronic means) in a form acceptable to Euroclear France, Euroclear Sweden, and/or any other relevant Clearing System from time to time. Notice given by a Holder of any Certificate pursuant to this Condition 29.7 shall be irrevocable.

If the Holder does not make a valid election to receive the fair market value on the date fixed for early redemption before the cut-off date and time set out in the Issuer's notice of early redemption, the Holder will receive the Monetisation Amount in respect of such Security on the Redemption Date.

For the purposes of this Condition 29.7(c):

"Monetisation Amount" means, in respect of a Certificate, an amount equal to the greater of the Protected Amount specified in the applicable Final Terms and the amount calculated by the Calculation Agent as follows:

$$(S + D) \times (1 + r)^n$$

Where:

"S" is the present value of the Protected Amount of such Certificate on the date on which the event triggering early redemption occurs;

"D" is the market value of the Derivative Component on the date on which the event triggering early redemption occurs;

"r" is a hypothetical annual interest rate that would be applied on an equivalent hypothetical debt instrument issued by the Issuer (or the Guarantor, as applicable) with the same time to redemption as the remaining time to redemption on the Certificates from the date fixed for early redemption until the scheduled redemption date of the Certificates;

"n" is the time remaining until the scheduled redemption date of the Certificates, expressed as a number of years; and

"Derivative Component" means the option component or embedded derivative in respect of the Security or the interest amount due under the Certificate in order to enable the Issuer to issue the Security at the issue price and on their applicable terms. The value of the Derivative Component will be determined by the Calculation Agent, taking into account a number of factors, including, but not limited to:

- (A) market prices or values for the underlying reference asset(s) or basis (bases) and other relevant economic variables (such as interest rates; dividend rates; financing costs; the value, price or level of any relevant underlying reference asset(s) or basis (bases) and any futures or options relating to any of them; the volatility of any relevant underlying reference asset(s) or basis (bases); and exchange rates (if applicable));
- (B) the time remaining until the scheduled redemption date of the Certificates;
- (C) internal pricing models; and
- (D) prices at which other market participants might bid for the Derivative Component.

30. PAYMENTS AND PHYSICAL DELIVERY (CERTIFICATES)

30.1 Payments

Except in the case of Swedish Dematerialised Certificates and subject as provided below, the Issuer or, failing which, the Guarantor (if any), shall pay or cause to be paid the Cash Settlement Amount (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or with the relevant Account Holder (in the case of Certificates held through Euroclear France ("**Euroclear France Certificates**")) for value on the Redemption Date (or (a) in the case of Instalment Certificates, on the relevant Instalment Date; or (b) if Multiple Exercise is specified as applicable in the applicable Final Terms, on the relevant Exercise

Settlement Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or Account Holder.

Except in the case of Swedish Dematerialised Certificates and where the Certificates pay interest, subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount for each Certificate in respect of each Interest Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Interest Payment Date, such payment to be made in accordance with the rules of such Clearing System.

Except in the case of Swedish Dematerialised Certificates, the Issuer or the Guarantor, if any, will be discharged by payment to, or to the order of, the relevant Clearing System or the relevant Account Holder, in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System or whose name appears in the account of the relevant Account Holder (in the case of Euroclear France Certificates) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or, as the case may be, the relevant Account Holder for his share of each such payment so made to, or to the order of, such Clearing System or Account Holder.

In the case of OET Certificates, the Issuer shall confirm to the Principal Security Agent and to the relevant Account Holders (in the case of OET Certificates held through Euroclear France or Euroclear Netherlands) or Euroclear and Clearstream, Luxembourg (in the case of OET Certificates held through Euroclear or Clearstream, Luxembourg), the Cash Settlement Amount to be paid in respect of each OET Certificate.

In the case of Swedish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or the relevant amount (if any) payable under the Credit Security Conditions and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Sweden, in the case of Swedish Dematerialised Certificates issued in nominal, on the fifth Business Day, or in the case of Swedish Dematerialised Certificates issued in units, the fourth Business Day (the "**Swedish Record Date**"), immediately prior to the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Payment Date**"). The Swedish Security Agent will pay the relevant amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date.

If the determination of any amount in respect of interest due in respect of the Certificates on an Interest Payment Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions such Interest Payment Date shall be postponed to the day falling two Business Days following such Delayed Date and no interest, premium or other amount shall be payable on the Certificates in respect of such delay.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

30.2 Physical Delivery

(a) Asset Transfer Notices

In relation to Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any Certificate, the relevant Holder must deliver to the relevant Account Holder (including Clearstream Luxembourg or Euroclear), not later than 10.00 a.m. (Local Time) on the Cut-off Date, a duly completed asset transfer notice (an "**Asset Transfer Notice**") in the form set out in the Agency Agreement (as amended or supplemented from time to time) in accordance with the provisions set out in this Condition.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Security Agent.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (ii) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
- (iii) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Holder's account with the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with any cash payable by the Issuer, either in respect of other cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount;
- (iv) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement (as amended or supplemented from time to time).

If Condition 5.3 applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the relevant Security Agent.

(b) Verification of the Holder

Upon receipt of an Asset Transfer Notice, the relevant Clearing System or, as the case may be, the relevant Account Holder shall verify that the person delivering the Asset Transfer Notice is the holder of the Certificates described therein according to its records. Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Security Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Principal Security Agent will inform the Issuer thereof. The relevant Clearing System or, as the case may be, the relevant Account Holder will on or before the Delivery Date debit the securities account of the relevant Holder with the relevant Certificates.

(c) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the relevant Clearing System or, as the case may be, the relevant Account Holder, in consultation with the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Guarantor (if applicable), the Security Agents and the relevant Holder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Security Agent immediately after being delivered or sent to the relevant Clearing System or, as the case may be, the relevant Account Holder, as provided in paragraph (a) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the relevant Clearing System, or, as the case may be, the relevant Account Holder in consultation with the Principal Security Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the relevant Clearing System, or, as the case may be, the relevant Account Holder and the Principal Security Agent.

The relevant Clearing System, or, as the case may be, the relevant Account Holder shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Principal Security Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor (if applicable), the Security Agents or the relevant Clearing System or, as the case may be, the relevant Account Holder shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System, the relevant Account Holder or the relevant Security Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the Certificates which are the subject of such notice.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this Condition, the "**Delivery Date**"), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Security Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Security Agent, as provided above on or prior to the Cut-Off Date.

If a Holder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Security Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date), at the risk of such Holder in the manner provided herein. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of the Delivery Date or the Settlement Date, as the case may be, falling after the Redemption Date or the originally designated Settlement Date, as applicable, and no liability in respect thereof shall attach to the Issuer or the Guarantor (if applicable).

The Issuer shall at the risk of the relevant Holder, deliver or procure the delivery of the Entitlement, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in good faith and in a commercially reasonable manner determine and notify to the person designated by the Holder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement or Delivery of the Deliverable Obligations

comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(d) General

If Aggregation is specified as applicable in the applicable Final Terms, certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in good faith and in a commercially reasonable manner shall be paid to the Holder.

Following the Delivery Date of a Share Security or ETI Security all dividends on the relevant Shares or ETI Interests to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 30.2(a).

For such period of time after delivery or Delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities or Deliverable Obligations comprising the Entitlement (the "**Intervening Period**"), none of the Issuer, the Guarantor (if applicable), the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, obligations or Deliverable Obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities, obligations or Deliverable Obligations.

(e) Commodity Securities shall not be Physical Delivery Certificates.

31. PRESCRIPTION (CERTIFICATES)

Claims against the Issuer or the Guarantor (if applicable), for payment of principal, interest in respect of the Certificates shall become void unless made within 60 months from the Redemption Date and no claims shall be made after such date.

32. RECOGNITION OF BAIL-IN AND LOSS ABSORPTION

This Condition 32 shall apply to all Securities, other than Securities that are Secured Securities.

32.1 Acknowledgement

By its acquisition of the Securities, each Holder (which, for the purposes of this Condition 32, includes any current or future holder of a beneficial interest in the Securities) acknowledges, accepts, consents and agrees:

- (a) to be bound by the effect of the exercise of the Bail-in or Loss Absorption Power (as defined below) by the Relevant Resolution Authority (as defined below), 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 (as defined below);
 - (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Securities, in which case the Holder agrees to accept in lieu of its rights under the Securities any such shares, other securities or other obligations of the Issuer or another person;
 - (iii) the cancellation of the Securities; and/or
 - (iv) the amendment or alteration of the maturity of the Securities or amendment of the amount of interest payable on the Securities, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- (b) that the terms of the Securities are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority (each as defined below).

For these purposes, the "**Amounts Due**" are the amounts payable on redemption of each Security, and any accrued and unpaid interest on a Security that has not been previously cancelled or otherwise is no longer due.

32.2 Bail-in or Loss Absorption Power

For these purposes, the "**Bail-in or Loss Absorption Power**" is any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, the "**BRRD**"), including without limitation pursuant to French decree-law No. 2015-1024 dated 20 August 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended from time to time) ratified by the Law n°2016-1691 of 9 December 2016 relating to transparency, the fight against corruption and the modernisation of economic life (*Loi no. 2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) (as amended from time to time, this ordinance was ratified by the Law n°2016-1691 referred to below as the "**20 August 2015 Decree Law**"), 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 (as amended from time to time, the "**Single Resolution Mechanism Regulation**"), or otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated

Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution or otherwise.

A reference to a "**Regulated Entity**" is to any entity referred to in Section I of Article L.613- 34 of the French code *monétaire et financier* as modified by the 20 August 2015 Decree Law, which includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France.

A reference to the "**Relevant Resolution Authority**" is to the *Autorité de contrôle prudentiel et de résolution*, the Single Resolution Board established pursuant to the Single Resolution Mechanism Regulation, and/or any other authority entitled to exercise or participate in the exercise of any Bail-in or Loss Absorption Power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation).

32.3 Payment of Interest and Other Outstanding Amounts Due

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer (or, if applicable, the Guarantor) 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 European Union applicable to the Issuer (or, if applicable, the Guarantor) or other members of its group.

32.4 No Event of Default

Neither a cancellation of the Securities, 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 or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer (or, if applicable, the Guarantor), nor the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Securities will constitute non-performance of a contractual obligation, or entitle the Holder to any remedies (including equitable remedies) which are hereby expressly waived.

32.5 Notice to Holders

Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Securities, the Issuer (or, if applicable, the Guarantor) will give notice to the Holders in accordance with Condition 10 (Notices) as soon as practicable regarding such exercise of the Bail-in or Loss Absorption Power. The Issuer (or, if applicable, the Guarantor) will also deliver a copy of such notice to the Principal Security Agent for information purposes, although the Principal Security Agent shall not be required to send such notice to Holders. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in or Loss Absorption Power nor the effects on the Securities described in Condition 32.1 above.

32.6 Duties of the Principal Security Agent

Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority, the Issuer (or, if applicable, the Guarantor) and each Holder (including each holder of a beneficial interest in the Securities) hereby agree that (a) the Principal Security Agent shall not be required to take any directions from Holders, and (b) the Agency Agreement shall impose no duties upon the Principal

Security Agent whatsoever, in each case with respect to the exercise of any Bail-in or Loss Absorption 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 Securities remain outstanding (for example, if the exercise of the Bail-In Power results in only a partial write-down of the principal of the Securities), then the Principal Security Agent's duties under the Agency Agreement shall remain applicable with respect to the Securities following such completion to the extent that the Issuer (or, if applicable, the Guarantor) and the Principal Security Agent shall agree pursuant to an amendment to the Agency Agreement.

32.7 Pro-rating

If the Relevant Resolution Authority exercises the Bail-in or Loss Absorption Power with respect to less than the total Amounts Due, unless the Principal Security Agent is otherwise instructed by the Issuer (or, if applicable, the Guarantor) or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Securities pursuant to the Bail-in or Loss Absorption Power will be made on a pro-rata basis.

32.8 Conditions Exhaustive

The matters set forth in this Condition 32 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer (or, if applicable, the Guarantor) and any holder of a Security.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

The following terms and conditions (the "**Payout Conditions**"), subject to completion in the applicable Final Terms, relate to the payouts in respect of the Securities. In particular, certain sections of the Payout Conditions will be set out and completed in the applicable Final Terms. In the event of any inconsistency between the terms and conditions of the Securities (the "**Conditions**") and the Payout Conditions, the Payout Conditions shall prevail. The descriptions of the payouts, interest rates and entitlement amounts and/or related provisions included in italics below do not form part of the Payout Conditions, are included for information purposes only and are subject to the detailed terms of the relevant payout, interest rate or entitlement amount, as applicable. The nomenclature of ETS and SPS payouts is based on a combination of the European Structured Investment Products Association (EUSIPA) categorisation and BNPP's internal codification.

The Securities may not be a suitable investment for all investors. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

1. ETS PAYOUTS

General definitions in relation to ETS Payouts are set out below in Condition 1.4 of the Payout Conditions.

1.1 Final Payouts

The following final payouts (each a "**Final Payout**") shall apply to the Securities if specified in the applicable Final Terms:

(a) ETS Final Payout 1250/4

If ETS Final Payout 1250/4 is specified as applicable in the applicable Final Terms:

- (i) if the Underlying Reference Level has never been less than or equal to the Barrier Level at any time on any Observation Date during the Observation Period:

$$\frac{\text{BonusLevel}}{[\text{Parity} \times \text{ExchangeRateFinal}]} ; \text{ or}$$

- (ii) otherwise:

$$\frac{\text{Min}[\text{SettlementPriceFinal}; \text{Cap Level}]}{[\text{Parity} \times \text{ExchangeRateFinal}]} .$$

Description of the Payout and explanation of how the value of investment is affected by the value of the underlying

If the Underlying Reference Level has never been less than or equal to the Barrier Level on any Observation Date during the Observation Period, the Payout will be equal to the Bonus Level (divided by the product of the Exchange Rate Final and Parity).

Otherwise, if the Underlying Reference Level has been less than or equal to the Barrier Level on any Observation Date during the Observation Period, the Payout will be equal to the

Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity) subject to a maximum of the Cap Level (divided by the product of the Exchange Rate Final and Parity). The Cap Level is equal to the Bonus Level.

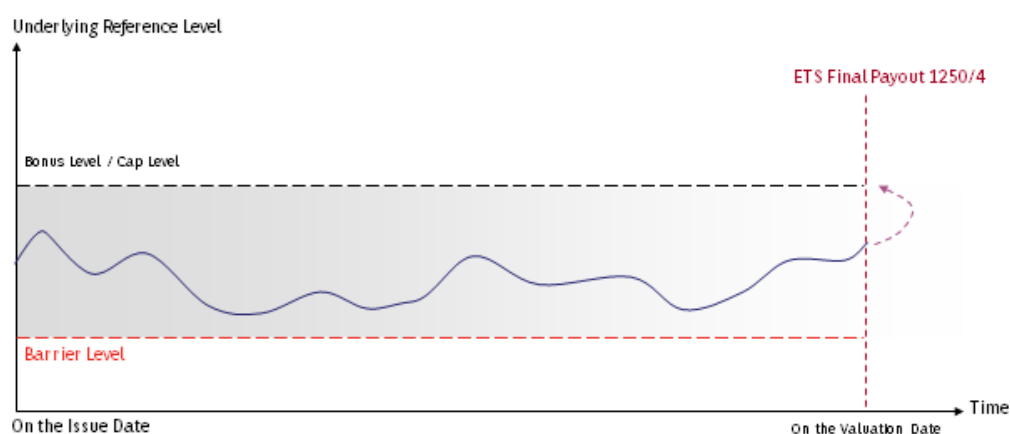
Fluctuations in the Exchange Rate of the relevant currency will also affect the value of the Securities.

Graphical examples

The illustrative examples below are hypothetical and represent positive, neutral and negative scenarios but **do not** depict every possible outcome or return. The hypothetical returns as described below **are not** indicative for the actual return of a particular product.

Positive scenario:

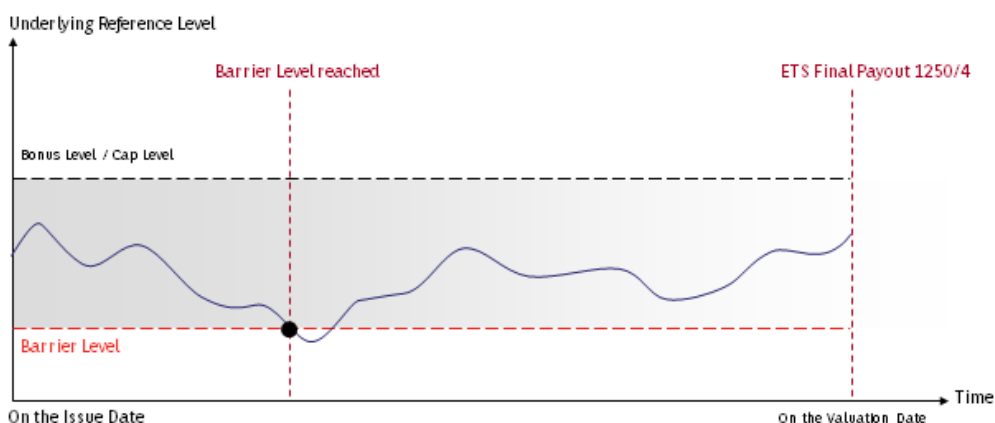
The Underlying Reference Level has never reached the Barrier Level during the Observation Period.



The Underlying Reference Level has never been less than or equal the Barrier Level on any Observation Date during the Observation Period as shown in the graphic above, then the Holder of Securities will receive a Payout equal to the Bonus Level.

Neutral scenario:

The Underlying Reference Level has reached the Barrier Level AND the Underlying Reference Level on the Valuation Date is equal to its initial Level.

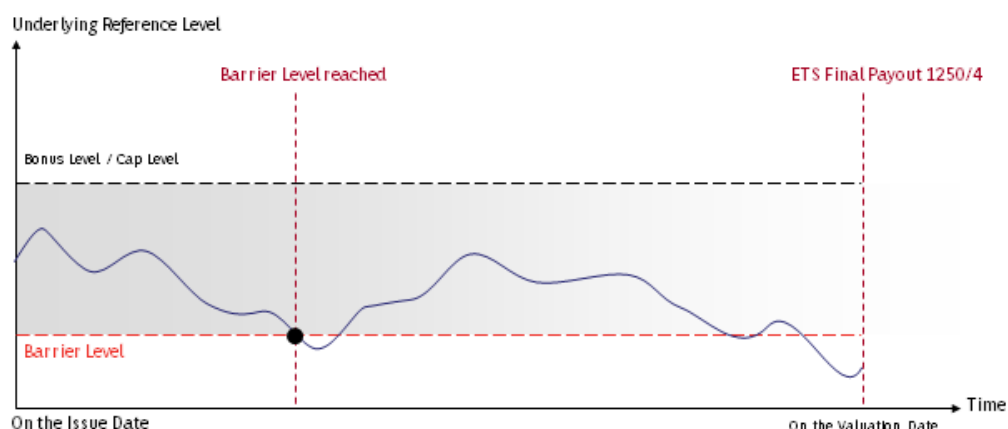


The Underlying Reference Level has been less than or equal the Barrier Level on any Observation Date during the Observation Period AND the Underlying Reference Level on the Valuation Date is equal to its initial Level, as shown in the graphic above.

In that case, the Holder of Securities will receive a Payout equal to the Settlement Price on the Valuation Date, subject to a maximum of the Cap Level (divided by the product of the Exchange Rate Final and Parity).

Negative scenarios:

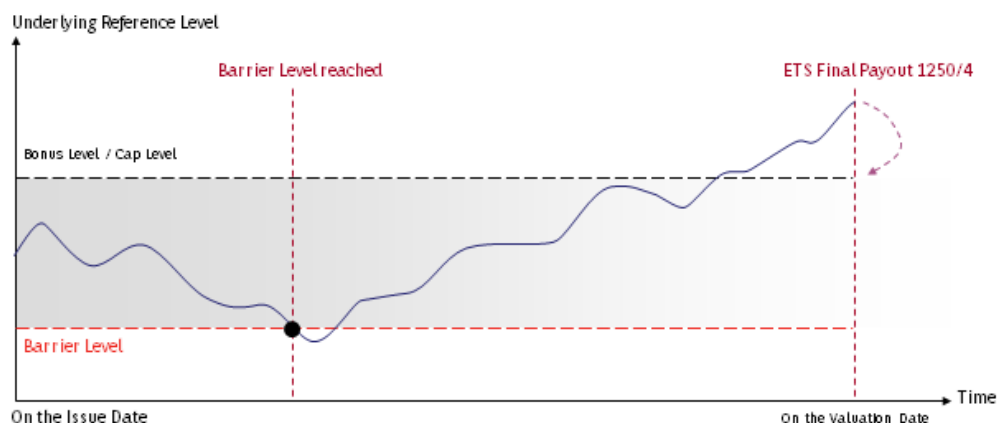
The Underlying Reference Level has reached the Barrier Level AND the Underlying Reference Level on the Valuation Date is below the Barrier Level.



The Underlying Reference Level has been less than or equal to the Barrier Level on any Observation Date during the Observation Period AND the Underlying Reference Level on the Valuation Date is below the Barrier Level, as shown in the graphic above.

In that case, the Holder of Securities will receive a Payout equal to the Settlement Price on the Valuation Date, subject to a maximum of the Cap Level (divided by the product of the Exchange Rate Final and Parity).

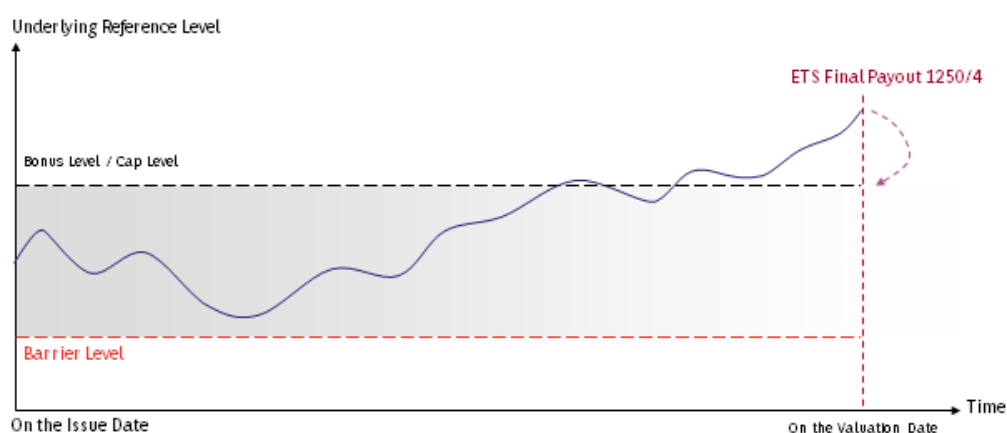
The Underlying Reference Level has reached the Barrier Level AND the Underlying Reference Level on the Valuation Date is greater than the Cap Level.



The Underlying Reference Level has been less than or equal to the Barrier Level on any Observation Date during the Observation Period AND the Underlying Reference Level on the Valuation Date is greater than the Cap Level, as shown in the graphic above.

In that case, the Holder of Securities will receive a Payout equal to the Settlement Price on the Valuation Date, subject to a maximum of the Cap Level (divided by the product of the Exchange Rate Final and Parity) and will not benefit from the complete upside due to the Cap Level.

The Underlying Reference Level has never reached the Barrier Level AND the Underlying Reference Level on the Valuation Date is greater than the Cap Level.



The Underlying Reference Level has never been less than or equal to the Barrier Level on any Observation Date during the Observation Period AND the Underlying Reference Level on the Valuation Date is greater than the Cap Level, as shown in the graphic above.

In that case, the Holder of Securities will receive a Payout equal to the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and will not benefit from the complete upside due to the Bonus Level

(b) **ETS Final Payout 1320/1**

If ETS Final Payout 1320/1 is specified as applicable in the applicable Final Terms:

- (i) if the Underlying Reference Level has never been less than or equal to the Barrier Level at any time on any Observation Date during the Observation Period:

$$\frac{\text{Max}[\text{SettlementPriceFinal}; \text{BonusLevel}]}{[\text{Parity} \times \text{ExchangeRateFinal}]}; \text{ or}$$

- (ii) otherwise:

$$\frac{\text{SettlementPriceFinal}}{[\text{Parity} \times \text{ExchangeRateFinal}]}.$$

Description of the Payout

If the Underlying Reference Level has never been less than or equal to the Barrier Level during the Observation Period, the Payout will be equal to the maximum of the Bonus Level

(divided by the product of the Exchange Rate Final and Parity) and the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). Otherwise the Payout will be equal to the Settlement Price on the Valuation Date (divided by the Exchange Rate Final and Parity).

Fluctuations in the Exchange Rate Final of the relevant currency will also affect the value of the Securities.

(c) **ETS Final Payout 2100**

If ETS Final Payout 2100 is specified as applicable in the applicable Final Terms:

- (i) if the Securities are specified in the applicable Final Terms as being Call Warrants:

$$\text{Max}[0; \text{Settlement Price Final} - \text{Exercise Price}] / [\text{Parity} \times \text{Exchange Rate Final}]; \text{ or}$$

- (ii) if the Securities are specified in the applicable Final Terms as being Put Warrants:

$$\text{Max}[0; \text{Exercise Price} - \text{Settlement Price Final}] / [\text{Parity} \times \text{Exchange Rate Final}].$$

Description of the Payout

In the case of Call Warrants, the Payout will be equal to the excess (if any) of the Settlement Price on the Valuation Date over the Exercise Price (divided by the product of the Exchange Rate Final and Parity).

In the case of Put Warrants, the Payout will be equal to the excess (if any) of the Exercise Price over the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity).

Fluctuations in the Exchange Rate Final of the relevant currency will also affect the value of the Securities.

(d) **ETS Payout 2200/1**

If ETS Final Payout 2200/1 is specified as applicable in the applicable Final Terms:

- (i) if the Securities are specified in the applicable Final Terms as being Call Securities:

$$\frac{\text{Max}(0; \text{Settlement Price Final} - \text{Strike Price})}{[\text{Parity} \times \text{Exchange Rate Final}]}.$$

- (ii) if the Securities are specified in the applicable Final Terms as being Put Securities:

$$\frac{\text{Max}(0; \text{Strike Price} - \text{Settlement Price Final})}{[\text{Parity} \times \text{Exchange Rate Final}]}.$$

Description of the Payout

The Payout will be equal to (i) in the case of Call Securities, the excess (if any) of the Settlement Price on the Valuation Date over the Strike Price, or (ii) in the case of Put Securities, the excess (if any) of the Strike Price over the Settlement Price on the Valuation Date, in each case divided by the product of the Exchange Rate Final and Parity.

If a Knock-out Event has occurred on any relevant determination day during the applicable determination period, in the case of Call Securities or Put Securities, then the Payout will equal zero and there will be no payment on redemption or exercise of the Securities. In that case, the applicable Automatic Early Redemption Payout will be triggered and payout 2200/1 will apply (as further described under clause 1.2 below).

A Knock-out Event shall be deemed to occur, (i) in the case of Call Securities, if the Underlying Reference Level is less than the Knock-out Level as specified in the applicable Final Terms, or (ii) in the case of Put Securities, if the Underlying Reference Level is equal to or greater than the Knock-out Level as specified in the applicable Final Terms, in each case on any Knock-out Determination Day during the Knock-out Determination Period.

Fluctuations in the Exchange Rate Final of the relevant currency will also affect the value of the Securities.

(e) **ETS Final Payout 2200/2**

If ETS Final Payout 2200/2 is specified as applicable in the applicable Final Terms:

(i) if the Securities are specified in the applicable Final Terms as being Call Securities:

(A) if no Knock-in Event has occurred on any Knock-in Determination Day during the Knock-in Determination Period, 0 (zero); or

(B) if a Knock-in Event has occurred on any Knock-in Determination Day during the Knock-in Determination Period but no Knock-out Event has occurred on any Knock-out Determination Day during the Knock-out Determination Period:

$$\frac{\text{Max}(0; \text{SettlementPriceFinal} - \text{StrikePrice})}{[\text{Parity} \times \text{ExchangeRateFinal}]} ; \text{ or}$$

(C) if both a Knock-in Event and a Knock-out Event have occurred on any relevant determination day during the applicable determination period, 0 (zero); or

(ii) if the Securities are specified in the applicable Final Terms as being Put Securities:

(A) if no Knock-in Event has occurred on any Knock-in Determination Day during the Knock-in Determination Period, 0 (zero); or

(B) if a Knock-in Event on any Knock-in Determination Day during the Knock-in Determination Period has occurred but no Knock-out Event has occurred on any Knock-out Determination Day during the Knock-out Determination Period:

$$\frac{\text{Max}(0; \text{StrikePrice} - \text{SettlementPriceFinal})}{[\text{Parity} \times \text{ExchangeRateFinal}]} ; \text{ or}$$

(C) if both a Knock-in Event and a Knock-out Event have occurred on any relevant determination day during the applicable determination period, 0 (zero).

Description of the Payout and explanation of how the value of investment is affected by the value of the underlying

If no Knock-in Event has occurred on any Knock-in Determination Day during the Knock-in Determination Period, in the case of Call Securities or Put Securities, the Payout equals zero and there will be no payment on redemption or exercise of the Securities.

If a Knock-in Event has occurred and no Knock-out Event has occurred on any relevant determination day during the applicable determination period, the Payout will equal (i) in the case of Call Securities, the excess (if any) of the Settlement Price on the Valuation Date over the Strike Price, or (ii), in the case of Put Securities, the excess (if any) of the Strike Price over the Settlement Price on the Valuation Date, in each case divided by the product of the Exchange Rate Final and Parity.

If both a Knock-in Event and a Knock-out Event have occurred on any relevant determination day during the applicable determination period, in the case of Call Securities or Put Securities, then the Payout will equal zero and there will be no payment on redemption or exercise of the Securities. In that case, the applicable Automatic Early Redemption Payout will be triggered and Payout 2200/2 will apply (as further described under clause 1.2 below).

A Knock-in Event shall be deemed to occur, in the case of Call Securities or Put Securities, if the Underlying Reference Level is within the Knock-in Range Level on any Knock-in Determination Day during the Knock-in Determination Period as specified in the applicable Final Terms.

A Knock-out Event shall be deemed to occur, (i) in the case of Call Securities, if the Underlying Reference Level is less than the Knock-out Level as specified in the applicable Final Terms, or (ii) in the case of Put Securities, if the Underlying Reference Level is equal to or greater than the Knock-out Level as specified in the applicable Final Terms, in each case on any Knock-out Determination Day during the Knock-out Determination Period.

Fluctuations in the Exchange Rate of the relevant currency will also affect the value of the Securities.

(f) ETS Final Payout 2210

If ETS Final Payout 2210 is specified as applicable in the applicable Final Terms:

- (i) if the Securities are specified in the applicable Final Terms as being Call Securities:

$$\text{Max} \left(0; \left(\frac{\text{Final Price} - \text{Capitalised Exercise Price}}{\text{Parity} \times \text{ConversionRate Final}} \right) \right); \text{ or}$$

- (ii) if the Securities are specified in the applicable Final Terms as being Put Securities:

$$\text{Max} \left(0; \left(\frac{\text{Capitalised Exercise Price} - \text{Final Price}}{\text{Parity} \times \text{ConversionRate Final}} \right) \right).$$

Description of the Payout and explanation of how the value of investment is affected by the value of the underlying

Introduction

This Payout will enable investors to benefit from increasing markets in case of Call Securities and decreasing markets in case of Put Securities by amplifying the increase or decrease in the fluctuations of the Underlying Reference through the leverage effect, which may be favourable or unfavourable for the investors. The fact that the investor only finances a portion of the investment, the other portion being financed by the Issuer through what is referred to as the Financing Rate, creates a leverage effect. Therefore, the effect of the variations of the Underlying Reference is increased with the leverage effect as compared to a direct investment in the Underlying.

Security Threshold

The Security Threshold corresponds to a percentage of the CEP determined by the Issuer.

The initial Security Threshold is equal to the product of the initial Capitalised Exercise Price (the “CEP_{Initial}”) and the Security Percentage, both as specified in the applicable Final Terms. The CEP_{Initial} is calculated by the Calculation Agent in accordance with the formula described in Annex 9 and is equal to the level specified as such in the applicable Final Terms.

The more the Underlying Reference Level is close to the Security Threshold the higher the leverage effect is.

An Automatic Early Redemption Event shall be deemed to occur, (i) in the case of Call Securities, if the Observation Price is less than or equal to the applicable Security Threshold as specified in the applicable Final Terms, or (ii) in the case of Put Securities, if the Observation Price is equal to or greater than the applicable Security Threshold as specified in the applicable Final Terms, in each case on any relevant determination day during the applicable determination period (the « Relevant Automatic Early Redemption Date »).

The likelihood that an Automatic Early Redemption Event occurs is increased by the repeated adjustment of the Capitalised Exercise Price even if the market price or value of the Underlying remains constant.

The Capitalised Exercise Price will be affected by the variations of the Financing Rate (as defined in Annex 9) which is affected in turn by the fluctuations in the Interbank Rate (as defined in Annex 9):

- For Call Securities, if the Interbank Rate is increasing, the value of the Financing Rate will increase and therefore the Capitalised Exercise Price will increase each day at a faster pace thus diminishing the Payout at a quicker pace for the same Underlying Reference Level. An increasing Interbank Rate has a negative impact for the holder of Call Securities.*
- For Put Securities, if the Interbank Rate is increasing, the value of the Financing Rate will decrease and therefore the Capitalised Exercise Price will increase each day at a slower pace thus diminishing the value of the Payout at a slower pace for the same Underlying Reference Level. An increasing Interbank Rate has a positive impact for the holder of Put Securities.*

Automatic Early Redemption Event

If no Automatic Early Redemption Event has occurred and no Holder Put Option has been exercised, the Payout will be equal to (i) in the case of Call Securities, the excess (if any) of the Final Price on the Valuation Date over the Capitalised Exercise Price, or (ii), in the case of Put Securities, the excess (if any) of the Capitalised Exercise Price over the Final Price on the Valuation Date, in each case divided by the product of the Conversion Rate Final and Parity.

If no Automatic Early Redemption Event has occurred and a Holder Put Option has been exercised provided that the Issuer has not already designated the Valuation Date, the Payout will be equal to (i) in the case of Call Securities, the excess (if any) of the Final Price on the Valuation Date over the Capitalised Exercise Price, or (ii), in the case of Put Securities, the excess (if any) of the Capitalised Exercise Price over the Final Price on the Valuation Date, in each case divided by the product of the Conversion Rate Final and Parity. In that case, the Put Payout 2210 will apply (as further described under clause 1.3 below).

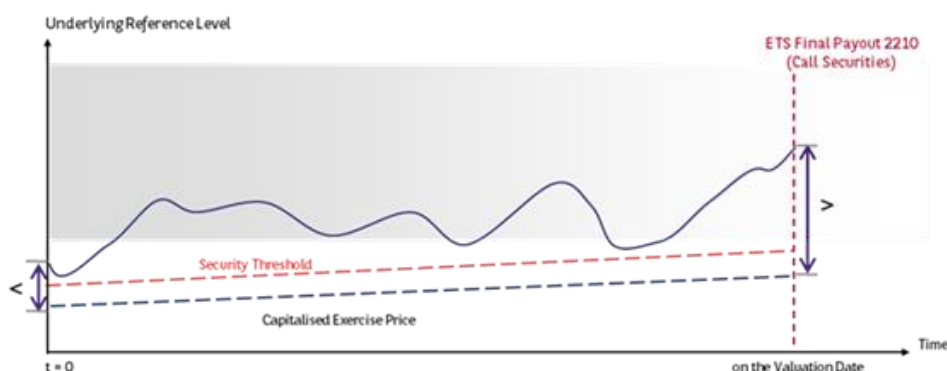
If an Automatic Early Redemption Event has occurred, the applicable Automatic Early Redemption Payout will be triggered and payout 2210/1 or Payout 2210/2 will apply (as further described under clause 1.2 below).

Graphical examples (for a Call Security)

The illustrative examples below are hypothetical and represent positive, neutral and negative scenarios but **do not** depict every possible outcome or return. The hypothetical returns as described below **are not** indicative for the actual return of a particular product.

Positive scenario:

No Automatic Early Redemption Event has occurred AND the increase of the Underlying Reference Level between $t=0$ and the Valuation Date has been superior to the increase of the Capitalised Exercise Price between $t=0$ and the Valuation Date.

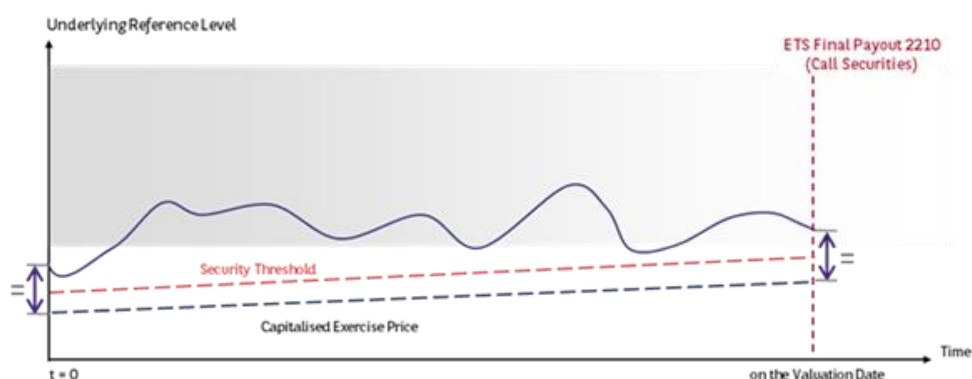


On the Valuation Date, the Underlying Reference Level (i.e. the « Observation Price ») has never reached the applicable Security Threshold. The Holder of Securities will receive a Payout equal to the excess of the Final Price on the Valuation Date over the Capitalised Exercise Price (divided by the product of the Conversion Rate Final and Parity). As the increase of the Underlying Reference Level between $t=0$ and the Valuation Date has been bigger than the increase of the Capitalised Exercise Price, the excess of the Final Price on the Valuation Date over the Capitalised Exercise Price (divided by the product of the Conversion Rate Final and Parity) is **more** than the excess of the Underlying Reference Level on $t=0$ over

the Capitalised Exercise Price at $t=0$ (divided by the product of the Conversion Rate at $t=0$ and Parity). Fluctuations in the Conversion Rate between $t=0$ and the Valuation Date will also be neutral. Therefore, the Holder of Securities has made a gain.

Neutral scenario:

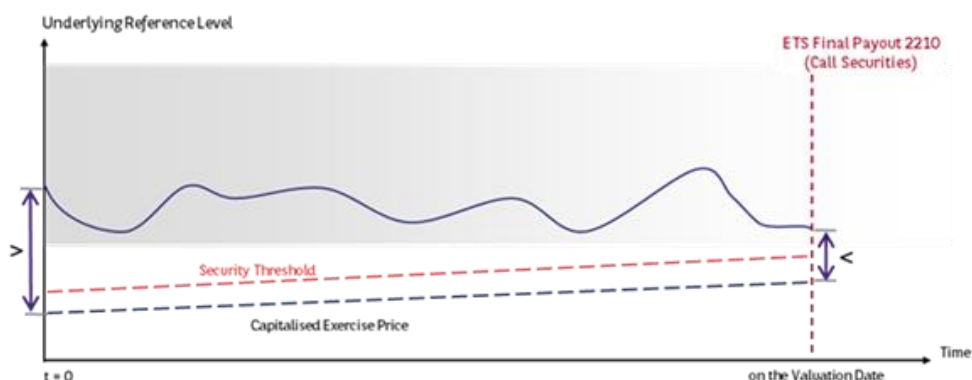
No Automatic Early Redemption Event has occurred AND the increase of the Underlying Reference Level between $t=0$ and the Valuation Date has been similar as the increase of the Capitalised Exercise Price between $t=0$ and the Valuation Date.



On the Valuation Date, the Underlying Reference Level (i.e. the « Observation Price ») has never reached the applicable Security Threshold. The Holder of Securities will receive a Payout equal to the excess of the Final Price on the Valuation Date over the Capitalised Exercise Price (divided by the product of the Conversion Rate Final and Parity). As the increase of the Underlying Reference Level between $t=0$ and the Valuation Date has been similar as the increase of the Capitalised Exercise Price, the excess of the Final Price on the Valuation Date over the Capitalised Exercise Price (divided by the product of the Conversion Rate Final and Parity) is similar to the excess of the Underlying Reference Level at $t=0$ over the Capitalised Exercise Price at $t=0$ (divided by the product of the Conversion Rate at $t=0$ and Parity). Fluctuations in the Conversion Rate between $t=0$ and the Valuation Date will also be neutral. Therefore, the Holder of Securities will not realise any gain or suffer any loss.

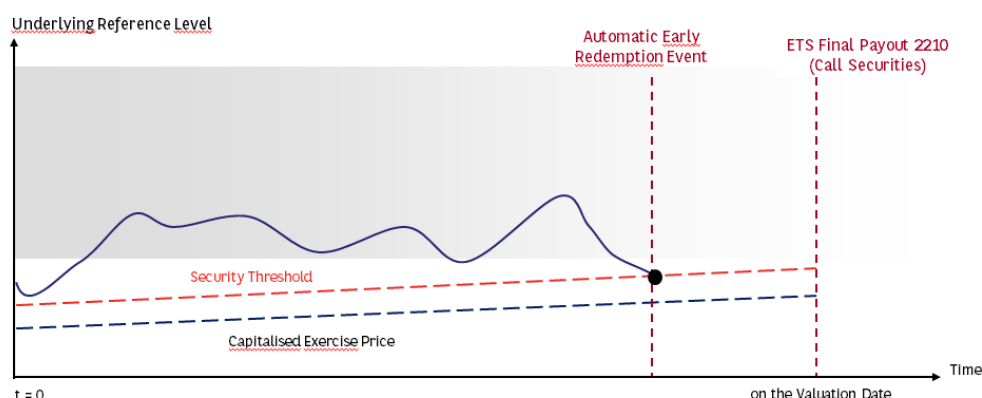
Negative scenarios:

No Automatic Early Redemption Event has occurred AND the increase of the Underlying Reference Level between $t=0$ and the Valuation Date has been less than the increase of the Capitalised Exercise Price between $t=0$ and the Valuation Date.



On the Valuation Date, the Underlying Reference Level (i.e. the « Observation Price ») has never reached the applicable Security Threshold. The Holder of Securities will receive a Payout equal to the excess of the Final Price on the Valuation Date over the Capitalised Exercise Price (divided by the product of the Conversion Rate Final and Parity). As the increase of the Underlying Reference Level between $t=0$ and the Valuation Date has been less than the increase of the Capitalised Exercise Price, the excess of the Final Price on the Valuation Date over the Capitalised Exercise Price (divided by the product of the Conversion Rate Final and Parity) is less than the excess of the Underlying Reference Level on $t=0$ over the Capitalised Exercise Price at $t=0$ (divided by the product of the Conversion Rate at $t=0$ and Parity). Fluctuations in the Conversion Rate between $t=0$ and the Valuation Date will also be neutral. Therefore, the Holder of Securities will bear a loss.

An Automatic Early Redemption Event has occurred.



The Underlying Reference Level (i.e. the « Observation Price ») is less than or equal to the applicable Security Threshold on any Relevant Automatic Early Redemption Date. Then, the applicable Automatic Early Redemption Payout is triggered. In case of Automatic Early Redemption Payout 2210/1 (as set out in paragraph 1.2 below), the Payout shall be equal to the excess (if any) of the Final Price Early on the Automatic Early Redemption Date over the Capitalised Exercise Price (divided by the product of the Conversion Rate Early and Parity). In case of Automatic Early Redemption Payout 2210/2 (as set out in paragraph 1.2 below), the Payout shall be equal to zero and there will be no payment on redemption or exercise of the Securities.

(g) **ETS Final Payout 2300**

If the Securities are specified in the applicable Final Terms as being ETS 2300 Certificates:

- (i) in respect of a Bull Certificate, the Bull Certificate Value on the relevant Valuation Date; or
- (ii) in respect of a Bear Certificate, the Bear Certificate Value on the relevant Valuation Date,

in each case, converted into the Settlement Currency at the Exchange Rate on the relevant Valuation Date.

Where:

"**Bear Certificate Value**" or "**Bear CV_(t)**" means, in respect of a Relevant Business Day, an amount calculated by the Calculation Agent in accordance with the following formula:

(i) in the case of Index Securities or Share Securities:

$$\max \left[\text{Bear CV}_{t-1} \times \left(1 - Lx \left(\frac{U_t + \text{div}_t^{\text{gross}}}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times \text{Bear CV}_{t-1} \right];$$

(ii) in the case of Commodity Securities or Index Securities to which Futures Price Valuation applies:

$$\max \left[\text{Bear CV}_{t-1} \times \left(1 - Lx \left(\frac{U_t}{U_{t-1} + rc_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times \text{Bear CV}_{t-1} \right]; \text{ or}$$

(iii) in the case of Currency Securities:

$$\max \left[\text{Bear CV}_{t-1} \times \left(1 - Lx \left(\frac{U_t}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times \text{Bear CV}_{t-1} \right];$$

"**Bull Certificate Value**" or "**Bull CV_(t)**" means, in respect of a Relevant Business Day, an amount calculated by the Calculation Agent in accordance with the following formula:

(i) in the case of Index Securities or Share Securities:

$$\max \left[\text{Bull CV}_{t-1} \times \left(1 + Lx \left(\frac{U_t + \text{div}_t^{\text{net}}}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times \text{Bull CV}_{t-1} \right];$$

(ii) in the case of Commodity Securities or Index Securities to which Futures Price Valuation applies:

$$\max \left[\text{Bull CV}_{t-1} \times \left(1 + Lx \left(\frac{U_t}{U_{t-1} + rc_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times \text{Bull CV}_{t-1} \right]; \text{ or}$$

(iii) in the case of Currency Securities:

$$\max \left[\text{Bull CV}_{t-1} \times \left(1 + Lx \left(\frac{U_t}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times \text{Bull CV}_{t-1} \right]; \text{ and}$$

"**Valuation Date**" means, the earlier to occur of:

- (i) the date designated as such by the Issuer provided that such date is determined by the Issuer and notified to the Holders in accordance with Security Condition 10 at the latest on the tenth (10th) Relevant Business Day preceding the contemplated Valuation Date;
- (ii) the date specified in the applicable Final Terms as the 2300 Final Valuation Date; or
- (iii) if Put Payout 2300 and/or Call Payout 2300 is specified as applicable in the applicable Final Terms, the relevant Optional Redemption Valuation Date specified in the applicable Final Terms,

provided, in each case, that if such date is not a Relevant Business Day, the Valuation Date will be the next following Relevant Business Day.

Subject as provided below, the Calculation Agent will calculate the Bear Certificate Value and the Bull Certificate Value on each Relevant Business Day. In order to make such calculation the Calculation Agent will also calculate the Underlying Price_t on each Relevant Business Day.

If, in respect of any Relevant Business Day (including the Valuation Date), Underlying Price_t is not available before the Cut-off Time, or (x) such Relevant Business Day is a Disrupted Day (in the case of Share Securities, Currency Securities and Index Securities other than Index Securities in respect of which "Futures Price Valuation" is specified as applicable in the applicable Final Terms), or (y) as a consequence of a Market Disruption Event (in the case of Commodity Securities), the Calculation Agent will determine the Underlying Price_t for such Relevant Business Day acting in good faith and in a commercially reasonable manner by reference to such source(s) as it considers appropriate.

In the case of Index Securities in respect of which "Futures Price Valuation" is specified as applicable in the applicable Final Terms, if in respect of any Relevant Business Day (including the Valuation Date), Underlying Price_t is not available before the Cut-off Time (other than as a result of a Non-Commencement or Discontinuance of the Exchange-traded Contract), the Calculation Agent will determine the Underlying Price_t for such Relevant Business Day acting in good faith and in a commercially reasonable manner by reference to such source(s) as it considers appropriate.

Notwithstanding the foregoing, if in the determination of the Calculation Agent the Observation Price of the Underlying Reference at one or more time(s) (each such time a "**Reset Event Determination Time**") during any Observation Time Period is (i) equal to or greater than the Reset Threshold (in the case of Bear Certificates) or (ii) equal to or less than the Reset Threshold (in the case of Bull Certificates) (each a "**Reset Event**"), the Calculation Agent will on each occasion calculate the Reset Price as provided in Payout Condition 1.5 below and the Adjusted Bull CV or the Adjusted Bear CV, as the case may be, shall be the Bull Certificate Value or the Bear Certificate Value, as the case may be, for such Reset Event Determination Time on such Relevant Business Day. If one or more Reset Events occurs in an Observation Time Period, at Calculation Time_t falling at the end of such period the Calculation Agent will calculate the Bull Certificate Value or the Bear Certificate Value, as the case may be, using the formula set out above except that:

- (A) FC_t is equal to (0) zero;
- (B) U_{t-1} is the Reset Price last calculated prior to Calculation Time_t;
- (C) in the case of Index Securities or Share Securities, div_t^{net} and div_t^{gross} will be equal to (0) zero; and
- (D) in the case of Commodity Securities and Index Securities to which Futures Price Valuation applies, rc_{t-1} will be equal to (0) zero.

Description of the Payout

Description of the Payout and explanation of how the value of investment is affected by the value of the Underlying

Introduction

In respect of (i) Bull Certificates the performance of the Bull Certificate over one day will be equal to the leveraged performance of the relevant Underlying Reference over that same day (which may be positive or negative) and in respect of (ii) Bear Certificates, the leveraged performance of the relevant Underlying Reference over one day (which may be positive or negative) will have the inverse effect on the performance of the Bear Certificate over that same day.

Financing Amount and Reset Threshold

In each case, the performance of the Bull Certificate or the Bear Certificate (as the case may be) will be adjusted by the applicable Financing Amount. The Financing Component represents the cost of borrowing money to create leverage, the cost of hedging the Securities and the fee and therefore has an impact on the value of the Certificates.

Because the performance of the Certificates over any period longer than one day will be derived from the compounded daily performance of the Underlying Reference during that period, such Certificate's performance may differ significantly from the Leverage Factor times the overall performance of the Underlying Reference over that same period.

Bull Certificates and Bear Certificates include a feature, the Reset Threshold, which is a fixed percentage applied to the value of the Underlying Reference ascertained at the preceding Calculation Time. Should the last traded price of the Underlying Reference breach the Reset Threshold at any time, a Reset Event will be deemed to have occurred. The Reset Threshold will be reset intraday and will from then on be based on the Reset Price until the next Reset Event or the next Calculation Time whichever comes first.

Issuer Call Option and Holder Put Option

The Issuer may decide to early redeem the Bull Certificates or Bear Certificates (as the case may be) subject to prior written notice to the Holders of Securities (as further described under clause 1.6 below). Holders of Securities may also terminate their position in the Certificates by exercising the Holder Put Option upon given written notice to the Issuer (as further described under clause 1.3 below).

Final Payout

The Holders of Securities will receive a Payout equal to the Bull Cash Value (in case of Bull Certificates) or Bear Cash Value (in case of Bear Certificates) on the relevant Valuation Date divided by the Exchange Rate on the relevant Valuation Date.

Fluctuations in the Exchange Rate of the relevant currency will also affect the value of the Certificates and the Bull Cash Value/Bear Cash Value.

Graphical examples (for a Bull Certificate)

The illustrative examples below are hypothetical and represent positive, neutral and negative scenarios for Bull Certificates but **do not** depict every possible outcome or return nor are Bear Certificates described. The hypothetical returns as described below **are not** indicative for the actual return of a particular product.

In the following scenarios:

-Underlying Reference is the AEX Index

-Bull Certificate is the « AEX Bull Certificate 3 »

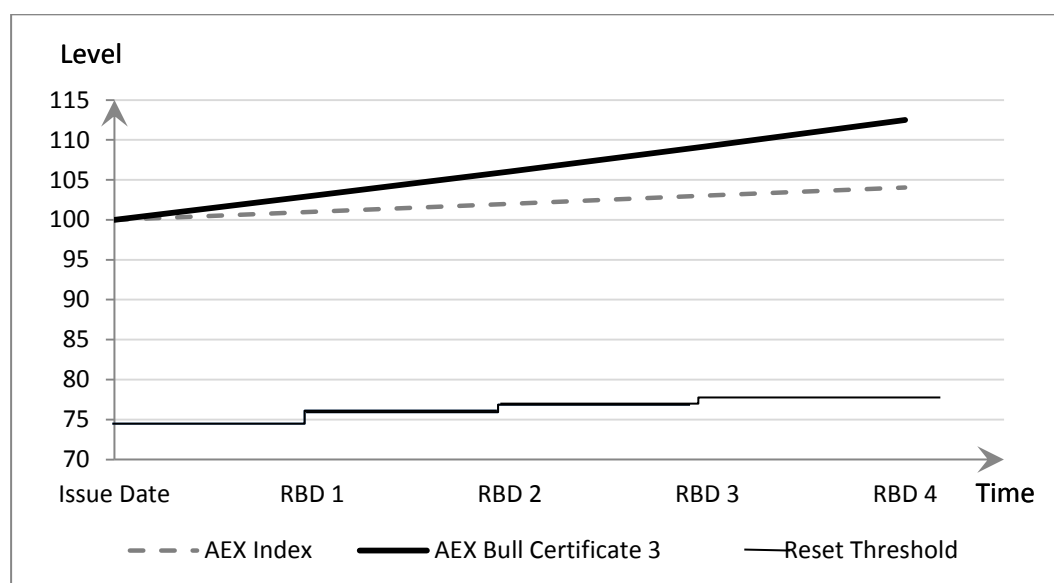
- Leverage Factor is equal to 3
- Financing Component is EUR -0.016 per day
- Reset Threshold Percentage is equal to 30%
- Exchange Rate is not applicable

The Positive, Median and Negative scenarios are over a holding period of 4 Relevant Business Days (RBD). The Negative scenarios whereby the Reset Threshold has been reached by the Underlying Reference are over a holding period of two entire Relevant Business Days.

Positive scenario: Positive performance of the Index

The increase of the level of the Underlying Reference between the Issue Date and the 4th Relevant Business Day has been positive over a consecutive number of Relevant Business Days.

The performance of the Underlying Reference is 1% per Relevant Business Day (RBD). On balance, the performance of the Underlying Reference between the Issue Date and the 4th Relevant Business Day is close to 4%.



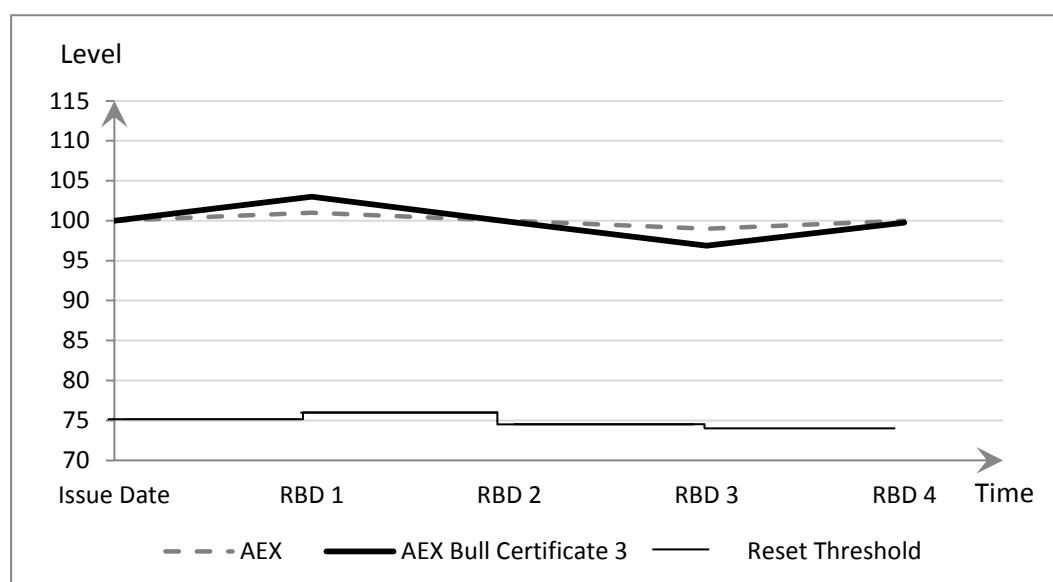
RBD means Relevant Business Day

On the 4th Relevant Business Day, the Underlying Reference has never reached the Reset Threshold. The Holder of Securities will receive a Payout equal to the Bull Cash Value on the 4th Relevant Business Day which will be higher than the Bull Cash Value of 100 on the Issue Date. As the level of the Underlying Reference has been higher than the preceding Relevant Business Day one on each Relevant Business Day and the performance of the Underlying Reference has been greater than the accrued daily Financing Amounts between the Issue Date and the 4th Relevant Business Day, the performance of the Bull Certificate is higher than the performance of the Underlying Reference.

Neutral scenario: Flat performance of the Index

The increase of the level of the Underlying Reference between the Issue Date and the 4th Exchange Business Day has been similar to the increase of the Financing Amount between the Issue Date and the 4th Relevant Business Day.

The performance of the Underlying Reference is 1% up on the 1st Exchange Business Day, 1% down on the 2nd and 3rd Relevant Business Day and 1% up on the 4th Relevant Business Day. On balance, the performance of the Underlying Reference between the Issue Date and the 4th Relevant Business Day is close to 0.



RBD means Relevant Business Day

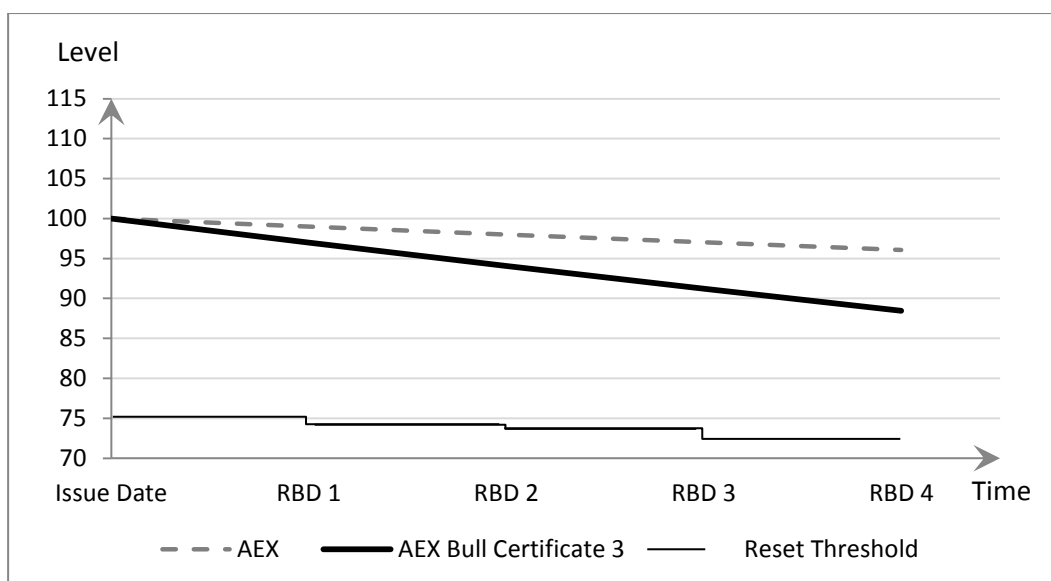
On the 4th Relevant Business Day, the last traded price of Underlying Reference has never reached the Reset Threshold. The Holder of Securities will receive a Payout equal to the Bull Cash Value on the 4th Relevant Business Day which will be slightly lower than the Bull Cash Value as at the Issue Date. The Payout will be slightly lower when the performance of the Underlying Reference is close to zero due to the negative impact of the accrued daily Financing Amounts.

Negative scenarios:

There has been a decrease of the level of Underlying Reference between the Issue Date and the 4th Relevant Business Day. The Reset Threshold has been reached by the Underlying Reference is over a holding period of two entire Relevant Business Days.

Negative scenario n°1: Negative performance of the Index

The performance of the Underlying Reference is -1% per Relevant Business Day. On balance, the performance of the Underlying Reference between the Issue Date and the 4th Relevant Business Day is close to -4%.



RBD means Relevant Business Day

On the 4th Relevant Business Day, the last traded price of the Underlying Reference has never reached the Reset Threshold. The Holder of Securities will receive a Payout equal to the Bull Cash Value on the 4th Relevant Business Day which will be lower than the Bull Cash Value as at the Issue Date.

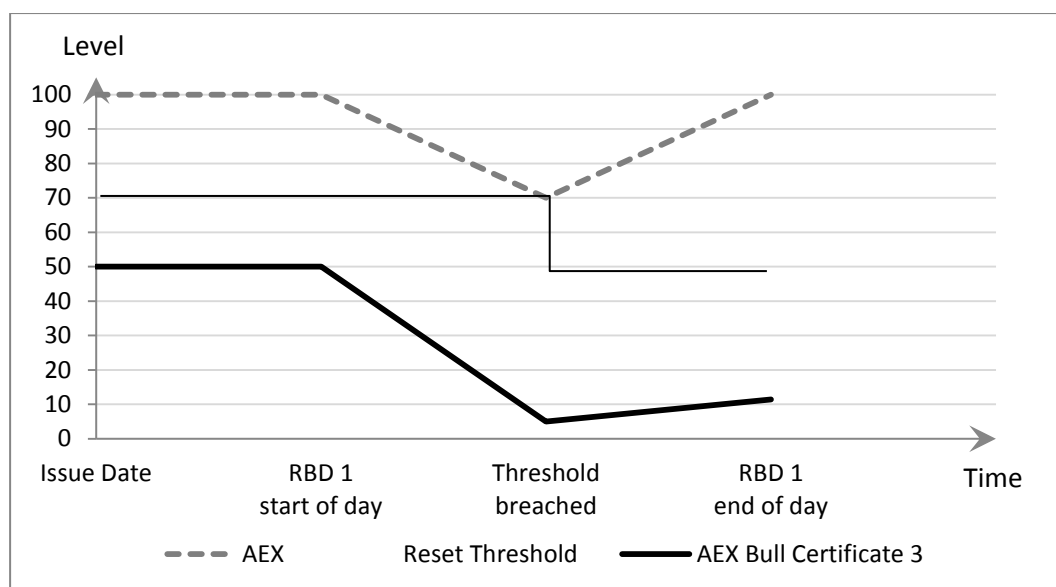
As the performance of the Underlying Reference between the Issue Date and the 4th Relevant Business Day has been negative and the accrued daily Financing Amounts over the same period has reduced the Bull Cash Value, the Bull Cash Value on the 4th Relevant Business Day is considerably lower than the Bull Cash Value as at the Issue Date reinforcing the negative performance of the Underlying Reference.

Negative scenario n°2: Index rebound and Threshold breached (Reset Threshold has been reached intraday)

The performance of the Underlying Reference on the Issue Date is 0%, -30% during the 1st Relevant Business Day and then, +42.86%. On balance, the performance of the Underlying Reference between the Issue Date and the 1st Relevant Business Day is 0%.

As the Reset Threshold is reached intraday during the 1st Relevant Business Day, an intraday recalculation of the Reset Threshold is triggered as shown in the graphic below.

Notwithstanding the subsequent rebound of the level of the Underlying Reference, the Bull Cash Value at the end of the 1st Relevant Business Day registers a loss of 77.14% whereas the performance of the Underlying Reference is 0%.



RBD means Relevant Business Day

As the last traded price of the Underlying Reference has reached the applicable Reset Threshold, the likelihood for the Holder to sell the Certificates at a price similar to the price paid at the Issue Date has considerably reduced. The value of the Certificates after the Reset Threshold has been reached intraday, will be calculated based on the Adjusted Bull CV meaning a rebound of the level of the Underlying Reference will not result in the Bull Cash Value rebounding to the level of the Bull Cash Value before the Underlying Reference drop down to a negative performance.

Holders should be aware that under certain circumstances, the Bull Cash Value can reach a level close to zero.

1.2 Automatic Early Redemption Payouts

If Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the following Automatic Early Redemption payouts (each an "**Automatic Early Redemption Payout**") shall apply to the Securities if specified in the applicable Final Terms:

(a) Automatic Early Redemption Payout 2200/1

If Automatic Early Redemption Payout 2200/1 is specified as applicable in the applicable Final Terms, 0 (zero).

Description of the Automatic Early Redemption Payout 2200/1 and explanation of how the value of investment is affected by the value of the underlying

If a Knock-out Event has occurred on any relevant determination day during the applicable determination period, in the case of Call Securities or Put Securities, then the Payout will equal zero and there will be no payment on redemption or exercise of the Securities.

A Knock-out Event shall be deemed to occur, (i) in the case of Call Securities, if the Underlying Reference Level is less than the Knock-out Level as specified in the applicable Final Terms, or (ii) in the case of Put Securities, if the Underlying Reference Level is equal to or greater than the Knock-out Level as specified in the applicable Final Terms, in each case on any Knock-out Determination Day during the Knock-out Determination Period.

(b) **Automatic Early Redemption Payout 2200/2**

If Automatic Early Redemption Payout 2200/2 is specified as applicable in the applicable Final Terms, 0 (zero).

Description of the Automatic Early Redemption Payout 2200/2 and explanation of how the value of investment is affected by the value of the underlying

If both a Knock-in Event and a Knock-out Event have occurred on any relevant determination day during the applicable determination period, in the case of Call Securities or Put Securities, then the Payout will equal zero and there will be no payment on redemption or exercise of the Securities.

A Knock-in Event shall be deemed to occur, in the case of Call Securities or Put Securities, if the Underlying Reference Level is within the Knock-in Range Level on any Knock-in Determination Day during the Knock-in Determination Period as specified in the applicable Final Terms.

A Knock-out Event shall be deemed to occur, (i) in the case of Call Securities, if the Underlying Reference Level is less than the Knock-out Level as specified in the applicable Final Terms, or (ii) in the case of Put Securities, if the Underlying Reference Level is equal to or greater than the Knock-out Level as specified in the applicable Final Terms, in each case on any Knock-out Determination Day during the Knock-out Determination Period.

(c) **Automatic Early Redemption Payout 2210/1**

If Automatic Early Redemption Payout 2210/1 is specified as applicable in the applicable Final Terms:

- (i) if the Securities are specified in the applicable Final Terms as being Call Securities:

$$\text{Max}\left(0; \left(\frac{\text{FinalPriceEarly} - \text{Capitalised ExercisePrice}}{\text{Parity} \times \text{ConversionRateEarly}}\right)\right);$$

- (ii) if the Securities are specified in the applicable Final Terms as being Put Securities:

$$\text{Max}\left(0; \left(\frac{\text{Capitalised ExercisePrice} - \text{FinalPriceEarly}}{\text{Parity} \times \text{ConversionRateEarly}}\right)\right).$$

Description of the Automatic Early Redemption Payout 2210/1 and explanation of how the value of investment is affected by the value of the underlying

An Automatic Early Redemption Event shall be deemed to occur, (i) in the case of Call Securities, if the Observation Price is less than or equal to the applicable Security Threshold as specified in the applicable Final Terms, or (ii) in the case of Put Securities, if the Observation Price is equal to or greater than the applicable Security Threshold as specified in the applicable Final Terms in each case on any relevant determination day during the applicable determination period (the « Relevant Automatic Early Redemption Date »).

In the case of (i) a Call Securities, if an Automatic Early Redemption Event has occurred, then the Payout will equal the excess (if any) of the Final Price Early on the Automatic Early

Redemption Date over the Capitalised Exercise Price, divided by the product of the Conversion Rate Early and Parity,

In the case of (ii) a Put Securities, if an Automatic Early Redemption Event has occurred, then the Payout will equal the excess (if any) of the Capitalised Exercise Price over the Final Price Early on the Automatic Early Redemption Date, divided by the product of the Conversion Rate Early and Parity.

(d) **Automatic Early Redemption Payout 2210/2**

If Automatic Early Redemption Payout 2210/2 is specified as applicable in the applicable Final Terms, 0 (zero).

Description of the Automatic Early Redemption Payout 2210/2 and explanation of how the value of investment is affected by the value of the underlying

An Automatic Early Redemption Event shall be deemed to occur, (i) in the case of Call Securities, if the Observation Price is less than or equal to the applicable Security Threshold as specified in the applicable Final Terms, or (ii) in the case of Put Securities, if the Observation Price is equal to or greater than the applicable Security Threshold as specified in the applicable Final Terms in each case on any relevant determination day during the applicable determination period (the « Relevant Automatic Early Redemption Date »).

In the case of (i) a Call Securities, if an Automatic Early Redemption Event has occurred, then the Payout will equal zero (0) and there will be no payment on redemption or exercise of the Securities.

In the case of (ii) a Put Securities, if an Automatic Early Redemption Event has occurred, then the Payout will equal zero (0) and there will be no payment on redemption or exercise of the Securities.

1.3 **Holder Put Option Payouts**

The following Holder Put Option Payouts (each a "**Put Payout**") shall apply to the Securities if specified in the applicable Final Terms:

(a) **Put Payout 2210**

If Put Payout 2210 is specified as applicable in the applicable Final Terms:

(i) if the Securities are specified in the applicable Final Terms as being Call Securities:

$$\text{Max} \left(0; \left(\frac{\text{Final Price} - \text{Capitalised Exercise Price}}{\text{Parity} \times \text{Conversion Rate Final}} \right) \right);$$

(ii) if the Securities are specified in the applicable Final Terms as being Put Securities:

$$\text{Max} \left(0; \left(\frac{\text{Final Price} - \text{Capitalised Exercise Price}}{\text{Parity} \times \text{Conversion Rate Final}} \right) \right)$$

Description of the Put Payout 2210 and explanation of how the value of investment is affected by the value of the underlying

If the Holder has exercised its Holder Put Option provided that no Automatic Early Redemption Event has occurred and the Issuer has not already designated the Valuation Date, the Payout will be equal to (i) in the case of Call Securities, the excess (if any) of the Final Price on the Valuation Date over the Capitalised Exercise Price, or (ii), in the case of Put Securities, the excess (if any) of the Capitalised Exercise Price over the Final Price on the Valuation Date, in each case divided by the product of the Conversion Rate Final and Parity.

(b) Put Payout 2300

If Put Payout 2300 is specified as applicable in the applicable Final Terms, the Put Payout shall be calculated on the same basis as ETS Final Payout 2300, save that references to "Valuation Date" therein and in the related provisions shall be deemed to be references to "the relevant Optional Redemption Valuation Date".

1.4 General Definitions for ETS Payouts

"Barrier Level" means the number or amount specified as such in the applicable Final Terms or, if specified in the applicable Final Terms, the product of the Barrier Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

"Barrier Percentage" means the percentage comprised between 0% (inclusive) and 100% (inclusive) of the Strike Level as specified in the applicable Final Terms. The Bonus Level will only apply if the Underlying Reference Level has never reached the Barrier Level determined on the basis of the Barrier Percentage. A lower Barrier Percentage results in a lower risk of reaching the Barrier Level thus lowering the risk of a loss for the Holder as the Holder has a higher level of limited protection. A higher Barrier Percentage results in a higher risk of reaching the Barrier Level thus increasing the risk of a loss for the Holder as the Holder has a lower level of limited protection;

"Bonus Level" means the number or amount specified as such in the applicable Final Terms or, if specified in the applicable Final Terms, the product of the Bonus Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

"Bonus Percentage" means the percentage equal to, or higher than, 0% of the Strike Level as specified in the applicable Final Terms. If the Underlying Reference Level has never reached the Barrier Level, the Bonus Level will apply, such Bonus Level being determined on the basis of the Bonus Percentage. A lower Bonus Percentage results in a lower amount payable under the Payout and a higher Bonus Percentage results in a higher potential amount payable under the Payout;

"Cap Level" means the number or amount specified as such in the applicable Final Terms or, if specified in the applicable Final Terms, the product of the Cap Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

"Cap Percentage" means the percentage equal to, or higher than, 0% of the Strike Level as specified in the applicable Final Terms. If the Underlying Reference Level has reached the Barrier Level, the Bonus Level will not apply but the Cap Level may apply, such Cap Level being determined on the basis of the Cap Percentage. A lower Cap Percentage results in a lower potential amount payable under the Payout. A higher Cap Percentage results in a higher potential amount payable under the Payout;

"Capitalised Exercise Price " is defined in Annex 9;

"Conversion Rate" means, in respect of a day, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived) between the currency of the relevant Underlying Reference and the Settlement Currency, as specified as such in the applicable Final Terms on such day;

"Conversion Rate Early" means the Conversion Rate on (a) the Relevant Automatic Early Redemption Valuation Date or (b) the relevant Optional Redemption Valuation Date, as applicable;

"Conversion Rate Final" means the Conversion Rate on the Valuation Date;

"Exchange Rate" means, in respect of a day, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived), between the currencies and from the source(s) and at the time in each case specified in the applicable Final Terms on such day;

"Exchange Rate Final" means the Exchange Rate on the Valuation Date;

"Final Price Early " is defined in Annex 9;

"Listing Date" means, in respect of any Securities, the date on which such Securities are first admitted to trading on any stock exchange or other trading or quotation system;

"Maximum Payout Amount" means the amount specified as such in the applicable Final Terms;

"n" means the number specified as such in the applicable Final Terms;

"Observation Price " is defined in Annex 9;

"Observation Price Source" means the source specified as such in the applicable Final Terms;

"Parity" means the number specified as such in the applicable Final Terms;

"Premium Percentage" means the percentage specified as such in the applicable Final Terms;

"Settlement Price Final" means the Settlement Price on the Valuation Date;

"Strike Level" means:

- (i) if the relevant Underlying Reference is an Index, the Closing Level;
- (ii) if the relevant Underlying Reference is a Share, the Closing Price, as specified in the applicable Final Terms;
- (iii) if the relevant Underlying Reference is an ETI, the Closing Price
- (iv) if the relevant Underlying Reference is a Commodity or a Commodity Index, the Relevant Price; or
- (v) if the relevant Underlying Reference is a Debt Instrument, a Currency or Future, the Settlement Price,

in each case on the Strike Date;

"Strike Price" means (a) if the Securities are Certificates, the price, level or amount specified as such in the applicable Final Terms or (b) if the Securities are Warrants, the relevant Exercise Price;

"Underlying Reference" means, for the purposes of the ETS Payouts, each Index, Share, ETI, Debt Instrument, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Level" means, in respect of a time and a day (i) "official level", "last price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms published by the Observation Price Source or (ii) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms (a) in the case of Share Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price (on the basis that such day is deemed to be a Pricing Date), or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), or (e) in the case of Debt Securities, the bid price of the relevant Underlying Reference as determined by the Calculation Agent by reference to the bid price for such Underlying Reference appearing on the Relevant Screen Page, in each case for such time on such day.

1.5 Additional Definitions for ETS Final Payout 2300

"Adjusted Bear CV" or **"Adjusted Bull CV"** means an amount calculated by the Calculation Agent in accordance with the Bear $CV_{(t)}$ formula or the Bull $CV_{(t)}$ formula, as the case may be, in Payout Condition 1.1(gg) except that:

- (i) with respect to any calculation to be made following the first Reset Event occurring during an Observation Time Period (the **"Relevant Observation Time Period"**), U_t will be the Reset Price calculated following the relevant Reset Event Determination Time;
- (ii) with respect to any subsequent Reset Events occurring within the Relevant Observation Time Period:
 - (a) Bear CV_{t-1} will be the Adjusted Bear CV and Bull CV_{t-1} will be the Adjusted Bull CV, as the case may be, last calculated prior to the relevant Reset Event Determination Time;
 - (b) FC_t is equal to (0) zero;
 - (c) U_t is the Reset Price calculated following the relevant Reset Event Determination Time;
 - (d) U_{t-1} is the Reset Price last calculated prior to the relevant Reset Event Determination Time;
 - (e) in the case of Index Securities or Share Securities, div_t^{net} and div_t^{gross} will be equal to (0) zero; and
 - (f) in the case of Commodity Securities and Index Securities to which Futures Price Valuation applies, rc_{t-1} will be equal to (0) zero.

"Bear CV_0 " means the Issue Price per Certificate converted into the Calculation Currency at the Exchange Rate on the Relevant Business Day preceding the Commencement Date ($t=0$);

"Bear CV_{t-1} " means, in respect of the calculation of Bear CV, the Bear Certificate Value last calculated, provided that Bear $CV_{(t-1)}$ for the Listing Date is Bear CV_0 ;

"Bull CV₀" means the Issue Price per Certificate converted into the Calculation Currency at the Exchange Rate on the Relevant Business Day preceding the Commencement Date ($t=0$);

"Bull CV_{t-1}" means, in respect of the calculation of Bull CV, the Bull Certificate Value last calculated, provided that Bull CV_(t-1) for the Listing Date is Bull CV₀;

"Calculation Currency" means the currency of the Underlying Reference (in respect of Index Securities, Share Securities and Commodity Securities) or the Subject Currency (in respect of Currency Securities);

"Calculation Time_t" means, in respect of a Relevant Business Day, the Scheduled Closing Time (in respect of Index Securities and Share Securities), the time at which the official closing level of the relevant Index is published or, if First Traded Price Applicable is specified in the applicable Final Terms, the time at which the First Trading Price of the relevant Futures or Option Exchange is published (in respect of Index Securities to which Futures Price Valuation applies), the time at which the relevant Commodity Reference Price is published by the relevant Exchange (in respect of Commodity Securities) or the Valuation Time (in respect of Currency Securities), in each case on such Relevant Business Day;

"Calculation Time_{t-1}" means, in respect of a Relevant Business Day, the Scheduled Closing Time (in respect of Index Securities and Share Securities), the time at which the official closing level of the relevant Index is published or, if First Traded Price Applicable is specified in the applicable Final Terms, the time at which the First Trading Price of the relevant Futures or Option Exchange is published (in respect of Index Securities to which Futures Price Valuation applies), the time at which the relevant Commodity Reference Price is published by the relevant Exchange (in respect of Commodity Securities) or the Valuation Time (in respect of Currency Securities), in each case on the Relevant Business Day immediately preceding such day;

"Commencement Date" means, the Listing Date of the relevant Bear Certificate or Bull Certificate ($t=1$);

"Cut-off Time" means the time specified as such in the applicable Final Terms and (in the case of Index Securities, Share Securities, Commodity Securities or Index Securities to which Futures Price Valuation applies) if not specified, 7.00 p.m. (local time in the city in which the relevant Exchange or Futures or Options Exchange is situated), in the case of a normal trading session and 3.00 p.m. (local time in the city in which the relevant Exchange or Futures or Options Exchange is situated), in the case of a half day trading session;

"div_t^{gross}" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to the sum of the gross cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share (as defined below)) related to such Ex-Dividend Date;

"div_t^{net}" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to the sum of the cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share (as defined below)) related to such Ex-Dividend Date less any taxes deducted or withheld at source by or on behalf of any applicable authority having the power to tax in respect of such dividends pursuant to any applicable double taxation treaty or domestic law prevailing at the time of the distribution;

"Ex-Dividend Date" means, with respect to a Share or share comprising an Index (an **"Index Share"**), the date on which such Share or Index Share becomes "ex-dividend" as determined by the Calculation Agent;

"Fee" or **"F"** means the percentage specified as such in the applicable Final Terms. The Calculation Agent, acting in good faith and in a commercially reasonable manner, may adjust the Fee within the Fee Range to reflect a change in the cost to the Issuer of issuing the Securities or providing a price in the secondary market;

"Fee Range" means the range specified as such in the applicable Final Terms;

"Financing Component_(t)" or **"FC_t"** means, in respect of a Relevant Business Day:

(i) in the case of Bear Certificates that are Index Securities or Share Securities:

$$-CV_{t-1}x \left((-L-1)x (r_{t-1}^u - rm) + Lx (hc + F) \right) x n(t-1, t);$$

(ii) in the case of Bull Certificates that are Index Securities or Share Securities:

$$-CV_{t-1}x \left((L-1)x (r_{t-1}^u + rm) + Lx (hc + F) \right) x n(t-1, t);$$

(iii) in the case of Bear Certificates that are Commodity Securities or Index Securities to which Futures Price Valuation applies:

$$-CV_{t-1}x \left(-(r_{t-1}^u - rm) + Lx (hc + F) \right) x n(t-1, t);$$

(iv) in the case of Bull Certificates that are Commodity Securities or Index Securities to which Futures Price Valuation applies:

$$-CV_{t-1}x \left(-(r_{t-1}^u - rm) + Lx (hc + F) \right) x n(t-1, t);$$

(v) in the case of Bear Certificates that are Currency Securities:

$$-CV_{t-1}x \left(-r_{t-1}^{ub} - Lx (r_{t-1}^{ub} - r_{t-1}^{ur} - rm) + Lx (hc + F) \right) x n(t-1, t); \text{ or}$$

(vi) in the case of Bull Certificates that are Currency Securities:

$$-CV_{t-1}x \left(-r_{t-1}^{ub} + Lx (r_{t-1}^{ub} - r_{t-1}^{ur} + rm) + Lx (hc + F) \right) x n(t-1, t);$$

"Hedging Cost" or **"hc"** means the percentage specified as such in the applicable Final Terms. If at any time after the Listing Date the cost of hedging the Securities materially exceeds such specified percentage, the Calculation Agent, acting in good faith and in a commercially reasonable manner, may adjust the Hedging Cost to reflect this change, save that the Hedging Cost will not be less than the Minimum Hedging Cost and will not exceed the Maximum Hedging Cost;

"Interest Margin" or **"rm"** means the percentage specified as such in the applicable Final Terms. The Calculation Agent may adjust the Interest Margin, acting in good faith and in a commercially reasonable manner, to reflect any disparity between the Reference Interest Rate and the Issuer's funding rate, save that the Interest Margin will not be less than the Minimum Interest Margin and will not exceed the Maximum Interest Margin;

"Leverage Factor" or **"L"** means the positive number specified as such in the applicable Final Terms;

"Maximum Hedging Cost" means the percentage specified as such in the applicable Final Terms;

"Maximum Interest Margin" means the percentage specified as such in the applicable Final Terms;

"Minimum Hedging Cost" means the percentage specified as such in the applicable Final Terms;

"Minimum Interest Margin" means the percentage specified as such in the applicable Final Terms;

"Observation Price" means the "official level", "opening price", "official close", "closing price", "purchase price", "sale price", "last price", "bid price", "asked price", "traded price", "official settlement price", "daily settlement price", "high", "mid", "low", "bid high", "bid low", "ask high", "ask low", as specified in the applicable Final Terms, of the Underlying Reference published by the Observation Price Source;

"Observation Price Source" means the price source specified as such in the applicable Final Terms;

"Observation Time Period" means, in respect of a Relevant Business Day, the period of time from but excluding Calculation Time_{t-1} to and including Calculation Time_t;

"Rate Period" or **"n(t-1,t)"** means, in respect of a Relevant Business Day, (i) the number of calendar days from (and including) the Relevant Business Day immediately preceding such Relevant Business Day to (but excluding) such Relevant Business Day, divided by (ii) 360;

"Reference Floating Rate" means, in respect of a Relevant Business Day, the Reference Floating Rate Option in respect of such day appearing on the Reference Floating Rate Option Page at the Reference Floating Rate Option Calculation Time or if the relevant rate does not appear on such page at such time, the Reference Floating Rate Option for such Relevant Business Day shall be determined by the Calculation Agent at such time and from such source(s) as it may select acting in good faith and in a commercially reasonable manner.

"Reference Floating Rate Option" means the relevant rate and designated maturity specified as such in the applicable Final Terms.

"Reference Floating Rate Option Page" means the page or price source specified as such in the applicable Final Terms.

"Reference Floating Rate Option Time" means the time specified as such in the applicable Final Terms.

"Reference Interest Rate", " r_{t-1}^u ", " r_{t-1}^{ub} " or " r_{t-1}^{ur} " means, in respect of a Relevant Business Day, the fixed rate specified as such in the applicable Final Terms or the Reference Floating Rate for the Relevant Business Day immediately preceding such day as specified in the applicable Final Terms;

"Relevant Business Day" means an Exchange Business Day (in respect of Index Securities or Share Securities), a Commodity Business Day (in respect of Commodity Securities) or a Scheduled Trading Day (in respect of Currency Securities), as specified in the applicable Final Terms;

"Reset Price" means the price of the relevant Underlying Reference determined by the Calculation Agent by reference to the price obtained by unwinding any underlying related hedging arrangements in respect of the relevant Security during the Unwinding Time Period immediately following the relevant Reset Event Determination Time. The Unwinding Time Period shall occur during the opening hours of the relevant Exchange (in the case of Index Securities, Share Securities or Commodity Securities), the opening hours of the relevant Futures or Options Exchange (in the case of Index Securities to which Futures Price Valuation applies) or immediately following the occurrence of the relevant Reset Event Determination Time (in respect of Currency Securities). If the period between the occurrence of the

latest Reset Event Determination Time and [the official closing time of the relevant Exchange (in the case of Index Securities, Share Securities or Commodity Securities) or Futures or Options Exchange (in the case of Index Securities to which Futures Price Valuation applies) or the twelve hour period immediately following the occurrence of the relevant Reset Event Determination Time (in respect of Currency Securities)] would otherwise include a day that is not a Relevant Business Day, then the period for determining the Reset Price shall be extended to the following Relevant Business Day, until a full period equal to the Unwinding Time Period has passed since the most recent Reset Event Determination Time;

"**Reset Threshold**" means, in respect of a Relevant Business Day, an amount calculated by the Calculation Agent in accordance with the following formula:

(i) in respect of Bear Certificates that are Index Securities or Share Securities:

$$(1 + P_{reset})X U_{t-1} - div_t^{gross};$$

(ii) in respect of Bull Certificates that are Index Securities or Share Securities:

$$(1 - P_{reset})X U_{t-1} - div_t^{net};$$

(iii) in respect of Bear Certificates that are Commodity Securities or Index Securities to which Futures Price Valuation applies:

$$(1 + P_{reset})X (U_{t-1} + rc_{t-1});$$

(iv) in respect of Bull Certificates that are Commodity Securities or Index Securities to which Futures Price Valuation applies:

$$(1 - P_{reset})X (U_{t-1} + rc_{t-1});$$

(v) in respect of Bear Certificate that are Currency Securities:

$$(1 + P_{reset})X U_{t-1}; \text{ or}$$

(vi) in respect of Bull Certificates that are Currency Securities:

$$(1 - P_{reset})X U_{t-1},$$

Provided that:

(x) at Calculation Time_t on such Relevant Business Day the "Reset Threshold" calculated pursuant to paragraphs (iii), (iv), (v) and (vi) above will be reset and calculated as provided above except that references to "U_{t-1}" will be deemed to be references to "U_t" and, in the case of paragraphs (iii) and (iv) above, references to "rc_{t-1}" will be deemed to be references to "rc_t"; and

(y) the Reset Threshold will be reset on occurrence of each Reset Event and will be calculated in accordance with the Reset Threshold formula, except that:

(i) U_{t-1} is the Reset Price last calculated before the relevant Reset Event Determination Time;

(ii) div_t^{net} or div_t^{gross}, as the case may be, is equal to (0) zero; and

(iii) rc_{t-1} is equal to zero.

"Reset Threshold Percentage" or "**P_{reset}**" means the percentage specified as such in the applicable Final Terms;

"Rollover Costs_t" or "**rc_t**" means, in respect of a Relevant Business Day, (i) where the Relevant Business Day is not a Futures Rollover Date, zero, or (ii) where the Relevant Business Day is a Futures Rollover Date, an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated pro rata amongst the Securities;

"Rollover Costs_{t-1}" or "**rc_{t-1}**" means, in respect of a Relevant Business Day, (i) where the immediately preceding Relevant Business Day is not a Futures Rollover Date, zero, or (ii) where the immediately preceding Relevant Business Day is a Futures Rollover Date, an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated pro rata amongst the Securities;

"Settlement Currency" means the currency specified as such in the applicable Final Terms;

"Settlement Price" has the meaning given it in the applicable Annex to the Terms and Conditions except that (x) in the case of Commodity Securities, references to "Pricing Date" and (y) in the case of Currency Securities, references to "Settlement Price Date", shall in each case be deemed to be references to the "Relevant Business Day";

"Underlying Price_(t)" or "**U_(t)**" means, in respect of a Relevant Business Day and subject as provided in Payout Condition 1.1(gg):

- (i) in respect of Index Securities, Share Securities, Commodity Securities or Currency Securities, the Settlement Price on such Relevant Business Day; or
- (ii) in respect of Index Securities to which Futures Price Valuation applies, (i) if the Relevant Business Day is the Valuation Date in respect of the relevant Security, the Settlement Price on such Relevant Business Day, or (ii) if the Relevant Business Day is not the Valuation Date in respect of the relevant Security, the Settlement Price or, if First Traded Price Applicable is specified in the applicable Final Terms, the First Traded Price in each case on such Relevant Business Day;

"Underlying Price_(t-1)" or "**U_(t-1)**" means, in respect of a Relevant Business Day, the Underlying Price_(t) for the Relevant Business Day immediately preceding such day; and

"Unwinding Time Period" means a period of three hours (in respect of Index Securities and Share Securities) or a period of twelve hours (in respect of Commodity Securities and Currency Securities).

1.6 Issuer Call Option Payouts

The following Issuer Call Option Payout (a "**Call Payout**") shall apply to the Securities if specified in the applicable Final Terms:

Call Payout 2300

If Call Payout 2300 is specified as applicable in the applicable Final Terms, the Call Payout shall be calculated on the same basis as ETS Final Payout 2300, save that references to "Valuation Date" therein and in the related provisions shall be deemed to be references to "the relevant Optional Redemption Valuation Date".

2. SPS PAYOUTS

General definitions in relation to SPS Payouts are set out below in Condition 2.4 of the Payout Conditions.

2.1 Final Payouts

The following final payouts (each a "**Final Payout**") shall apply to the Securities if specified in the applicable Final Terms:

(a) SPS Final Payout 3000 – Reverse Convertibles Securities

If SPS Final Payout 3000 - Reverse Convertible Securities is specified as applicable in the applicable Final Terms, the Final Payout per Certificate is the amount in Settlement Currency, determined by the Calculation Agent as:

- (i) if no Knock-in Event has occurred:

NA x Constant Percentage 1

- (ii) else:

NA x MAX[Constant Percentage 2 – Gearing x Put Option; 0%]

Where:

"Put Option" means

$$\text{Min} \left[\text{Max} \left(\text{Strike Percentage} - \text{Final Underlying Reference Value}, \text{Floor Percentage} \right), \text{Cap Percentage} \right]$$

Description of Payout and explanation of how the value of investment is affected by the value of the underlying

The Payout will be an amount per Certificate in the Settlement Currency equal to:

- if no Knock-in Event has occurred, the Notional Amount per Certificate, multiplied by the Constant Percentage 1 (plus the applicable coupon rate - if any - as specified in the Final Terms);*
- if a Knock-in Event has occurred, the Notional Amount per Certificate, multiplied by the difference (if positive) of (i) Constant Percentage 2 and (ii) 100% (Gearing) of the Put Option. The Put Option, is determined by the difference between (i) the Strike Percentage and (ii) the performance of the Underlying Reference (calculated as being the Final Underlying Reference Value) such difference been floored at the Floor Percentage and capped at the Cap Percentage;*
- Fluctuations in the Exchange Rate of the relevant currency will also affect the value of the Securities, when FX Conversion is specified as applicable in the Final Terms.*

Graphical examples

The illustrative examples below are hypothetical and represent positive, neutral and negative scenarios but **do not** depict every possible outcome or return. The hypothetical returns as described below **are not** indicative for the actual return of a particular product.

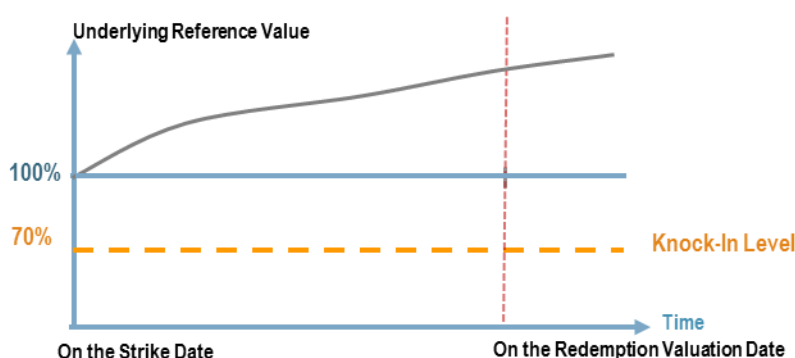
In the following scenarios:

- Gearing is equal to 100%;
- Strike Percentage is equal to 100%;
- Constant Percentage 1 is equal to 100%;
- Constant Percentage 2 is equal to 100%;
- Floor Percentage is equal to 0%;
- Knock-in Level is equal to 70%;
- Cap Percentage is equal to 100%;
- One Knock-in Determination Day being the Redemption Valuation Date (for the avoidance of doubt, there might be multiple Knock-in Determination Days).

Positive scenario:

The Underlying Reference performs positively and no Knock-in Event has occurred.

The Underlying Reference performs positively; the Underlying Reference Value on the Redemption Valuation Date is above its initial value and no Knock-in Event has occurred, which allows the Holder of Securities to benefit from capital protection (i.e. 100% in this example).

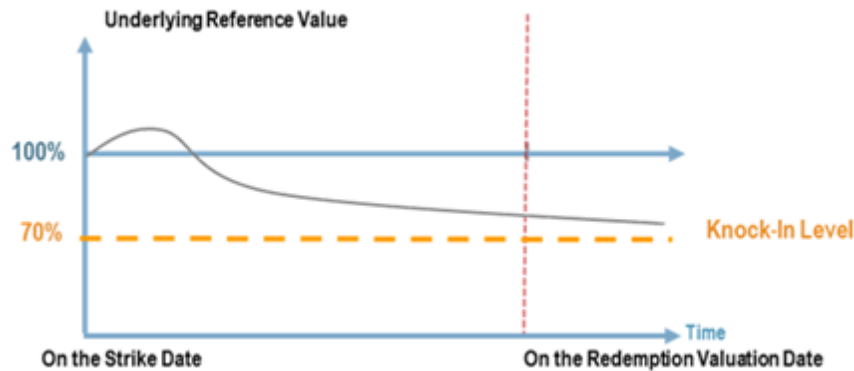


The Holder of Securities will receive an amount equal to the Notional Amount per Certificate, multiplied by (i) the Constant Percentage 1 (i.e. 100% in this example) plus (ii) the applicable coupon rate (if any).

Neutral scenario:

Negative performance of the Underlying Reference but no Knock-in Event has occurred.

The Underlying Reference Value (75% in the example) on the Redemption Valuation Date is less than its initial value but above the Knock-in Level. Therefore no Knock-in Event has occurred.

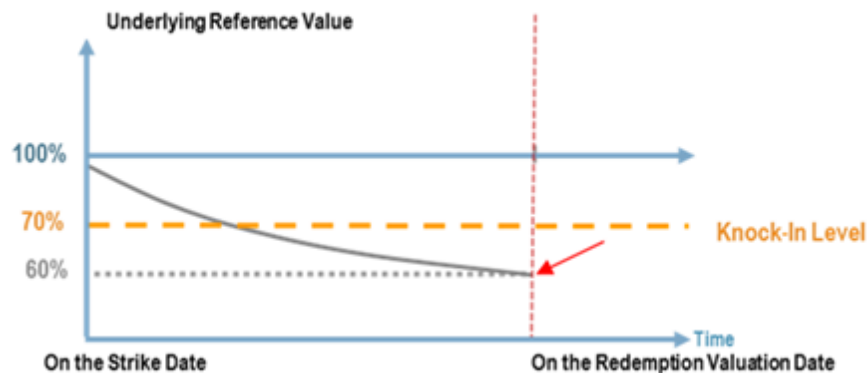


The Holder of Securities will receive an amount equal to the Notional Amount per Certificate, multiplied by (i) the Constant Percentage 1 (i.e. 100% in this example) plus (ii) the applicable coupon rate (if any).

Negative scenario:

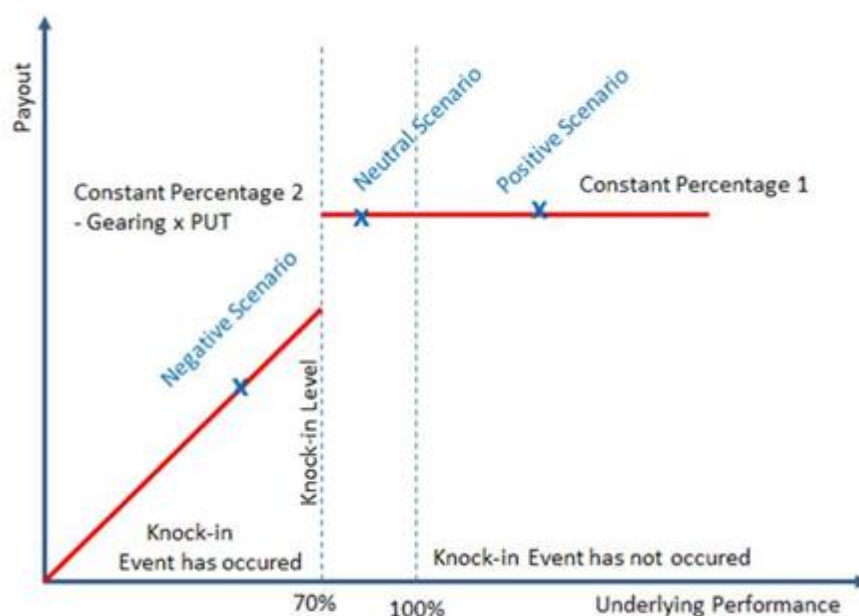
Negative performance of the Underlying Reference and a Knock-in Event has occurred.

On the Redemption Valuation Date the Underlying Reference Value is less than its initial level (60% in this example) and below the Knock-in Level. Therefore a Knock-in Event has occurred.



The Holder of Securities will receive an amount equal to the Notional Amount per Certificate, multiplied by (i) the difference of (x) the Constant Percentage 2 minus (y) 100% (Gearing) of the value of the "Put Option" (equal to 60% in this example, calculated as $60\% = 100\% - 100\% \times \text{Max}[(100\% - 60\%); 0\%]$) plus (ii) the applicable coupon rate (if any). The Holder of Securities has made a loss as the Underlying Reference has performed negatively and at a lower level than the Knock-in Level in this specific case.

Illustration for all three scenarios



(b) SPS Final Payout 3001 – Vanilla Call Securities

If SPS Final Payout 3001 - Vanilla Call Securities is specified as applicable in the applicable Final Terms:

$$NA \times \left[\text{Constant Percentage 1} + \text{Gearing} * \text{Max} \left(\text{Final Underlying Reference Value} - \text{Strike Percentage} ; \text{Floor Percentage} \right) \right]$$

Description of Payout and explanation of how the value of investment is affected by the value of the underlying

- *The Payout per Certificate will be an amount in the Settlement Currency equal to the Notional Amount per Certificate, multiplied by the sum of (i) the Constant Percentage 1 and (ii) 100% (Gearing) of the excess of the performance of the Underlying Reference (calculated as the Final Underlying Reference Value) over the Strike Percentage, subject to a Floor Percentage.*
- *Fluctuations in the Exchange Rate of the relevant currency will also affect the value of the Securities, when FX Conversion is specified as applicable in the Final Terms.*

Graphical examples

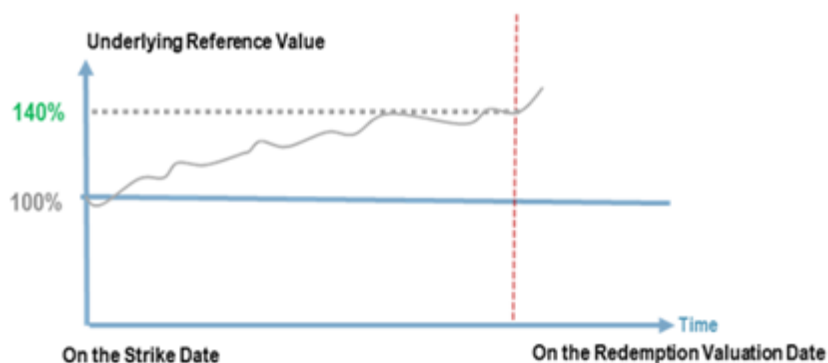
*The illustrative examples below are hypothetical and represent positive, neutral and negative scenarios but **do not** depict every possible outcome or return. The hypothetical returns as described below **are not** indicative for the actual return of a particular product.*

In the following scenarios:

- *Gearing is equal to 100%;*
- *Strike Percentage is equal to 100%;*
- *Constant Percentage 1 is equal to 100%;*
- *Floor Percentage is equal to 0%.*

Positive scenario:

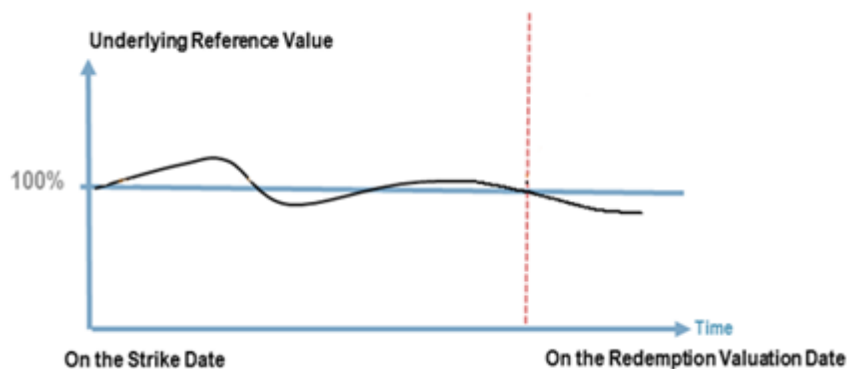
The Underlying Reference performs positively; the Underlying Reference Value on the Redemption Valuation Date is above the Strike Percentage.



On the Redemption Date, the Holder of the Certificate will receive an amount equal to the Notional Amount per Certificate, multiplied by the sum of (i) the Constant Percentage 1 and (ii) 100% (Gearing) of the performance of the Underlying Reference Value (i.e. $140\% = 100\% + 100\% \times (140\% - 100\%)$ in this example) plus the applicable coupon rate (if any), such performance being calculated as the difference between the Final Underlying Reference Value and the Strike Percentage. The Holder of Securities has made a gain as the Underlying Reference has performed positively.

Neutral scenario:

The Underlying Reference Value on the Redemption Valuation Date is equal to the Strike Percentage.

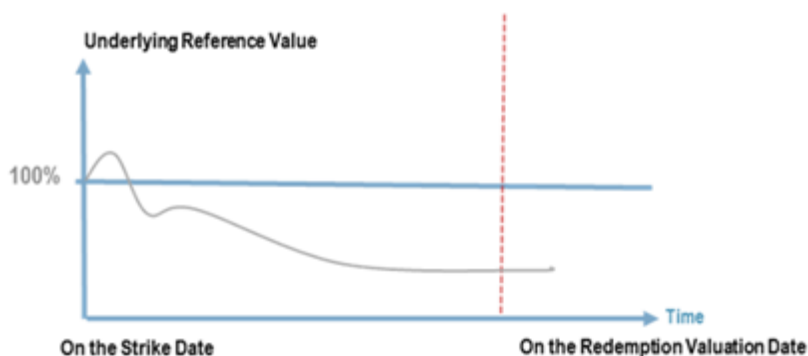


On the Redemption Valuation Date, the Underlying Reference Value is equal to the Strike Percentage (so neither a positive or negative performance of the Underlying Reference), then the Holder of Securities will receive an amount equal to the Notional Amount per Certificate, multiplied by the sum of (i) a fixed percentage (i.e. 100% in this example) equal to the sum of the Constant Percentage 1 (i.e. 100%) plus (ii) the applicable coupon rate (if any). In case the Floor Percentage is above 0%, then the Holder of the Certificate will receive additionally the Floor Percentage, multiplied with the Gearing.

Negative scenario:

The Underlying Reference performs negatively;

The Underlying Reference Value on the Redemption Valuation Date is less than Strike Percentage.



In this scenario, Holder of Securities will benefit from capital protection: on the Redemption Date, the Holder of Securities will receive an amount equal to the Notional Amount per Certificate, multiplied by sum of (i) the Constant Percentage 1 (i.e. 100%) plus (ii) the applicable coupon rate (if any). In case the Floor Percentage is above 0%, then the Holder of the Certificate will receive additionally the Floor Percentage, multiplied with the Gearing.

2.2 Automatic Early Redemption Payout

If Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the following Automatic Early Redemption payout (each an "**Automatic Early Redemption Payout**") shall apply to the Securities if specified in the applicable Final Terms:

SPS Automatic Early Redemption Payout

If SPS Automatic Early Redemption Payout is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the Payout per Certificate for the relevant Automatic Early Redemption Date is the amount in Settlement Currency, determined by the Calculation Agent as:

$$NA \times (AER \text{ Redemption Percentage} + AER \text{ Rate}(i))$$

Where:

"**AER Redemption Percentage**" means the percentage specified as such in the applicable Final Terms; and

"**AER Rate(i)**" means the rate or the rates (if different rates apply for different Automatic Early Redemption Valuation Dates(i)) specified as such or determined in the manner set out in the applicable Final Terms.

2.3 Coupon Rate Payouts

The following Coupon Rate(s) will apply to the Securities if specified in the applicable Final Terms:

(a) **Coupon Rate Payout 3000/1 - Digital Coupon**

If Coupon Rate Payout 3000/1 - Digital Coupon is specified as applicable in the applicable Final Terms:

- (i) If the Digital Coupon Condition is satisfied in respect of Interest Valuation Date_(i):
$$NA \times \text{Rate}_{(i)}; \text{ or}$$
- (ii) if the Digital Coupon Condition is not satisfied in respect of Interest Valuation Date_(i):
$$NA \times \text{zero.}$$

Where:

"Digital Coupon Condition" means that the Underlying Reference Value, is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level in respect of the relevant Interest Valuation Date.

"Barrier Level" means the number, amount or percentage specified as such in the applicable Final Terms.

Description of Coupon Rate Payout 3000/1 - Digital Coupon

A Digital Coupon provides that the Securities bear or pay interest at a specified rate for a relevant period if the Digital Coupon Condition is met. If the Digital Coupon Condition is not met then the Securities will pay no interest for the relevant period.

(b) **Coupon Rate Payout 3000/2 – Snowball Digital Coupon**

If Coupon Rate Payout 3000/2 - Snowball Digital Coupon is specified as applicable in the applicable Final Terms:

- (i) if the Snowball Digital Coupon Condition is satisfied in respect of Interest Valuation Date_(i):
$$NA \times (\text{Rate}_{(i)} + \text{SumRate}_{(i)}); \text{ or}$$
- (ii) if the Snowball Digital Coupon Condition is not satisfied in respect of Interest Valuation Date_(i):
$$NA \times \text{zero.}$$

Where:

"Snowball Date" means each date on which the relevant Snowball Digital Coupon Condition is satisfied;

"Snowball Digital Coupon Condition" means that the Underlying Reference Value is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Snowball Level in respect of the relevant Interest Valuation Date;

"**Snowball Level**" means the number, amount or percentage specified as such in the applicable Final Terms; and

"**SumRate_(i)**" means the sum of Rate(i) for each Interest Valuation Date, in the period from (but excluding) the last occurring Snowball Date (or if none the Issue Date) to (but excluding) the relevant Interest Valuation Date.

Description of Coupon Rate Payout 3000/2 - Snowball Digital Coupon

A Snowball Digital Coupon provides that the Securities bear or pay interest on the basis of a Snowball Digital Coupon Condition being met, with a memory effect which allows any interest not paid in respect of a relevant period to be paid at a later date if certain conditions are met.

Graphical examples

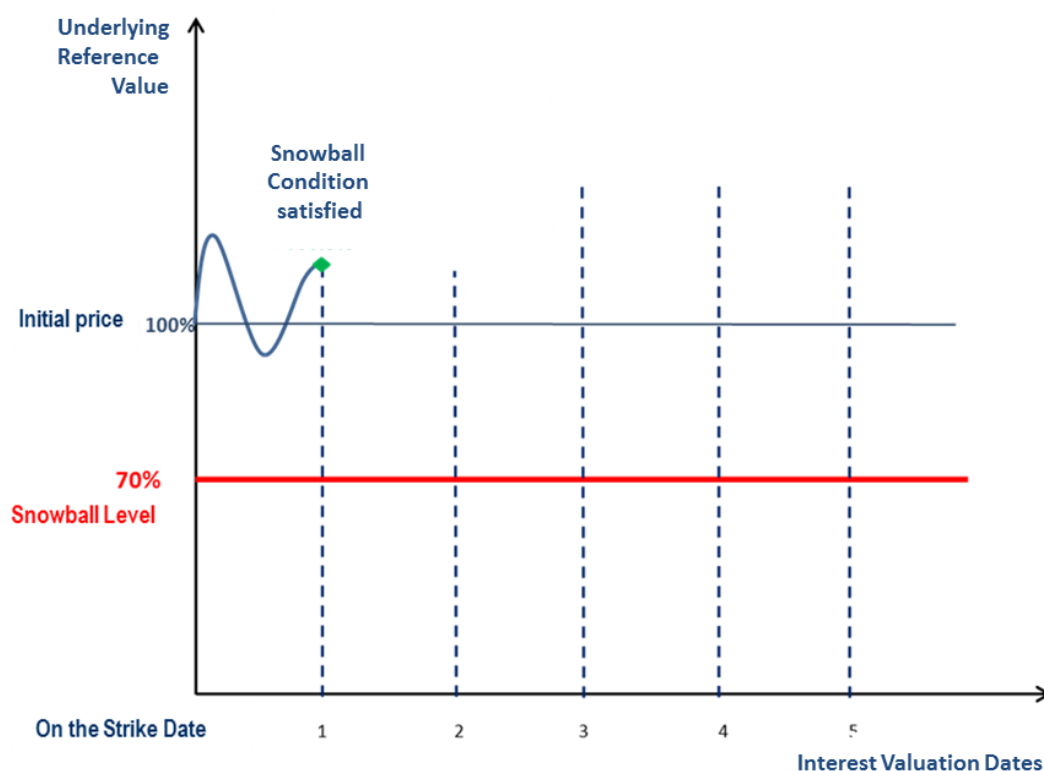
In the below examples, the Snowball Digital Coupon.

In these illustrative examples:

- *the Snowball Digital Coupon Condition is satisfied when the Underlying Reference Value (in the present example the performance of a Share) for the relevant Interest Valuation Date (each annual observation date (i) from 1 to 5) is equal to or greater than the Snowball Level (70%); and*
- *The Rate is 6.5%.*

Illustration of the Snowball Digital Coupon:

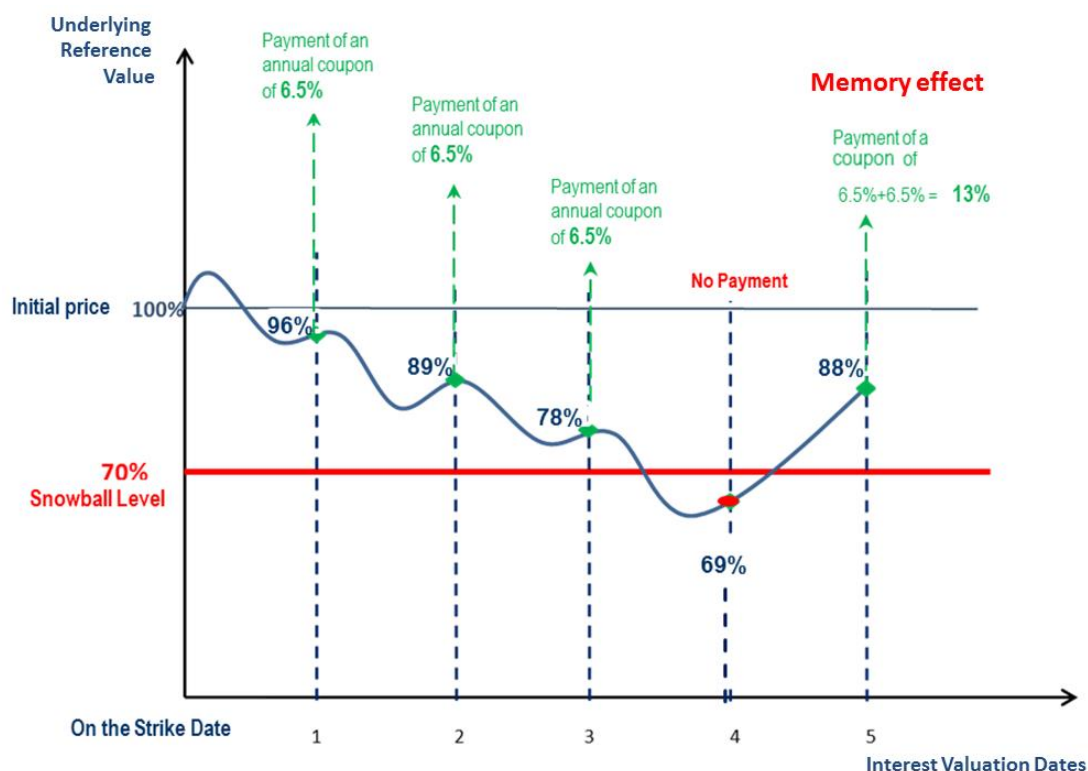
The Underlying Reference Value is greater than the Snowball Level on the first annual Valuation Date.



On the first Interest Valuation Date, the Underlying Reference Value is (i) greater than the Snowball Level, the Snowball Digital Coupon Condition is satisfied, then a coupon will be paid ($\text{Rate}_{(i=1)} = 6.5\%$; $\text{SumRate}_{(i=1)} = 0\%$). The coupon received by the Holder of the Certificate is 6.5% of the Notional Amount per Certificate.

Illustration of the memory effect:

The Underlying Reference Value is greater than the Snowball Level on the first three annual Valuation Dates, below the Snowball Level on the fourth Interest Valuation Date and greater than the Snowball Level on the last Interest Valuation Date.



On each Interest Valuation Date(i) from 1 to 3, the Underlying Reference Value is greater than 70%, then the Snowball Digital Coupon (i) will be equal to 6.5%. The Snowball Date will be each relevant Interest Valuation Date (i) from 1 to 3 and the Holder of Securities will receive a coupon rate of 6.5% of the Notional Amount per Certificate on each relevant Interest Payment Date (i) from 1 to 3.

On the fourth Interest Valuation Date ($i=4$), the Underlying Reference Value is less than 70%, then the Snowball Digital Coupon Condition is not satisfied and the Snowball Digital Coupon is zero, no coupon will be paid with respect to the fourth Interest Valuation Date ($i=4$) and the Snowball Date is the third Interest Valuation Date ($i=3$).

On the fifth (last) Interest Valuation Date, the Underlying Reference Value is greater than 70%, then the Snowball Digital Coupon (i) will be equal to the sum of the 6.5% coupon for the fifth Interest Valuation Date ($i=5$) and the coupon of 6.5% which has not been paid in the previous year 4 ($i=4$) (the memory effect).

Therefore, on the last Interest Payment Date, the Holder of Securities will receive a Snowball Digital Coupon of 13% (being equal to 6.5% + 6.5% due to the memory effect) of the Notional Amount per Certificate.

2.4 General Definitions for SPS Payouts

"Cap Percentage" means the percentage equal to, or higher than, 0% of the Strike Level as specified in the applicable Final Terms, which is used in SPS Final Payout 3000 - Reverse Convertible Securities (if a Knock-in Event has occurred) to limit the value of the optional component. The Put Option will apply and possibly reduce the Payout, such Put Option being capped by the Cap Percentage. A lower Cap Percentage results in a higher potential amount payable under the Payout. A higher Cap Percentage results in a lower potential amount payable under the Payout;

"Constant Percentage 1" means the percentage, specified as such in the applicable Final Terms, which is used to calculate the fixed component of the SPS Final Payout 3000 – Reverse Convertible Securities (in case no Knock-in Event has occurred) or of the SPS Final Payout 3001 – Vanilla Call Securities. A lower Constant Percentage 1 results in a lower potential amount payable under the Payout. A higher Constant Percentage 1 results in a higher potential amount payable under the Payout;

"Constant Percentage 2" means the percentage, specified as such in the applicable Final Terms, which is used to calculate the optional component of the SPS Final Payout 3000 – Reverse Convertible Securities (if a Knock-in Event has occurred). A lower Constant Percentage 2 results in a lower potential amount payable under the Payout. A higher Constant Percentage 2 results in a higher potential amount payable under the Payout;

"Final Underlying Reference Value" means, in respect of an Underlying Reference, the Underlying Reference Value on the Redemption Valuation Date;

"Floor Percentage" means the percentage, specified as such in the applicable Final Terms, which is used to floor the optional component of the SPS Final Payout 3000 – Reverse Convertible Securities (if a Knock-in Event has occurred) or of the SPS Final Payout 3001 – Vanilla Call Securities. In the case of the SPS Final Payout 3000 – Reverse Convertible Securities, assuming a positive Gearing, a lower Floor Percentage results in a higher potential amount payable under the Payout and a higher Floor Percentage results in a lower potential amount payable under the Payout. In the case of the SPS Final Payout 3001 – Vanilla Call Securities, assuming a positive Gearing, a lower Floor Percentage results in a lower potential amount payable under the Payout and a higher Floor Percentage results in a higher potential amount payable under the Payout;

"Gearing" means the percentage, specified as such in the applicable Final Terms, which is used to calculate the optional component of the SPS Final Payout 3000 – Reverse Convertible Securities (if a Knock-in Event has occurred) or of the SPS Final Payout 3001 – Vanilla Call Securities. Such multiplication factor is used to determine the exposure of the Security to the optional component of such Payouts. In the case of the SPS Final Payout 3000 – Reverse Convertible Securities, a lower Gearing results in a higher potential amount payable under the Payout and a higher Gearing results in a lower potential amount payable under the Payout. In the case of the SPS Final Payout 3001 – Vanilla Call Securities, a lower Gearing results in a lower potential amount payable under the Payout and a higher Gearing results in a higher potential amount payable under the Payout;

"NA" means, in respect of a Certificate, the Notional Amount per Certificate, as specified in the applicable Final Terms;

"Rate_(i)" means, in respect of an Interest Valuation Date; the fixed rate specified in the applicable Final Terms; and

"SPS Valuation Date" means each Valuation Date, Knock-in Determination Day, Automatic Early Redemption Valuation Date or Strike Date, specified as such in the applicable Final Terms;

"Strike Percentage" means the percentage, specified as such in the applicable Final Terms, used as strike in the optional component of the SPS Final Payout 3000 – Reverse Convertible Securities (if a Knock-in Event has occurred) or of SPS Final Payout 3001 – Vanilla Call Securities. In the case of the SPS Final Payout 3000 – Reverse Convertible Securities, a lower Strike Percentage results in a higher potential amount payable under the Payout and a higher Strike Percentage results in a lower potential amount payable under the Payout. In the case of the SPS Final Payout 3001 – Vanilla Call Securities, a lower Strike Percentage results in a higher potential amount payable under the Payout and a higher Strike Percentage results in a lower potential amount payable under the Payout;

"Underlying Reference" means, for the purposes of the ETS Payouts, each Index, Share, ETI Debt Instrument, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Value" means, (i) the Single Underlying Reference Value or (ii) the Basket Value or (iii) the Best Value or (iv) the Worst Value.

2.5 Basic Value Definitions for SPS Payouts

"Best Value" means, in respect of a SPS Valuation Date, the highest Single Underlying Reference Value for any Underlying Reference in the Basket in respect of such SPS Valuation Date;

"Worst Value" means, in respect of a SPS Valuation Date, the lowest Single Underlying Reference Value for any Underlying Reference in the Basket in respect of such SPS Valuation Date;

"Basket Value" means, in respect of a SPS Valuation Date, the sum of the values calculated for each Underlying Reference in the Basket as (a) the Single Underlying Reference Value for such Underlying Reference in respect of such SPS Valuation Date multiplied by (b) the relevant Underlying Reference Weighting;

"Underlying Reference Weighting" means, in respect of an Underlying Reference, the number, amount or percentage specified as such for such Underlying Reference in the applicable Final Terms;

"Single Underlying Reference Value" means, in respect of an Underlying Reference and a SPS Valuation Date, (a) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such SPS Valuation Date (ii) divided by the relevant Underlying Reference Strike Price and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value;

"FX Value" means, in respect of an Underlying Reference and a day, Underlying Reference FX Level for such day divided by Underlying Reference FX Strike Level;

"Underlying Reference FX Level" means, in respect of an Underlying Reference and a day, the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms for such Underlying Reference on such day;

"Underlying Reference FX Strike Level" means in respect of an Underlying Reference: (a) the rate specified as such in the applicable Final Terms; or (b) if FX Closing Level is specified as applicable in

the applicable Final Terms, the Underlying Reference FX Level for such Underlying Reference on the Strike Date;

"Underlying Reference Closing Price Value" means, in respect of a SPS Valuation Date:

- (a) if the relevant Underlying Reference is an Index or Custom Index, the Closing Level;
- (b) if the relevant Underlying Reference is a Share, the Closing Price;
- (c) if the relevant Underlying Reference is an ETI, the Closing Price;

in each case in respect of such day;

"Underlying Reference Strike Price" means, in respect of an Underlying Reference: (i) the amount specified as such in the applicable Final Terms; or (ii) if Strike Price Closing Value is specified as applicable in the applicable Final Terms, the Underlying Reference Closing Price Value for such Underlying Reference on the Strike Date;

"Underlying Reference Intraday Value" means (i) the Single Underlying Reference Intraday Value or (ii) the Best Intraday Value or (ii) the Worst Intraday Value;

"Best Intraday Value" means, in respect of a SPS Valuation Date, the highest Single Underlying Reference Intraday Value for any Underlying Reference in the Basket in respect of such SPS Valuation Date;

"Worst Intraday Value" means, in respect of a SPS Valuation Date, the lowest Single Underlying Reference Intraday Value for any Underlying Reference in respect of such SPS Valuation Date;

"Single Underlying Reference Intraday Value" means, in respect of an Underlying Reference and a SPS Valuation Date, (a) (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such SPS Valuation Date (ii) divided by the relevant Underlying Reference Strike Price, and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value;

"Underlying Reference Intraday Price Value" means: (a) if the relevant Underlying Reference is an Index, the Intraday Level; or (b) if the relevant Underlying Reference is a Share, the Intraday Price; or (c) if the relevant Underlying is an ETI, the Intraday Price;

"Intraday Price" means, in respect of a Share and any time on a Scheduled Trading Day, the published or quoted price of such Share at such time on such day as determined by the Calculation Agent, subject as provided in Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events) (as amended where "GDR/ADR" is specified as applicable); and

"Intraday Level" means, in respect of an Index and any time on a Scheduled Trading Day, the level of such Index at such time on such day as determined by the Calculation Agent, subject as provided in Index Condition 3 (Adjustments to an Index).

3. FORMULAE CONSTITUENTS AND COMPLETION

The constituent parts (each a **"Formula Constituent"**) of any formula (each a **"Formula"**) used in the Payout Conditions and which are to be specified in the applicable Final Terms may be replaced in the

applicable Final Terms by the prescribed amount, level, percentage or other value, as applicable for such Formula Constituent.

If a Formula Constituent has a value of either 0 (zero) or 1 (one), or is not applicable in respect of the relevant Securities, then the related Formula may be simplified in the applicable Final Terms by deleting such Formula Constituent.

4. CALCULATION AGENT

The calculation or determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Securities shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable) and the Holders. Whenever the Calculation Agent is required to make any determination it may, to the extent permitted by any applicable law, *inter alia*, decide issues of construction and legal interpretation. In performing its duties pursuant to the Securities, the Calculation Agent shall, unless otherwise specified, act in good faith and in a commercially reasonable manner. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Securities shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer or the Guarantor (if applicable) shall, in the absence of wilful misconduct and gross negligence, bear any liability (to the extent permitted by any applicable law) in respect of, or consequent upon, any such delay, deferral or forbearance.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR INDEX SECURITIES

If specified as applicable in the applicable Final Terms, (a) the additional Terms and Conditions for Index Securities set out below (the "**Index Conditions**") and (b) the terms and conditions applicable to Securities specified in the applicable Final Terms as Index Securities shall comprise terms and conditions of Securities (the "**Conditions**") and the Index Conditions, in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Conditions, as applicable, and (ii) the Index Conditions, the Index Conditions shall prevail. References in the Index Conditions to "Security" or "Securities" shall be deemed to be references to "Security" and "Securities" as the context admits.

1. Definitions

"Basket of Indices" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

"Clearance System" means the principal domestic clearance system customarily used for settling trades in the relevant securities;

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"Closing Level" means, in respect of an Index and a Scheduled Trading Day, the official closing level of such Index on such day as determined by the Calculation Agent, subject as provided in Index Condition 3 (Adjustments to an Index);

"Component Security" means, in respect of a Composite Index, each component security of such Index;

"Component Security Index" means any Index specified as such in the applicable Final Terms or, if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Composite Index" means any Index which is either a Component Security Index or a Multi-Exchange Index;

"Disrupted Day" means:

- (a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and
- (b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

"Early Closure" means:

- (a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing

Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and

- (b) in the case of an Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"Exchange" means:

- (a) in the case of a Composite Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent; and
- (b) in the case of any Index which is not a Composite Index, in respect of such Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

"Exchange Business Day (All Indices Basis)" means any Scheduled Trading Day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are open for trading during their respective regular trading session(s) in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time and (b) in respect of any Composite Indices, (i) the Index Sponsor publishes the level of such Composite Indices and (ii) each Exchange and each Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Indices, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Business Day (Per Index Basis)" means, in respect of an Index, any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during their regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index, (i) the relevant Index Sponsor

publishes the level of such Composite Index and (ii) each Exchange and each Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Exchange or Related Exchange(s) closing prior to its Scheduled Closing Time;

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) each Exchange and each Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Exchange(s) or Related Exchange(s) closing prior to its Scheduled Closing Time;

"Exchange Disruption" means:

- (a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

"Index" and **"Indices"** mean, subject to adjustment in accordance with this Annex 2, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Index Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"Index Sponsor" means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms;

"Intraday Level" means, in respect of an Index and any time on a Scheduled Trading Day, the level of such Index at such time on such day as determined by the Calculation Agent, subject as provided in Index Condition 3 (Adjustments to an Index);

"Multi-Exchange Index" means any Index specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Related Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such

temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"**Scheduled Trading Day**" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"**Scheduled Trading Day (All Indices Basis)**" means any day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s) in respect of such Indices, and (b) in respect of any Composite Indices, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Exchange and each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

"**Scheduled Trading Day (Per Index Basis)**" means, in respect of an Index, any day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s), and (b) in respect of a Composite Index, (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (ii) each Exchange and each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

"**Scheduled Trading Day (Single Index Basis)**" means any day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s), and (b) in respect of a Composite Index (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (ii) each Exchange and each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

"**Settlement Cycle**" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level or official opening level, as specified in the applicable Final Terms, for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or

(ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level or official opening level, as specified in the applicable Final Terms, of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date or if the Securities are ETS 2300 Certificates, an Exchange Business Day and the Valuation Date, as the case may be; and

"Trading Disruption" means:

- (a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

2. Market Disruption

"Market Disruption Event" means:

- (a) in respect of a Composite Index either:
- (i) (A) the occurrence or existence, in respect of any Component Security, of:
 - (B) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (C) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (D) an Early Closure in respect of such Component Security; and

- (ii) in respect of a Multi-Exchange Index only, the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (iii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

In the case of a Multi-Exchange Index, for the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

3. Adjustments to an Index

3.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

3.2 Modification and Cessation of Calculation of an Index

If (a) on or prior to the Strike Date, the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on the Strike Date, an Averaging Date, an Observation Date or a Valuation Date,

the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then:

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant value, level or price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Strike Date, that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or
- (b) the Calculation Agent may replace the relevant Index with a new similar index, multiplied, if need be by a linking coefficient to ensure continuity in the condition of the underlying of the Securities; or
- (c) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or
 - (ii) if Market Value is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or
 - (iii) if the Calculation Agent determines that such Index Adjustment Event constitutes a force majeure, and if Index Condition 3.2(c)(iii) is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Warrants at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or
 - (iv) otherwise pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- (d) in the case of Certificates:
- (i) unless Delayed Redemption on Occurrence of Index Adjustment Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Index Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner made in such manner as shall be notified to the Holders in accordance with Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Index Adjustment Event (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date, at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount (in the case of a Certificate); or
 - (iii) if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or
 - (iv) if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all, but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
 - (v) if Monetisation Option is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay an amount to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or
 - (vi) if the Calculation Agent determines that such Index Adjustment Event constitutes a force majeure, and if Index Condition 3.2(d)(vi) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair

market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption.

Notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Securities as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Securities.

3.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Security Agent shall make available for inspection by Holders copies of any such determinations.

4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Exchange Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Custom Index

Index Conditions 6 to 8 apply if "Custom Index" is specified as applicable in the applicable Final Terms. In the event of any inconsistency between the provisions of Index Conditions 6 to 8 and the other Index Conditions, the provisions of Index Conditions 6 to 8 shall prevail.

6. Adjustments to a Custom Index and Custom Index Disruption

6.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Custom Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Custom Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor custom index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Custom Index, then in each case that custom index (the "**Successor Custom Index**") will be deemed to be the Custom Index.

6.2 Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption

If (a) on or prior to the Strike Date, the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Custom Index or in any other way materially

modifies that Custom Index (other than a modification prescribed in that formula or method to maintain that Custom Index in the event of changes in constituent components and capitalisation, contracts or commodities and other routine events) (a "**Custom Index Modification**"), or permanently cancels a relevant Custom Index and no Successor Custom Index exists (a "**Custom Index Cancellation**"), or (b) on the Strike Date, a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Custom Index Sponsor fails to calculate and announce a relevant Custom Index or it is not a Custom Index Business Day (a "**Custom Index Disruption Event**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

- (a) in the case of Custom Index Securities relating to a single Custom Index where Scheduled Custom Index Business Days (Single Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption Event which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption Event is not occurring, unless there is a Custom Index Disruption Event on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, notwithstanding the Custom Index Disruption Event and the Calculation Agent shall determine the relevant level, value or price by using commercially reasonable efforts to determine the level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption Event and using its good faith estimate of the value for the components of the Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption Event (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption Event which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) unless there is a Custom Index Disruption Event on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date, Averaging Date or

Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) and may determine the relevant level, value or price by using commercially reasonable efforts to determine a level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption Event and using its good faith estimate of the value for the components of the Custom Index; or

- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders in accordance with Condition 10 and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate; or
- (C) the Calculation Agent may determine in good faith and in a commercially reasonable manner such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will:
 - I. if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or
 - II. if Market Value is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or
 - III. if the Calculation Agent determines that such Custom Index Adjustment Event constitutes a force majeure, and if Index Condition 6.2(a)(ii)(D)(III) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance

with Condition 10, cancel all, but not some only of the Warrants and pay to each Holder an amount in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Warrants at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or

- IV. otherwise, pay an amount to each Holder in respect of each Warrant or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the Custom Index Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or

(E) in the case of Certificates:

- I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with Condition 10. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Custom Index Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Security at an amount

calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate equal to the Issuer's funding cost at such time; or

- III. if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or
- IV. if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all, but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
- V. if Monetisation Option is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay an amount to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or
- VI. if the Calculation Agent determines that such Custom Index Adjustment Event constitutes a force majeure, and if Index Condition 6.2(a)(ii)(E)(VI) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption; or

- (F) in the case of a Custom Index Modification which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

- (b) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (All Indices Basis) is specified as applicable in the applicable Final Terms, then:
- (i) if the Custom Index Adjustment Event is a Custom Index Disruption Event which occurs or is occurring in respect of any Custom Index (each an "**Affected Custom Index**") on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket of Custom Indices shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption Event is not occurring in respect of any of the Custom Indices in the Basket of Custom Indices, unless there is a Custom Index Event in respect of any one of the Custom Indices in the Basket of Custom Indices on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket of Custom Indices, notwithstanding the Custom Index Disruption Event in respect of an Affected Custom Index and the Calculation Agent shall determine the relevant level, value or price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in these Index Conditions and (Y) in respect of any Custom Index in the Basket of Custom Indices which is an Affected Custom Index, commercially reasonable efforts to determine the level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption Event and using its good faith estimate of the value for the components of the Custom Index;
- (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption Event (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
- (A) if the Custom Index Adjustment Event is a Custom Index Disruption Event which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket of Custom Indices shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption Event is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket of Custom Indices unless there is a Custom Index Disruption Event on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date, Averaging

Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for all Custom Indices in the Basket of Custom Indices and may determine the relevant level, value or price by using (X) in respect of any Custom Index in the Basket of Custom Indices which is not an Affected Custom Index, the method provided for these Security Conditions and (Y) in respect of any Custom Index in the Basket of Custom Indices which is an Affected Custom Index, commercially reasonable efforts to determine a level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption Event and using its good faith estimate of the value for the components of the Custom Index; or

- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders in accordance with Condition 10 and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate; or
- (C) the Calculation Agent may determine in good faith and in a commercially reasonable manner such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will:
 - I. if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or
 - II. if Market Value is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or

- III. if the Calculation Agent determines that such Custom Index Adjustment Event constitutes a force majeure, and if Index Condition 6.2(b)(ii)(D)(III) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, cancel all, but not some only of the Warrants and pay to each Holder an amount in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Warrants at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or
- IV. otherwise, pay an amount to each Holder in respect of each Warrant or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the Custom Index Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or

(E) in the case of Certificates:

- I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Custom Index Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Security Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment**

Event Amount") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Security at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate equal to the Issuer's funding cost at such time; or

- III. if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or
 - IV. if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all, but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
 - V. if Monetisation Option is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay an amount to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or
 - VI. if the Calculation Agent determines that such Custom Index Adjustment Event constitutes a force majeure, and if Index Condition 6.2(b)(ii)(E)(VI) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption; or
- (F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket of Custom Indices which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of

the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

(c) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (Per Index Basis) is specified as applicable in the applicable Final Terms, then:

(i) if the Custom Index Adjustment Event is a Custom Index Disruption Event which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index not affected by the occurrence of the Custom Index Disruption Event shall be the scheduled last Valuation Date, last Averaging Date or last Observation Date, as the case may be, and the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket of Custom Indices affected by the Custom Index Disruption Event (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption Event is not occurring in respect of such Affected Custom Index, unless there is a Custom Index Disruption Event on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for the relevant Affected Custom Index and the Calculation Agent shall determine the relevant level, value or price by using commercially reasonable efforts to determine the level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption Event and using its good faith estimate of the value for the components of the Affected Custom Index;

(ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption Event (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date)) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

(A) if the Custom Index Adjustment Event is a Custom Index Disruption Event which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket of Custom Indices not affected by the occurrence of the Custom Index Disruption Event shall be the Scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be,

for each Custom Index in the Basket of Custom Indices affected by the Custom Index Disruption Event (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption Event is not occurring in respect of such Affected Custom Index unless there is a Custom Index Disruption Event on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Custom index and may determine the relevant level, value or price by using commercially reasonable efforts to determine a level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption Event and using its good faith estimate of the value for the components of the Custom Index; or

- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate; or
- (C) the Calculation Agent may determine in good faith and in a commercially reasonable manner such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants, in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will:
 - I. if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and

paid on such date determined, in accordance with Condition 21.5(a); or

- II. if Market Value is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or
- III. if the Calculation Agent determines that such Custom Index Adjustment Event constitutes a force majeure, and if Index Condition 6.2(c)(ii)(D)(III) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, cancel all, but not some only of the Warrants and pay to each Holder an amount in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Warrants at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or
- IV. otherwise, pay an amount to each Holder in respect of each Warrant or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the Custom Index Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or

(E) in the case of Certificates;

- I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Calculation Agent may require the Issuer to redeem the Securities, which case it will so notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 10. If the Securities are so redeemed, the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Custom Index Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation

Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Security at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate equal to the Issuer's funding cost at such time; or
- III. if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or
- IV. if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all, but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
- V. if Monetisation Option is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay an amount to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or
- VI. if the Calculation Agent determines that such Custom Index Adjustment Event constitutes a force majeure, and if Index Condition 6.2(c)(ii)(E)(VI) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid

to the Holders on the date notified to the Holders in the notice of early redemption; or

- (F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

6.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent of any determination made by it pursuant to Index Condition 6.2 above and the action proposed to be taken in relation thereto and such Security Agent shall make available for inspection by Holders copies of any such determinations.

7. Correction of Custom Index

With the exception of any corrections published after the day which is three Scheduled Custom Index Business Days prior to the due date for any payment under the Securities calculated by reference to the level of a Custom Index, if the level of the Custom Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Custom Index Correction Period of the original publication, the level to be used shall be the level of the Custom Index as so corrected. Corrections published after the day which is three Scheduled Custom Index Business Days prior to a due date for payment under the Securities calculated by reference to the level of the Custom Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

8. Definitions relating to Custom Indices

"Averaging Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Banking Day" means any week day except for 25 December and 1 January in any year;

"Basket" and **"Basket of Custom Indices"** means a basket comprised of two or more Custom Indices;

"Closing Level" means, in respect of a Custom Index and a Custom Index Business Day, the level of such Custom Index published by the Index Sponsor in respect of such day as determined by the Calculation Agent, subject as provided in Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);

"Custom Index" or "Custom Indices" mean, subject to adjustment in accordance with this Annex 2, any index or indices specified as such in the applicable Final Terms;

"Custom Index Business Day" means either (a) in the case of a single Index, Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, Custom Index Business Day (All Indices Basis) or Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Custom Index Business Day (All Indices Basis) shall apply;

"Custom Index Business Day (All Indices Basis)" means any Scheduled Custom Index Business Day in respect of which (a) the level of the Custom Index is calculated and made available and (b) it is a Custom Index Trading Day in respect of all Indices in the Basket;

"Custom Index Business Day (Per Index Basis)" means, in respect of an Index, any Scheduled Custom Index Business Day in respect of which (a) the level of the Custom Index is calculated and made available and (b) it is Custom Index Trading Day;

"Custom Index Business Day (Single Index Basis)" means any Scheduled Custom Index Business Day on which (a) the level of the Custom Index is calculated and made available and (b) it is a Custom Index Trading Day;

"Custom Index Correction Period" means the period specified in the applicable Final Terms or if none is so specified, ten (10) Scheduled Custom Index Business Days following the date on which the original level was calculated and made available by the Index Sponsor and being the date after which all corrections to the level of the Custom Index shall be disregarded for the purposes of any calculations to be made using the level of the Custom Index;

"Custom Index Trading Day" means, in respect of a Custom Index, any day with respect to which the Issuer and/or any of its Affiliates determines in good faith and in a commercially reasonable manner it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Custom Index under the Securities;

"Disrupted Day" means any Scheduled Custom Index Business Day on which a Custom Index Disruption has occurred or is continuing in the sole and absolute discretion of the Calculation Agent;

"Index Sponsor" means, in relation to a Custom Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Custom Index and (b) ensures the calculation and publication of the level of such Custom Index on a regular basis (directly or through an agent) in accordance with the rules of the Custom Index, which as of the Issue Date of the Securities is the index sponsor specified for such Custom Index in the applicable Final Terms;

"Intraday Level" means, in respect of a Custom Index and any time on a Custom Index Business Day, the level of such Custom Index published by the Index Sponsor in respect of such time or such day as determined by the Calculation Agent, subject as provided in Index Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);

"Observation Dates" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Scheduled Custom Index Business Day" means either (a) in the case of a single Index, Scheduled Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Custom Indices, Scheduled Custom Index Business Day (All Indices Basis) or Scheduled Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Custom Index Business Day (All Indices Basis) shall apply;

"Scheduled Custom Index Business Day (All Indices Basis)" means any Banking Day (a) in respect of which the level of the Custom Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day in respect of all Custom Indices in the Basket of Custom Indices;

"Scheduled Custom Index Business Day (Per Index Basis)" means in respect of an Index, any Banking Day (a) on which the level of the Custom Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Scheduled Custom Index Business Day (Single Index Basis)" means any Banking Day on which (a) the level of the Custom Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date", as the case may be:

- (a) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket of Custom Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the level for each such Custom Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount equal to the level of the Custom Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, twenty (20) Scheduled Custom Index Business Days;

"Strike Date" means the date(s) specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which

case the provisions of Index Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) above shall apply;

"Strike Price" means, subject as referred to in "Strike Date" above:

- (a) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Custom Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date; and
- (b) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Custom Index comprising the Basket of Custom Indices, an amount equal to the level of each such Custom Index published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Custom Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date multiplied by the relevant Weighting.

"Valid Date" means a Scheduled Custom Index Business Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not occur;

"Valuation Date" means, the date (in the case of Warrants), or the Interest Valuation Date and/or Automatic Early Redemption Valuation Date and/or Redemption Valuation Date (in the case of Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time by reference to which the Index Sponsor determines the level of the Index in its sole and absolute discretion.

9. Futures Price Valuation

9.1 If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Conditions:

"First Traded Price" means, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Actual First Traded Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on the relevant Exchange Business Day, multiplied by the relevant Weighting; and
- (b) in case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the

Index Currency (in the case of Certificates)) equal to the Actual First Traded Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on the relevant Exchange Business Day.

"Settlement Price" means, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices any constituent Index) any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price or, if First Traded Price Applicable is specified in the applicable Final Terms, the Actual First Traded Price, as applicable, is published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

Where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices) any constituent Index, an Exchange Business Day must be a day on which the relevant Futures or Options Exchange in relation to each such Index is open for trading during their regular trading session(s), notwithstanding any such Futures or Options Exchange closing prior to its scheduled weekday closing time on such Exchange Business Day, without regard to after hours or any other trading outside of the regular trading session hours.

Notwithstanding the definition of the Valuation Date in the Index Condition 8, the Disrupted Day provisions in the Conditions and/or these Index Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket) in respect of which Futures Price Valuation applies, unless there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

"Actual First Traded Price" means the price at which the relevant Exchange-traded Contract is first traded on the relevant Futures or Options Exchange or its clearing house after 5:29:59 p.m. (Central European Time) as appearing first on the list of prices for such time published on the Relevant Futures

or Options Exchange Website (as specified in the applicable Final Terms) or the Relevant FTP Screen Page (as specified in the applicable Final Terms), as applicable, or, if such Relevant Futures or Options Exchange Website or Relevant FTP Screen Page is not available, such replacement website or page as the Calculation Agent shall select or, subject to Index Condition 9.4 (*Non-Commencement or Discontinuance of an Exchange-traded Contract*), if the Relevant Futures or Options Exchange Website Relevant FTP Screen Page is not available and the Calculation Agent determines that no replacement website or page exists or no such price is published after such time, the price determined by the Calculation Agent in good faith and in a commercially reasonable manner by reference to such sources as it considers appropriate.

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Index Condition 9.2 (Rolling Futures Contract Securities) below.

"Exchange-traded Contract" means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent in good faith and in a commercially reasonable manner within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of the Exchange-traded Contract" means there is no Official Settlement Price or, if is specified in the applicable Final Terms, the Actual First Traded Price, as applicable, as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

"Official Settlement Price" means the official daily settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

9.2 Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On

each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 9.3 (Adjustments to an Exchange-traded Contract) or 9.4 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or, unless Related Hedging is specified as not applicable in the applicable Final Terms, at such time hedge the Issuer's obligations in respect of the Securities then:

- (a) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or
 - (ii) if Market Value is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or
 - (iii) if the Calculation Agent determines that such Non-Commencement or Discontinuance of the Exchange-traded Contract constitutes a force majeure, and if Index Condition 9.2(a)(iii) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, cancel all, but not some only of the Warrants and pay to each Holder an amount in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Warrants at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or
 - (iv) otherwise, pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (b) in the case of Certificates:
 - (i) unless Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms,

the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10;

- (ii) if Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount;
- (iii) if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or
- (iv) if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all, but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
- (v) if Monetisation Option is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay an amount to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or
- (vi) if the Calculation Agent determines that such Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a force majeure, and if Index Condition 9.2(b)(vi) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of

costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption.

9.3 Adjustments to an Exchange-traded Contract

Without duplication of Index Condition 3 (Adjustments to an Index) or Index Condition 4 (Correction of Index) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9.4 Non-Commencement or Discontinuance of an Exchange-traded Contract

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price or Actual First Traded Price, as applicable, for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

Notwithstanding the foregoing, if in respect of ETS 2300 Certificates, if on any Exchange Business Day a Non-Commencement or Discontinuance of the Exchange-traded Contract occurs, then:

- (i) unless Delayed Redemption on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less, if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payments being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less, if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount

Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms);

- (iii) if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Security Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a);
- (iv) if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Security Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
- (v) if Monetisation Option is specified in the applicable Final Terms, the Issuer will will on giving notice to Holders in accordance with Security Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Security Condition 29.7(c); or
- (vi) if the Calculation Agent determines that such Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a force majeure, and if Index Security Condition 9.4(b)(vi) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Security Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption;

9.5 Correction of the Official Settlement Price or Actual First Traded Price

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Official Settlement Price or Actual First Traded Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price or Actual First Traded Price, as applicable, to be used shall be the Official Settlement Price or Actual First Traded Price, as applicable, as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR SHARE SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Share Securities shall comprise the terms and conditions of Securities (the "**Conditions**") and the additional Terms and Conditions for Share Securities set out below (the "**Share Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Share Conditions, the Share Conditions shall prevail.

1. Definitions

"Basket Company" means each company specified as such in the applicable Final Terms and **"Basket Companies"** means all such companies;

"Basket of Shares" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

"Clearance System" means the principal domestic clearance system customarily used for settling trades in the relevant Share;

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"Closing Price" means, in respect of a Share and a Scheduled Trading Day, the official closing price of such Share on such day as determined by the Calculation Agent, subject as provided in Share Condition 3 (Potential Adjustment Events) and Share Condition 4 (Extraordinary Events) (as amended where "GDR/ADR" is specified as applicable);

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"Exchange" means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

"Exchange Business Day (All Shares Basis)" means, in respect of a Basket of Shares, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per Share Basis)" means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share on the Exchange or (b) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange;

"Extraordinary Event Effective Date" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

"Intraday Price" means, in respect of a Share and any time on a Scheduled Trading Day, the published or quoted price of such Share at such time on such day as determined by the Calculation Agent, subject as provided in Share Condition 3 (Potential Adjustment Events) and Share Condition 4 (Extraordinary Events) (as amended where "GDR/ADR" is specified as applicable);

"Protected Amount" means the amount specified as such in the applicable Final Terms.

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

"Relative Performance Basket" means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash

Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, or (b) the worst performing, in each case as specified in the applicable Final Terms;

"Scheduled Trading Day" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

"Scheduled Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s);

"Scheduled Trading Day (Per Share Basis)" means, in respect of a Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single Share Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 3 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Share Securities relating to a Basket of Shares and in respect of each Share comprising the Basket of Shares, an amount equal to the official closing price, as specified in the applicable Final Terms, (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or, other than in the case of ETS 2300 Certificates, if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial

institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and

- (b) in the case of Share Securities relating to a single Share, an amount equal to the official closing price, as specified in the applicable Final Terms, (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or other than in the case of ETS 2300 Certificates, if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date or if the Securities are ETS 2300 Certificates, an Exchange Business Day and the Valuation Date, as the case may be;

"Shares" and **"Share"** mean, subject to adjustment in accordance with this Annex 3, in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Share Company" means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share;

"Share Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle; and

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (a) relating to the Share on the Exchange; or (b) in futures or options contracts relating to the Share on any relevant Related Exchange.

2. **Market Disruption**

"Market Disruption Event" means, in relation to Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date as the case may be.

3. **Potential Adjustment Events**

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

"Potential Adjustment Event Effective Date" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant Basket Company or Share Company, as the case may be, as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary Events

- 4.1** The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), Conversion Event, or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an **"Extraordinary Event"**, the consequences of which are set forth in Share Condition 4.2:

"De-Listing" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"Illiquidity" means, in respect of Share Securities relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the **"Relevant Period"**), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is

greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, "**MID**" means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"**Listing Change**" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Securities, for any reason (other than a Merger Event or Tender Event).

"**Listing Suspension**" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

"**Merger Event**" means, in respect of any relevant Shares, any:

- (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person,
- (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding),
- (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or
- (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event,

in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (ii) in the case of Physical Delivery Securities, the relevant Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates).

"Nationalisation" means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise transferred to any governmental agency, authority, entity or instrumentality thereof.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

4.2 Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer acting in good faith and in a commercially reasonable manner may take the action described in (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates) or (e) (in each case, if applicable) or, in the case of Securities relating to a Basket of Shares (f) below:

- (a) require the Calculation Agent to determine in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of subparagraph (f) below;
- (b) in the case of Share Securities relating to a Basket of Shares, cancel (in the case of Warrants) or redeem (in the case of Certificates) in part by giving notice to Holders in accordance with Condition 10. If the Securities are so cancelled or redeemed, as the case may be, in part the portion (the **"Settled Amount"**) of each Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, representing the affected Share(s) shall be cancelled or redeemed, as the case may be, and the Issuer will:

In the case of Warrants:

- (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder the Settled Amount in respect of each Warrant, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or
- (ii) if Market Value is specified as applicable in the applicable Final Terms, pay to each Holder the Settled Amount in respect of each Warrant, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or

- (iii) if the Calculation Agent determines that such Extraordinary Event constitutes a force majeure, and if Share Condition 4.2(b)(iii) is specified in the applicable Final Terms, pay to each Holder the Settled Amount in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Warrants at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or

In the case of Certificates:

- (iv) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or
- (v) if Market Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
- (vi) if the Calculation Agent determines that such Extraordinary Event constitutes a force majeure, and if Share Condition 4.2(b)(vi) is specified in the applicable Final Terms, the Issuer will pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of the Settled Amount, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem in part the Securities at the Settled Amount) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of partial redemption; or

For Certificates and Warrants:

- (vii) otherwise, pay to each Holder in respect of each Security or Unit, as the case may be, held by him an amount equal to the fair market value of the Settled Amount taking into account the relevant Extraordinary Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner; and
- (viii) require the Calculation Agent to determine in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation or redemption, as the case may be, in part.

For the avoidance of doubt the remaining part of each Security or Unit, as the case may be, after such cancellation or redemption, as the case may be, and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;

- (c) in the case of Warrants, on giving notice to Holders in accordance with Condition 10, cancel all but not some only of the Warrants, or if Units are specified in the applicable Final Terms, Units, as the case may be, and:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Warrant, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or
 - (ii) if Market Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Warrant, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or
 - (iii) if the Calculation Agent determines that such Extraordinary Event constitutes a force majeure, and if Share Condition 4.2(c)(iii) is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Warrants at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or
 - (iv) otherwise, by payment of an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Extraordinary Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, plus if already paid, the Exercise Price, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10;
- (d) in the case of Certificates;
 - (i) unless Delayed Redemption on Occurrence of an Extraordinary Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with Condition 10 redeem all but not some only of the Securities at the amount equal to the fair market value of such Security taking into account the relevant Extraordinary Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of such Security, taking into account the relevant Extraordinary

Event (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Redemption Date shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms); or

- (iii) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or
- (iv) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
- (v) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c);
- (vi) if the Calculation Agent determines that an Extraordinary Event constitutes a force majeure, and if Share Condition 4.2(d)(vi) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption; or
- (e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer acting in good faith and in a commercially reasonable manner shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the

Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

- (f) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the Issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that (i) in the case of Certificates, in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula, and (ii) in the case of Warrants, the Exercise Price will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price (in the case of Notes or Certificates) / Exercise Price (in the case of Warrants)} = A \times (B/C)$$

where:

"**A**" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"**B**" is, in the case of Warrants, the Exercise Price, or, in the case of Certificates, the Initial Price of the relevant Affected Share; and

"**C**" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant Extraordinary Event Effective Date.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the sole and absolute discretion of the Calculation Agent:

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket

Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or

- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:

- (A) the Issuer of the share shall belong to the same economic sector as the Affected Basket Company; and

- (B) the Issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

4.3 Hedging Liquidity Event

- (a) **"Hedging Liquidity Event"** means that, at any time after the Listing Date of the Securities, the volume of Shares held by the Issuer and/or any of its Affiliates in relation to any hedging arrangements in respect of the Securities is above the Maximum Hedging Liquidity Level;

"Maximum Hedging Liquidity Level" means the percentage specified as such in the applicable Final Terms or, if not so specified, 50 per cent. of the daily average volume of the transactions on the Shares on the Exchange over the last 6 month time period appearing on the relevant Screen Page.

- (b) Consequences of a Hedging Liquidity Event

If Hedging Liquidity Event is specified as applicable in the applicable Final Terms and in the determination of the Calculation Agent a Hedging Liquidity Event occurs in relation to a Share, the Issuer may immediately cancel all but not some only of the Securities at the amount equal to the fair market value of such Security taking into account the relevant Hedging Liquidity Event, less, except if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Notice of cancellation will be given to Holders in accordance with Security Condition 10 as soon as practicable following determination of the occurrence of the Hedging Liquidity Event and payments will be made in such manner as shall be notified to the Holders.

5. Correction of Share Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Dividend Payment

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Securities:

- (a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.
- (b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "**Cash Dividend Notice**") to the Holders in accordance with Condition 10, of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Security held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Actual Exercise Date (in the case of Warrants), the Redemption Date (in the case of Certificates), the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor (if applicable) shall have no further obligation in respect thereof.
- (c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Holder.

For the purposes of this Share Condition 6 the following definitions shall apply:

"Cash Dividend" means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

"Cash Dividend Amount" means, in respect of a Security, an amount calculated by the Calculation Agent equal to the Distributed Amount less a *pro rata* share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in good faith and in a commercially reasonable manner on or as soon as practicable after the Dividend Date;

"Cash Dividend Payment Date" means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

"Distributed Amount" means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent in good faith and in a commercially reasonable manner;

"Dividend Date" means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent in good faith and in a commercially reasonable manner; and

"Dividend Expenses" means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Securities.

7. GDR/ADR

Share Conditions 8 to 10 (inclusive) apply where "GDR/ADR" is specified as applicable in the applicable Final Terms.

8. Definitions relating to GDR/ADR

"ADR" means an American Depositary Receipt;

"Conversion Event" means any event which in the sole and absolute determination of the Calculation Agent results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Securities of the issuer of the Underlying Shares;

"GDR" means a Global Depositary Receipt; and

"Underlying Shares" means the shares underlying an ADR or GDR, as the case may be.

9. General

Save where specifically provided under the Final Terms, all references in the Conditions and the Share Conditions to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities.

10. Share Event

Upon the occurrence of a Share Event, the Issuer acting in good faith and in a commercially reasonable manner may take the action described in paragraphs (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates), (e) or (f), as applicable, of Share Condition 4.2. The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"Share Event" means each of the following events:

- (a) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR ETI SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as ETI Securities shall comprise the terms and conditions of Securities (the "**Security Conditions**") and the additional Terms and Conditions for ETI Securities set out below (the "**ETI Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the ETI Security Conditions, the ETI Security Conditions shall prevail.

1. Definitions

"Basket Trigger Event" means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

"Basket Trigger Level" has the meaning given to it in the applicable Final Terms or if not so specified, 50 per cent;

"Calculation Date" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is an Exchange Business Day;

"Clearance System" means the applicable domestic clearance system customarily used for settling trades in the relevant ETI Interest;

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"Closing Price" means, in respect of an ETI and a Scheduled Trading Day, the official closing price (or if Value per ETI Interest is specified as applicable in the applicable Final Terms, the Value per ETI Interest) in respect of the relevant ETI Interest in relation to such day as determined by the Calculation Agent, subject as provided in ETI Security Condition 3 (Potential Adjustment Events) or ETI Security Condition 4 (Extraordinary ETI Events);

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"Dividend Event" means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered

into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"ETI" means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

"ETI Basket" means, where the ETI Securities are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

"ETI Documents" means with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

"ETI Interest(s)" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

"ETI Interest Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"ETI Related Party" means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

"Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Exchange Business Day (All ETI Interests Basis) or Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Exchange Business Day (All ETI Interests Basis)" means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in

respect of such ETI Interest are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

"Extraordinary ETI Event Effective Date" means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

"Final Calculation Date" means the date specified as such in the applicable Final Terms; "Hedging Date" has the meaning given to it in the applicable Final Terms;

"Hedge Provider" means the party (being, inter alios, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

"Hedging Shares" means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"Implied Embedded Option Value" means, an amount (which may never be less than zero) equal to the present value as of the Implied Embedded Option Value Determination Date, of any scheduled but unpaid payments under the Securities in respect of the period from (and including) the Extraordinary ETI Event Effective Date to (and including) the Settlement Date, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner but, notwithstanding anything to the contrary contained herein, taking into account, without limitation, such factors as the net proceeds actually received from the redemption or sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and any transaction costs;

"Implied Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

"Initial Calculation Date" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"Intraday Price" means, in respect of an ETI and any time on a Scheduled Trading Day, the published or quoted price (or if Value per ETI) Interest is specified as applicable in the applicable Final Terms, the Value per ETI Interest) in respect of the relevant ETI Interest in relation to such time on such day as determined by the Calculation Agent, subject as provided in ETI Security Condition 3 (Potential Adjustment Events) or ETI Security Condition 4 (Extraordinary ETI Events);

"Investment/AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Merger Event" means, in respect of any relevant Interests and Entity, any:

- (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person,
- (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding),
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or
- (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event,

in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or (b) in the case of Physical Delivery Securities, the Settlement Date. For the purposes of this definition only, "Interests" shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and "Entity" shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"Non-Principal Protected Termination Amount" means an amount per Security determined by the sum of:

- (i) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Number of Value Publication Days" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"Principal Protected Termination Amount" means an amount per Security determined as:

- (i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms:
 - (a) the greater of:
 - (1) the Protected Amount; and
 - (2) the Implied Embedded Option Value; and
 - (b) the Simple Interest;
- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the Implied Embedded Option Value;

"Protected Amount" means the amount specified as such in the applicable Final Terms;

"Related Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"Scheduled Trading Day" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Scheduled Trading Day (All ETI Interest Basis) or Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Scheduled Trading Day (All ETI Interest Basis)" means, in respect of an ETI Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

"Scheduled Trading Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single ETI Interest Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Security Conditions and as referred to in **"Valuation Date"** or **"Averaging Date"**, as the case may be:

- (i) in the case of ETI Securities relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to:
 - (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on;
 - (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date; or
 - (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide); or
 - (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on:

- (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date; or
 - (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (ii) in the case of ETI Securities relating to a single ETI Interest, an amount equal to:
 - (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on:
 - (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date; or
 - (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide); or
 - (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on:
 - (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date; or
 - (b) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Simple Interest" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Termination Amount during the period from (and including) the Implied Embedded Option Value Determination Date to (and excluding) the later of (i) the Redemption Date or (ii) the date falling five Business Days after the Implied Embedded Option Value Determination Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

- (i) the "Effective Date" is the Implied Embedded Option Value Determination Date;
- (ii) the "Termination Date" is the Termination Date;
- (iii) the "Floating Rate Payer Payment Date" is the Termination Date;
- (iv) the "Floating Rate Option" is EUR-EONIA-Swap Index (if the Settlement Currency is EUR) or USD-Federal Funds-H.15 (if the Settlement Currency is USD);
- (v) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- (vi) the "Floating Rate Day Count Fraction" is Actual/360;
- (vii) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- (viii) "Compounding" is "Inapplicable";

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Termination Amount" means :

In the case of Warrants:

- (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Security Condition 21.5(a); or
- (ii) if Market Value is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined in accordance with Security Condition 21.5(b); or
- (iii) otherwise, the amount specified in the applicable Final Terms, or if not so specified, an amount equal to the Implied Embedded Option Value (if any), such amount payable on the Termination Date;

In the case of Certificates:

- (i) unless Highest Value, Market Value or Monetisation Option are specified in the applicable Final Terms as applicable:
 - (a) the amount specified in the applicable Final Terms;
 - (b) the Principal Protected Termination Amount; or
 - (c) the Non-Principal Protected Termination Amount, in each case, as specified in the applicable Final Terms,such amount to be payable on the Termination Date; or
- (ii) if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Security Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined in accordance with Security Condition 29.7(a); or
- (iii) if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Security Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined in accordance with Security Condition 29.7 (b); or
- (iv) if Monetisation Option is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Security Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined in accordance with Security Condition 29.7 (c);

"Termination Date" means the date determined by the Issuer and specified in the notice given to Holders in accordance with ETI Security Condition 6.2(c);

"Trade Date" has the meaning given to it in the applicable Final Terms;

"Trading Disruption" means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

"Value Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

"Valuation Time" means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

"Value per ETI Interest" means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest (howsoever described), such official net asset value per ETI Interest,

otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

"Value per ETI Interest Trading Price Barrier" means the percentage specified in the applicable Final Terms, or if not so specified, 5 per cent.;

"Value per ETI Interest Trading Price Differential" means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

"Value per ETI Interest Trigger Event" means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

"Value Trigger Percentage" means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;

"Value Trigger Period" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Security Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. Potential Adjustment Events

"Potential Adjustment Event" means any of the following:

- (a) an extraordinary dividend as determined by the Calculation Agent;
- (b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

"Potential Adjustment Event Effective Date" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant ETI or ETI Related Party,

as the case may be, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Except as may be limited in the case of U.S. Securities, following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Holders in accordance with Security Condition 10 stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary ETI Events

Subject to the provisions of ETI Security Condition 5 (Determination of Extraordinary ETI Events), "**Extraordinary ETI Event**" means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

4.1 Global Events:

- (a) the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or

restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

- (b) the occurrence of a Merger Event or Tender Offer;

4.2 Litigation/Fraudulent Activity Events:

- (a) there exists any litigation against the ETI or an ETI Related Party which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or
- (b) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

4.3 Change in ETI Related Parties/Key Persons Events:

- (a) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

4.4 Modification Events:

- (a) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- (b) a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;

- (c) a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);
- (d) the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or
- (e) if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

4.5 Net Asset Value/Investment/AUM Level Events:

- (a) a material modification of the method of calculating the Value per ETI Interest;
- (b) any change in the periodicity of the calculation or the publication of the Value per ETI Interest;
- (c) any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- (d) the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;
- (e) a Value per ETI Interest Trigger Event occurs;
- (f) failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI Related Party, or
- (g) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five
- (h) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or
- (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Securities;

4.6 Tax/Law/Accounting/Regulatory Events:

- (a) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging

arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

- (b) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

4.7 Hedging/Impracticality/Increased Costs Events:

- (a) in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;
- (b) in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees (or the combined effect thereof if

occurring more than once)) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;

- (c) in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;
- (d) at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

4.8 Miscellaneous Events:

- (a) in the case of Securities linked to an ETI Basket, a Basket Trigger Event occurs;
- (b) the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);
- (c) the occurrence of a Loss of Stock Borrow;
- (d) the occurrence of an Additional Extraordinary ETI Event;
- (e) if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;
- (f) the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

5. Determination of Extraordinary ETI Events

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event or both an Extraordinary ETI Event and a Market Disruption Event, the Issuer may determine which Extraordinary ETI Event is to be triggered

or whether such event or set of circumstances shall be an Extraordinary ETI Event or Market Disruption Event,.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

6. Consequences of an Extraordinary ETI Event

- 6.1** If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent shall give notice (an "**Extraordinary ETI Event Notice**") to the Holders in accordance with Security Condition 10 (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") as soon as reasonably practicable following the determination of an Extraordinary ETI Event. The Extraordinary ETI Event Notice shall set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Security Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Holders in accordance with Security Condition 10 as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

Neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Securities as a result of any delay in notifying Holders of the occurrence of an Extraordinary ETI Event, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action to take pursuant to ETI Security Condition 6.2 below.

- 6.2** Following the occurrence of an Extraordinary ETI Event, the Issuer, may, acting in good faith and in a commercially reasonable manner take the action described below in (a), (b) or (c).

(a) Adjustment

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

- (i) require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Securities and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or

- (ii) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(b) Substitution

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

Initial Price = $A \times (B/C)$ where:

"A" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected ETI Interest; and

"C" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the ETI Basket will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith

and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant Extraordinary ETI Event Effective Date.

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner:

- (i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Securities related to a single ETI, and (b) in the case of ETI Securities related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) (a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Security related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives, investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(c) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Holders in accordance with Security Condition 10, (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), all but not some only of the outstanding ETI Securities shall be cancelled by payment of the Termination Amount on the Termination Date, payments being made in such manner as shall be notified to the Holders in accordance with Security Condition 10.

(d) General

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI

Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

7. Correction of ETI Interest Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

8. Calculations and Determinations

The Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Security Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Security Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR DEBT SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Debt Securities shall comprise the terms and conditions of Securities (the "**Conditions**") and the additional Terms and Conditions for Debt Securities set out below (the "**Debt Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions, as applicable, and the Debt Conditions, the Debt Conditions shall prevail.

1. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as referred to in "Averaging Date" or "Valuation Date":

- (a) in the case of Debt Securities relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument as (x) the bid price for such Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of such Debt Instrument (y) multiplied by the product of the nominal amount of such Debt Instrument and the relevant Weighting; and
- (b) in the case of Debt Securities relating to a single Debt Instrument, an amount equal to (x) Reference Price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time as determined by the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the Reference Prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of the Debt Instrument (y) multiplied by the nominal amount of such Debt Instrument.

2. Exchange Business Day

"**Exchange Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Exchange Business Day Centre(s) specified in the applicable Final Terms.

3. Market Disruption

"**Market Disruption Event**" shall mean, in respect of a Debt Instrument, the suspension of or limitation imposed on trading either on any exchange on which such Debt Instrument is traded or on

any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10, as applicable, that a Market Disruption Event has occurred.

4. Correction of Debt Instrument Price

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant exchange within the number of days equal to the Debt Instrument Correction Period of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Redemption or Cancellation of a Debt Instrument

Notwithstanding Condition 15, if on or prior to the last Averaging Date or the last Valuation Date, any Debt Instrument is redeemed (including any early redemption) or cancelled by the relevant Debt Instrument Issuer (a "**Debt Instrument Redemption Event**"), then, except as may be limited in the case of U.S. Securities:

- (a) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Debt Instrument Redemption Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (b) in the case of Certificates:
 - (i) unless Delayed Redemption on Occurrence of Debt Instrument Redemption Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Debt Instrument Redemption Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10 as applicable; or

- (ii) if Delayed Redemption on Occurrence of Debt Instrument Redemption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Debt Instrument Redemption Event (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Debt Instrument Redemption Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms) (in the case of a Certificate).

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent, of any determination made by it pursuant to this Debt Condition 5 and the action proposed to be taken in relation thereto and such Security Agent, as the case may be, shall make available for inspection by Holders copies of any such determinations.

6. Futures Price Valuation

If "Futures Price Valuation" is specified as applicable in the applicable Final Terms the following provisions shall apply to these Debt Conditions:

"Settlement Price" means an amount equal to the Daily Settlement Price of the relevant Current Exchange traded Contract as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies, "Scheduled Trading Day" will be deemed to mean a day on which the Daily Settlement Price of the relevant Current Exchange-traded Contract is scheduled to be published by the relevant Futures or Options Exchange.

If Futures Price Valuation applies the Disrupted Day provisions in the Conditions and/or these Debt Conditions will not apply in relation to any Current Exchange-traded Contract.

For these purposes:

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Debt Condition 7 (Rolling Futures Contract Securities) below.

"Daily Settlement Price" means the daily settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

"Exchange-traded Contract" means the futures or options contract(s) specified as such in the applicable Final Terms, in each case, identified by reference to (a) the Synthetic Debt Instrument to

which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means the relevant exchange specified in the description of the Exchange traded Contract in the applicable Final Terms or any successor to such exchange.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent in good faith and in a commercially reasonable manner within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of an Exchange-traded Contract" means there is no Daily Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to the Valuation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Current Exchange-traded Contract.

Debt Condition 3 (Market Disruption), Debt Condition 4 (Correction of Debt Instrument Price) and Debt Condition 5 (Redemption or Cancellation of a Debt Instrument) will not apply if Futures Price Valuation applies.

If Futures Price Valuation applies, references in the Conditions, Payout Conditions and OET Certificate Conditions to a "Debt Instrument" or "Debt Instruments" are deemed to be references to a Current Exchange-traded Contract or "Current Exchange-traded Contracts", as applicable.

7. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Synthetic Debt Instrument that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of Debt Condition 8 (Adjustments to an Exchange-traded Contract) or Debt Condition 9 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

- (a) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less, except if Unwind Costs is specified as not applicable in the applicable Final

Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

(b) in the case of Certificates:

- (i) unless Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed equal to the fair market value of such Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10, as applicable; or
- (ii) if Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms) (in the case of Certificates).

8. **Adjustments to an Exchange-traded Contract**

In the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9. **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Issuer acting in good faith and in a commercially reasonable manner may take the action described in (a) or (b) below or require the Calculation Agent to take the action described in (c) below:

- (a) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled equal to the fair market value of a Warrant or a Unit, as the case may be,

taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;

(b) in the case of Certificates:

(i) unless Delayed Redemption on Non-Commencement or Discontinuance of an Exchange traded Contract is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10, as applicable. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed equal to the fair market value of such Security taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10 as applicable; or

(ii) if Delayed Redemption on Non-Commencement or Discontinuance of an Exchange-traded Contract is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms) (in the case of a Certificate); or

(c) replace the relevant Exchange-traded Contract affected by the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Affected Exchange-traded Contract**") with a substitute Exchange-traded Contract (the "**Substitute Exchange-traded Contract**") selected by the Calculation Agent in good faith and in a commercially reasonable manner which has similar contract specifications to those of the Affected Exchange-traded Contract and (ii) make such adjustments to adjust such terms of the Securities as it determines in good faith and in a commercially reasonable manner to be appropriate to preserve the economic position of the Holders prior to such replacement. Such replacement will be deemed to be effective as of the date selected by the Calculation Agent, acting in good faith and in a commercially reasonable manner, and specified in the notice referred to below. The Substitute Exchange-traded Contract will be deemed to be an "**Exchange-traded Contract**" for the purposes of the Securities.

Notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Securities as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Securities.

10. Correction of the Daily Settlement Price

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Daily Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, within the number of days equal to the Daily Settlement Price Correction Period of the original publication, the Daily Settlement Price to be used shall be the Daily Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

11. Definitions

"Clearance System" means the principal domestic clearance system customarily used for settling trades in the relevant securities or contracts.

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

"Daily Settlement Price Correction Period" means the period specified as such in the applicable Final Terms or if none, one Settlement Cycle.

"Debt Instrument Correction Period" means the period specified as such in the applicable Final Terms or if none, one Settlement Cycle.

"Debt Instrument Issuer" means, in respect of a Debt Instrument, the issuer of such Debt Instrument.

"Disrupted Day" means any Scheduled Trading Day on which a Market Disruption Event has occurred.

"Protected Amount" means the amount specified as such in the applicable Final Terms.

"Reference Price" means, in respect of a Debt Instrument, the bid price, mid price, offer price, bid yield, mid yield or offer yield specified as such for such Debt Instrument in the applicable Final Terms.

"Scheduled Trading Day" means an Exchange Business Day.

"Settlement Cycle" means, in respect of a Debt Security or Exchange-traded Contract, the period of Clearance System Days following a trade in such security or contract, as the case may be, on the relevant exchange in which settlement will customarily occur according to the rules of such exchange."

ANNEX 6

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Commodity Securities shall comprise the terms and conditions of Securities (the "**Conditions**") and the additional Terms and Conditions for Commodity Securities set out below (the "**Commodity Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions and the Commodity Conditions, the Commodity Conditions shall prevail.

1. Definitions

"Basket Component" means any Commodity or Commodity Index comprised in a Basket of Commodities;

"Basket of Commodities" means a basket comprising two or more Commodities and/or Commodity Indices;

"Commodity" means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

"Commodity Business Day" means:

- (a) in respect of a Commodity or a Commodity Index:
 - (i) where the Commodity Reference Price for the relevant Commodity or Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
 - (ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or
- (b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"Commodity Disrupted Day" means any day on which a Market Disruption Event has occurred;

"Commodity Fallback Value" means:

- (i) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such

quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or

- (ii) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, as set out in the applicable Final Terms using the price or level for each Index Component or Basket Component, as the case may be, determined as follows:
 - (a) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and
 - (b) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the number of consecutive Pricing Dates equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a Commodity Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Securities during the period of five Commodity Business Days following the last such consecutive Pricing Date;

"Commodity Index" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity or indices comprised of multiple commodities (each an "**Index Component**");

"Commodity Reference Price" means, in respect of any Commodity or any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms;

"Delivery Date" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (a) if the Securities are not Rolling Futures Contract Securities:
 - (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
 - (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and

- (iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;
- (b) if the Securities are Rolling Futures Contract Securities, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

"Disappearance of Commodity Reference Price" means (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Index Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks).

"Exchange" means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms or in the Commodity Reference Price and in the case of a Commodity Index, the exchange or principal trading market for each Index Component comprising such Commodity Index;

"Final Pricing Date" or **"Final Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Final Interest Pricing Date";

"Futures Contract" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price;

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent in good faith and in a commercially reasonable manner within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Index Component Disruption Event" means:

- (a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or

- (b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"Initial Pricing Date" or **"Initial Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Initial Interest Pricing Date";

"Intraday Price" means, in respect of a Commodity, Commodity Index or Index Component and any time on a Pricing Date, the Relevant Price of such Commodity, Commodity Index or Index Component at such time on such day, as determined by the Calculation Agent, subject as provided in Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and if applicable Commodity Condition 4 (Adjustments to a Commodity Index);

"Limit Price Event" means that the settlement price of any Commodity or Index Component has increased or decreased from the previous day's published settlement price by an amount equal to the maximum amount permitted under the applicable exchange rules for such Commodity or Index Component.

"Material Change in Content" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Index Component;

"Material Change in Formula" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

"Nearby Month", when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (a) "First Nearby Month" means the month of expiration of the first Futures Contract to expire following that Pricing Date; (b) "Second Nearby Month" means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (c) "Sixth Nearby Month" means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

"Price Source" means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

"Price Source Disruption" means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

"Pricing Date" or **"Interest Pricing Date"** means each date specified in the Final Terms as being the Initial Pricing Date, an Averaging Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a Commodity Disrupted Day, in which case,

the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the number of consecutive Commodity Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date or Scheduled Interest Pricing Date, as the case may be, is a Commodity Disrupted Day. In that case, (A) the last such consecutive Commodity Business Day shall be deemed to be the Pricing Date or Interest Pricing Date, as the case may be, notwithstanding the fact that such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall take action in accordance with the provisions of Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks). References in these Conditions to "Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Interest Pricing Date";

"Reference Dealers" means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

"Relevant Price" means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Conditions and the applicable Final Terms;

"Scheduled Pricing Date" or "Scheduled Interest Pricing Date" means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date. References in these Conditions to "Scheduled Pricing Date" shall be deemed to apply *mutatis mutandis* in respect of any "Scheduled Interest Pricing Date";

"Settlement Price" means, in respect of Commodity Warrants only, the Relevant Price, or, in the case of a Basket of Commodities, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

"Specified Maximum Days of Disruption" means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Specified Price" means, in respect of a Commodity Reference Price for a Commodity Index, (A) the closing or (B) daily official level of such Commodity Index and in respect of any other Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; (o) the arithmetic average of bid and offer prices at 5.30pm (CET time) on the Pricing Date;

"Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index or any Index Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

"Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange or in any additional futures contract, options contract, commodity index or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (a) a suspension of the trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

2. Market Disruption

"Market Disruption Event" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price, Limit Price Event; and in addition
- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with Condition 10, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. Consequences of a Market Disruption Event and Disruption Fallbacks

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent may, in good faith and in a commercially reasonable manner, take the action described in (a), (b) or (c) below:

- (a) the Calculation Agent shall determine if such event has a material effect on the Securities and, if so shall calculate the relevant Interest Amount (in the case of Certificates) and/or Cash

Settlement Amount and/or make any other relevant calculation using, in lieu of a published price or level for that Commodity or Commodity Index, as the case may be, the price or level for that Commodity or Commodity Index as determined by the Calculation Agent using the Commodity Fallback Value; or

- (b) the Calculation Agent may substitute the relevant Commodity, Commodity Reference Price or Index Component with a Commodity, Commodity Reference Price or Index Component, as the case may be, selected by it in accordance with the criteria set out below (each, a "**Substitute Commodity**", "**Substitute Commodity Reference Price**" or a "**Substitute Index Component**") for each Commodity, Commodity Reference Price or Index Component, as the case may be, (each, an "**Affected Commodity**", "**Affected Commodity Reference Price**" or "**Affected Index Component**", as the case may be), which is affected by the Market Disruption Event and the Substitute Commodity, Substitute Commodity Reference Price or Substitute Index Component, as the case may be, will be deemed to be a "**Commodity**", "**Commodity Reference Price**" or an "**Index Component**", as the case may be, for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Commodity, the Commodity Reference Price or the Index Component, as the case may be, the initial price or level of each Substitute Commodity, Substitute Commodity Reference Price or Substitute Index Component, as the case may be, will be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

In order to be selected as a Substitute Commodity, the Substitute Commodity shall be valued on the basis of a futures contract on similar terms to, with a delivery date corresponding with and relating to the same Commodity as the Affected Commodity.

In order to be selected as a Substitute Commodity Reference Price, the Substitute Commodity Reference Price shall be a benchmark, price or quotation selected by the Calculation Agent, acting in good faith and a commercially reasonable manner and which in its determination is or will be used by market participants as a substitute for the Affected Commodity Reference Price.

In order to be selected as a Substitute Index Component, the Substitute Index Component shall be an alternative futures contract or commodity index relating to a futures contract on similar terms to the Affected Index Component.

Such substitution and the relevant adjustment(s) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in good faith and in a commercially reasonable manner which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Holders as soon as practicable after the Substitution Date in accordance with Condition 10; or

- (c) In the case of Warrants, the Issuer shall cancel all but not some only of the Securities and:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder

calculated and paid on such date determined, in accordance with Condition 21.5(a);
or

- (ii) if Market Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined in accordance with Condition 21.5(b); or
 - (iii) if the Calculation Agent determines that such Market Disruption Event constitutes a force majeure, and if Commodity Condition 3(c)(iii) is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or
 - (iv) otherwise, pay an amount equal to the fair market value of such Security or Unit, as the case may be, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10.
- (d) In the case of Certificates:
- (i) unless Highest Value, Market Value or Monetisation Option are specified as applicable in the applicable Final Terms, the Issuer shall redeem the Securities by giving notice to Holders in accordance with Condition 10. If the Securities are so redeemed, the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of a Security less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10;
 - (ii) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a);
 - (iii) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
 - (iv) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all

but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or

- (v) if the Calculation Agent determines that such Market Disruption Event constitutes a force majeure, and if Commodity Condition 3(d)(v) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption.

4. Adjustments to a Commodity Index

(a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") will be deemed to be the Commodity Index.

(b) Modification and Cessation of Calculation of a Commodity Index

If (a) on or prior to the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent contracts or commodities and other routine events) (a "**Commodity Index Modification**"), or permanently cancels a relevant Commodity Index and no Successor Commodity Index exists (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Interest Pricing Date or other Pricing Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Commodity Index (a "**Commodity Index Disruption**" and, together with a Commodity Index Modification and a Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**");

- (i) the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the Relevant Price using, in lieu of a published level for that Commodity Index, the Commodity Fallback Value; or
- (ii) in the case of Warrants, the Issuer may cancel the Securities by giving notice to Holders in accordance with Condition 10. If the Securities are so cancelled, the Issuer will:
 - (A) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are

specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or

- (B) if Market Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or
- (C) if the Calculation Agent determines that such Commodity Index Adjustment Event constitutes a force majeure, and if Commodity Condition 4(b)(ii)(C) is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or
- (D) otherwise, pay an amount to each Holder in respect of each Security or, if Units are specified as applicable, each Unit being cancelled at an amount equal to the fair market value of a Security or Unit, as the case may be, taking into account the Commodity Index Adjustment Event, less, except if Unwind Costs are specified as not applicable in the applicable Final Terms the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or

(iii) In the case of Certificates:

- (A) unless Highest Value, Market Value or Monetisation Option are specified as applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10. If the Securities are so redeemed, the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of a Security, taking into account the Commodity Index Adjustment Event, less, if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (B) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an

amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or

- (C) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
- (D) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or
- (E) if the Calculation Agent determines that such Commodity Index Adjustment Event constitutes a force majeure, and if Commodity Condition 4(b)(ii)(E) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption.

5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Securities, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Commodity Reference Price in respect of the Securities will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the Commodity Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the Commodity Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event or a Commodity Index Adjustment Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract

and/or at such time hedge the Issuer's obligations in respect of the Securities then the provisions of Commodity Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Condition 4 (Adjustments to a Commodity Index), as applicable, shall apply to the Securities.

ANNEX 7

ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Currency Securities shall comprise the terms and conditions of Securities (the "**Conditions**") and the additional Terms and Conditions for Currency Securities set out below (the "**Currency Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions, as applicable, and the Currency Conditions, the Currency Conditions shall prevail.

1. Definitions

"**Averaging Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Condition 3 (Consequences of a Disruption Event) shall apply;

"**Dual Exchange Rate**" means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates;

"**Disrupted Day**" means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred;

"**Illiquidity Disruption**" means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent or Issuer to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent or Issuer to hedge its obligations under the Securities (in one or more transaction(s)) on the relevant Averaging Date or any Settlement Price Date (or, if different, the day on which rates for such Averaging Date or Settlement Price Date would, in the ordinary course, be published or announced by the relevant price source);

"**Knock-in Averaging Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Condition 3 (Consequences of a Disruption Event) shall apply;

"**Protected Amount**" means the amount specified as such in the applicable Final Terms.

"**Price Source**" means the published source, information vendor or provider containing or reporting the rate or rates from which the Settlement Price is calculated as specified in the applicable Final Terms;

"**Price Source Disruption**" means that it becomes impossible to obtain the rate or rates from which the Settlement Price is calculated;

"**Scheduled Trading Day**" means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Base Currency and Subject Currency or Subject Currencies;

"Settlement Price Date" means each Averaging Date, Strike Day, Strike Date, Knock-in Observation Date, Observation Date or Valuation Date, as the case may be;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, five (5) Scheduled Trading Days;

"Strike Date" means the Strike Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Condition 3 (Consequences of a Disruption Event) shall apply;

"Strike Day" means each date specified as such in the applicable Final Terms;

"Strike Period" means the period specified as such in the applicable Final Terms;

"Valuation Date" means the date (in the case of Warrants), or the Interest Valuation Date and/or the Redemption Valuation Date (in the case of Certificates) specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Condition 3 (Consequences of a Disruption Event) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated; and

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

2. Disruption Events

The occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a Disruption Event:

- (a) Price Source Disruption;
- (b) Illiquidity Disruption;
- (c) Dual Exchange Rate; or
- (d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) or (c).

The Calculation Agent shall give notice as soon as practicable to Holders in accordance with Condition 10, of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Settlement Price when a Disruption Event occurs or exists on a day that is a Settlement

Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (a), (b) (in the case of Warrants) or (c) (in the case of Certificates) below.

- (a) if a Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of any Settlement Price Date) or Valid Date (in the case of an Averaging Date or Strike Day) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Settlement Price Date is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Settlement Price Date (irrespective of whether that last consecutive Scheduled Trading Day is already a Settlement Price Date) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Subject Currency as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or
- (b) in the case of Warrants, if any Settlement Price Date is a Disrupted Day but is not the final Valuation Date, the Issuer may cancel all but not some only of the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or
 - (ii) if Market Value is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(b); or
 - (iii) if the Calculation Agent determines that such Disruption Event constitutes a force majeure, and if Currency Condition 3.2(b)(iii) is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Warrants at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or
 - (iv) otherwise pay an amount equal to the fair market value of such Warrant, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payment shall be made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (c) in the case of Certificates:

- (i) unless Delayed Redemption on Occurrence of Disruption Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of such Security taking into account the Disruption Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (ii) if Delayed Redemption on Occurrence of Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Disruption Event (the "**Calculated Currency Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Currency Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Currency Adjustment Amount plus interest accrued from and including the Calculated Currency Adjustment Amount Determination Date to but excluding the Redemption Date, at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Protected Amount; or
- (iii) if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a); or
- (iv) if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all, but not some only of the Certificates and pay to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
- (v) if Monetisation Option is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates and pay an amount to each Holder an amount in respect of each Certificate held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or
- (vi) if the Calculation Agent determines that such Disruption Event constitutes a force majeure, and if Currency Condition 3.2(c)(vi) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such

amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption.

Notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Securities as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Securities.

- (d) notwithstanding any provisions in the Conditions to the contrary, postpone any payment date related to such Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be provided or announced by the Price Source), as the case may be (including the Redemption Date or Settlement Date, as applicable) until the Business Day following the date on which a Disruption Event is no longer subsisting and no interest or other amount shall be paid by the Issuer in respect of such postponement.

4. Settlement Price

"Settlement Price" means, in respect of a Subject Currency and a Settlement Price Date, and subject to Currency Condition 3 above, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on such Settlement Price Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), Provided That if the relevant rate of exchange is derived from two or more rates of exchange, the Settlement Price shall be calculated by the Calculation Agent as provided above acting in good faith and in a commercially reasonable manner on the basis of each such rate of exchange.

ANNEX 8

ADDITIONAL TERMS AND CONDITIONS FOR FUTURES SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Futures Securities shall comprise the terms and conditions of Securities (the "**Conditions**") and the additional Terms and Conditions for Futures Securities set out below (the "**Futures Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between the Conditions, as applicable, and the Futures Conditions, the Futures Conditions shall prevail.

1. Definitions

"Basket of Futures" means a basket composed of each Future specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

"Clearance System" means the principal domestic clearance system customarily used for settling trades in the relevant Future(s);

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session(s) or on which a Market Disruption Event has occurred;

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s), at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange for execution at the Valuation Time on such Exchange Business Day;

"Exchange" means, in relation to a Future, each exchange or quotation system specified as such in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Future has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Future on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (a) in the case of a single Future, Exchange Business Day (Single Future Basis) or (b) in the case of a Basket of Futures, Exchange Business Day (All Futures Basis) or Exchange Business Day (Per Future Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

"Exchange Business Day (All Futures Basis)" means, in respect of all Futures comprised in a Basket of Futures, any Scheduled Trading Day on which each Exchange is, in respect of such Futures, open for trading during its regular trading session(s) notwithstanding such Exchange closing prior to its Scheduled Closing Time;

"Exchange Business Day (Per Future Basis)" means, in respect of a Future, any Scheduled Trading Day on which the relevant Exchange in respect of such Future is open for trading during its regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

"Exchange Business Day (Single Future Basis)" means any Scheduled Trading Day on which the relevant Exchange is open for trading during its respective regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, the Futures on the Exchange;

"Future" or **"Futures"** means, subject to adjustments in accordance with this Annex, in the case of an issue of Securities relating to a single Future, the futures contract and, in the case of an issue of Securities relating to a Basket of Futures, each futures contract, specified in the applicable Final Terms, and related expressions shall be construed accordingly;

"Futures Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"Protected Amount" means the amount specified as such in the applicable Final Terms.

"Scheduled Trading Day" means either (a) in the case of a single Future, Scheduled Trading Day (Single Future Basis) or (b) in the case of a Basket of Futures, Scheduled Trading Day (All Futures Basis) or Scheduled Trading Day (Per Future Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

"Scheduled Trading Day (All Futures Basis)" means, in respect of all Futures comprising the Basket of Futures, any day on which each Exchange is, in respect of such Futures, scheduled to be open for trading during its regular trading session(s);

"Scheduled Trading Day (Per Future Basis)" means, in respect of a Future, any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

"Scheduled Trading Day (Single Future Basis)" means any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

"Settlement Cycle" means, in respect of a Future, the period of Clearance System Days following a trade in the Future on the Exchange on which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Averaging Date", "Observation Date", "Strike Date" or "Valuation Date" as the case may be:

- (a) in the case of Futures Securities relating to a Basket of Futures and in respect of each Futures comprising the basket, an amount equal to the official closing price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on
 - (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or
 - (ii) if

Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

- (b) in the case of Futures Securities relating to a single Future, an amount equal to the official price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures on the Exchange.

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single Future or a Basket of Futures, in respect of a Future the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, or an Observation Date, a Valuation Date or the Strike Date.

3. Adjustments to a Future

3.1 Futures Modification, Futures Replacement or Futures De-Listing

If, on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, (a) the relevant Exchange makes or announces that it will make a material change in the conditions of the Future(s) (a **"Futures Modification"**), (b) the relevant Exchange replaces the Future by a new Future contract to be substituted to the Future (a **"Futures Replacement"**) or (c) the relevant Exchange announces that the relevant Future cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union) (a **"Futures De-Listing"** and, together with a Futures Modification and a Futures Replacement, each a **"Futures Adjustment Event"**), then:

- (a) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine if such Futures Modification or Futures Replacement has a material effect on the Securities and, if so, shall use the Future(s) so modified or replaced in lieu of the initial Future with respect to the relevant Securities; or
- (b) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined, in accordance with Condition 21.5(a); or

- (ii) if Market Value is specified as applicable in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder calculated and paid on such date determined in accordance with Condition 21.5(b); or
 - (iii) if the Calculation Agent determines that such Futures Adjustment Event constitutes a force majeure, and if Futures Condition 3.1(b)(iii) is specified in the applicable Final Terms, pay to each Holder an amount in respect of each Security, or if Units are specified in the applicable Final Terms, each Unit, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of cancellation; or
 - (iv) otherwise, pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, being cancelled an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Futures Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manners as shall be notified to the Holders in accordance with Condition 10; or
- (c) in the case of Certificates;
 - (i) unless Delayed Redemption on Occurrence of Futures Adjustment Event, Highest Value, Market Value or Monetisation Option are specified as being applicable in the applicable Final Terms, the Issuer may redeem the Securities by giving notice to Holders in accordance with Condition 10. If the Securities are so redeemed the Issuer will pay an amount to each Holder in respect of each Security being redeemed at an amount equal to the fair market value of a Security taking into account the Futures Adjustment Event, less, except if Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of Futures Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Security taking into account the Futures Adjustment Event (the "**Calculated Futures Adjustment Amount**") as soon as practicable following the occurrence of the Futures Adjustment Event (the "**Calculated Futures Adjustment Amount Determination Date**") and on the Redemption Date (in the case of Certificates) shall redeem each Security at an amount calculated by the Calculation Agent equal to (x) the Calculated Futures Adjustment Amount plus interest accrued from and including the Calculated Futures Adjustment Amount Determination Date to but excluding the Redemption Date (in the case of Certificates) at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable

Final Terms and if greater, the Protected Amount (specified in the applicable Final Terms); or

- (iii) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(a);
- (iv) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(b); or
- (v) if Monetisation Option is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder calculated and paid on such date determined, in accordance with Condition 29.7(c); or
- (vi) if the Calculation Agent determines that such Futures Adjustment Event constitutes a force majeure, and if Futures Condition 3.1(c)(vi) is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Securities and pay to each Holder an amount in respect of each Security held by such Holder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to early redeem the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Holders on the date notified to the Holders in the notice of early redemption.

3.2 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent of any determination made by it pursuant to paragraph 3.1 above and the action proposed to be taken in relation thereto and the Calculation Agent shall make available for inspection by Holders copies of any such determinations.

4. Correction of Futures Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Future(s) published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Exchange within the number of days equal to the Futures Correction Period of the original publication, the price to be used shall be the price of the relevant Future(s) as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

ANNEX 9

ADDITIONAL TERMS AND CONDITIONS FOR OET CERTIFICATES

If specified as applicable in the applicable Final Terms, (a) the terms and conditions applicable to Certificates specified in the applicable Final Terms as OET Certificates shall comprise the terms and conditions of the Securities (the "**Conditions**") and the additional Terms and Conditions for OET Certificates set out below (the "**OET Certificate Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Conditions and (ii) the OET Certificate Conditions, the Conditions shall prevail.

1. Definitions

"Automatic Early Redemption Amount" means an amount in the Settlement Currency equal to the Automatic Early Redemption Payout set out in the applicable Final Terms. If the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Certificate pursuant to OET Certificate Condition 2;

The Automatic Early Redemption Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

"Automatic Early Redemption Event" means that, as determined by the Calculation Agent, at the Observation Time(s) on an Automatic Early Redemption Valuation Date (the "**Relevant Automatic Early Redemption Valuation Date**"):

- (a) with respect to an OET Call Certificate, the Observation Price is less than or equal to the applicable Security Threshold; or
- (b) with respect to an OET Put Certificate, the Observation Price is greater than or equal to the applicable Security Threshold;

"Automatic Early Redemption Valuation Date" means each Relevant Business Day from (and including) the Issue Date (notwithstanding the occurrence of (in the case of Index OET Certificates, Share OET Certificates or Currency OET Certificates) a Disrupted Day, (in the case of Commodity OET Certificates, a Commodity Disrupted Day or (otherwise) a Market Disruption Event);

"Capitalised Exercise Price" or "**CEP_t**" means, in respect of a calendar day (day_t), an amount calculated according to the following provisions:

1. If "Unrounded Capitalised Exercise Price" is specified as applicable in the applicable Final Terms, the "UCEP_t" in respect of a calendar day (day t) rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms :

$$UCEP_t = UCEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360}$$

Except that:

- (a) with respect to Share OET Certificates, Index OET Certificates (where dividends on the Index Shares (as defined below) are not reinvested in the relevant Index) and ETI

OET Certificates, and where dayt is an Ex-Dividend Date, the Unrounded Capitalised Exercise Price will be calculated as follows:

$$UCEP_t = UCEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} - \text{Dividend Adjustment Amount}$$

- (b) with respect to Rolling Futures Contract Securities, and where dayt is a Futures Rollover Date, the Unrounded Capitalised Exercise Price will be calculated as:

$$UCEP_t = UCEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} + \text{Futures Rollover Adjustment Amount}$$

- (c) with respect to Index OET Call Certificates (where dividends on the Index Shares (as defined below) are reinvested in the relevant Index), and where dayt is an Ex-Dividend Date, the Unrounded Capitalised Exercise Price will be calculated as follows:

$$UCEP(t) = UCEP(t-1) * (1 + \text{Financing Rate}(t-1))^{1/360} + \text{Applicable Withholding Tax}$$

2. If “Capitalised Exercise Price” is specified as applicable in the applicable Final Terms, the CEP_t, in respect of a calendar day (dayt) calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{FinancingRate}_{t-1})^{1/360}$$

Except that:

- (a) with respect to Share OET Certificates, Index OET Certificates (where dividends on the Index Shares (as defined below) are not reinvested in the relevant Index) and ETI OET Certificates, and where dayt is an Ex-Dividend Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} - \text{Dividend Adjustment Amount}$$

- (b) with respect to Rolling Futures Contract Securities, and where dayt is a Futures Rollover Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{FinancingRate}_{t-1})^{1/360} + \text{FuturesRollover AdjustmenAmount}$$

- (c) with respect to Index OET Call Certificates (where dividends on the Index Shares (as defined below) are reinvested in the relevant Index), and where dayt is an Ex-Dividend Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$\text{CEP}(t) = \text{CEP}(t-1) * (1 + \text{Financing Rate}(t-1))^{1/360} + \text{Applicable Withholding Tax}$$

for the purposes of this definition:

"Applicable Withholding Tax" means the applicable withholding taxes or deduction of taxes at the source by or on behalf of any applicable authority having power to tax in respect of cash dividends and/or other cash distributions payable in respect of the relevant Index Share pursuant to the applicable double taxation treaty or domestic law prevailing at the time of the distribution;

"CEP_{t-1}" means the Capitalised Exercise Price applicable on day_{t-1}, provided that the Capitalised Exercise Price applicable on the Issue Date ("CEPInitial") shall be equal to the Exercise Price;

"Dividend Adjustment Amount" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to:

- (a) with respect to OET Call Certificates, (i) the sum of the cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share) related to such Ex-Dividend Date net of applicable withholding taxes or deduction of taxes at the source by or on behalf of any applicable authority having power to tax in respect of such a dividend pursuant to the applicable double taxation treaty or domestic law prevailing at the time of the distribution multiplied by (ii) the Dividend Percentage; or
- (b) with respect to OET Put Certificates, (i) the sum of the gross cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share) related to such Ex-Dividend Date multiplied by (ii) the Dividend Percentage;

"Dividend Percentage" means the percentage specified as such in the applicable Final Terms;

"Exercise Price" means the price determined by the Calculation Agent and specified as such in the applicable Final Terms;

"Financing Rate_{t-1}" means, the Financing Rate applicable on day_{t-1};

"Futures Rollover Adjustment Amount" means an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated pro rata amongst the Certificates; and

"UCEPt-1" means the Unrounded Capitalised Exercise Price applicable on day_{t-1}, provided that the Unrounded Capitalised Exercise Price applicable on the Issue Date ("UCEPInitial") shall be equal to the Exercise Price;

The Capitalised Exercise Price will be made available (subject to technical failure) during normal business hours on any Local Business Day during the term of the OET Certificates, on the OET Website(s) specified in the applicable Final Terms or such other website as may be notified to the Holders;

"Conversion Rate" means, in respect of a day, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived) between the currency of the relevant Underlying Reference and the Settlement Currency, as specified as such in the applicable Final Terms on such day;

"Ex-Dividend Date" means, with respect to a Share (in respect of which a dividend is paid) or share comprising an Index (an **"Index Share"**), the date on which such Share or Index Share becomes "ex-dividend" as determined by the Calculation Agent;

"Final Price" means the Settlement Price or, in the case of Commodity Securities, the Relevant Price on the Valuation Date or Optional Redemption Valuation Date, as applicable;

"Final Price Early" means the price of the relevant Underlying Reference, determined by the Calculation Agent on the basis of the price obtained by unwinding any underlying related hedging arrangements in respect of the relevant OET Certificates during the three-hour period immediately following the occurrence of the relevant Automatic Early Redemption Event, provided that (i) the Final Price Early in respect of an OET Call Certificate will be no lower than the lowest Observation Price and (ii) the Final Price Early in respect of an OET Put Certificate will be no greater than the highest Observation Price, in each case determined by the Calculation Agent during such three-hour period, or otherwise, during the opening hours of the relevant Exchange. With respect to OET Certificates relating to an Index or Share the above-mentioned three-hour period shall be counted during the opening hours of the relevant Exchange. Accordingly, if the period between the occurrence of the Automatic Early Redemption Event and the official closing time of the relevant Exchange is less than three hours, then the observation period shall extend to the following Relevant Business Day, until a full period of three hours has passed since the occurrence of the Automatic Early Redemption Event. With respect to Currency OET Certificates and Commodity OET Certificates, if a period during a Relevant Business Day is specified in the applicable Final Terms as the Observation Time and the period between the occurrence of the Automatic Early Redemption Event and the end of that period is less than the above mentioned three-hour period, then the observation period shall extend to the following Relevant Business Day beginning at 8:00 am (CET time) until a full period of three hours has passed since the occurrence of the Automatic Early Redemption Event;

"Financing Rate" means, if applicable, in respect of a calendar day (day_t), the rate calculated as

Financing Rate Percentage + Interbank Rate 1 – Interbank Rate 2.

"Financing Rate Percentage" means, in the case of OET Call Certificates, the positive rate and, in the case of OET Put Certificates, the negative rate, specified in the applicable Final Terms Provided That the Calculation Agent may, in good faith and in a commercially reasonable manner, select an alternative rate which must be within the Financing Rate Range.

"Financing Rate Range" means the range specified as such in the applicable Final Terms.

Interbank Rate 1 means the offered quotation for the rate which appears on the Interbank Rate 1 Screen Page at the Interbank Rate 1 Specified Time on day_t as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, for deposits in the Settlement Currency or the relevant currency of the Underlying Reference as the case may be, in the interbank market with a maturity of either three months, one month or overnight. In the event that the Interbank Rate 1 Screen Page is not available or no such offered quotation appears, the Calculation

Agent will determine the Interbank Rate 1 as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and in a commercially reasonable manner.

Interbank Rate 1 Screen Page means the source specified in the applicable Final Terms.

Interbank Rate 1 Specified Time means the time specified in the applicable Final Terms or, if no such time is specified, the customary time as of which the relevant Interbank Rate 1 is published.

Interbank Rate 2 means the offered quotation for the rate which appears on the Interbank Rate 2 Screen Page at the Interbank Rate 2 Specified Time on day_t as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, for deposits in the Settlement Currency or the relevant currency of the Underlying Reference as the case may be, in the interbank market with a maturity of either three months, one month or overnight. In the event that the Interbank Rate 2 Screen Page is not available or no such offered quotation appears, the Calculation Agent will determine the Interbank Rate 2 as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and in a commercially reasonable manner.

Interbank Rate 2 Screen Page means the source specified in the applicable Final Terms.

Interbank Rate 2 Specified Time means the time specified in the applicable Final Terms or, if no such time is specified, the customary time as of which the relevant Interbank Rate 2 is published.

"Local Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Local Business Day Centre(s) specified in the applicable Final Terms;

"Observation Price" means the "official level", "opening price", "official close", "closing price", "purchase price", "sale price", "last price", "bid price", "asked price", "traded price", "official settlement price", "daily settlement price", "high", "mid", "low", "bid high", "bid low", "ask high", "ask low" as specified in the applicable Final Terms, of the Underlying Reference published by the Observation Price Source as determined by the Calculation Agent at the Observation Time(s);

"Observation Price Source" means the source specified as such in the applicable Final Terms;

"Observation Time(s)" means the time(s) or period(s) of observation specified as such in the applicable Final Terms;

"Parity" means the number specified as such in the applicable Final Terms;

"Relevant Business Day" means, unless otherwise specified in the applicable Final Terms, an Exchange Business Day (in respect of OET Certificates other than Commodity OET Certificates, Currency OET Certificates or OET Certificates relating to a Custom Index), a Custom Index Business Day (in respect of Custom Index Securities), a Commodity Business Day (in respect of Commodity Securities) or a Scheduled Trading Day (in respect of Currency Securities), as applicable;

"Reset Date" means:

- (a) if Option 1 is specified in the relevant Final Terms, (i) each day in each calendar month specified as such in the relevant Final Terms, provided that if such day is not a Business Day, the Reset Date shall be the next following Business Day and (ii) each day on which an adjustment pursuant to Index Condition 3 (Adjustment to an Index), Index Condition 6 (Adjustments to a Custom Index and Custom Index Disruption, Index Condition 9.2 (Rolling Futures Contract Securities), Index Condition 9.3 (Adjustment to an Exchange-traded

Contract), Index Condition 9.4 (NonCommencement or Discontinuance of an Exchange-traded Contract), Share Condition 3 (Potential Adjustment Events) and Share Condition 4 (Extraordinary Events), ETI Condition 3 (Potential Adjustment Events), ETI Condition 4 (Extraordinary ETI Events), Debt Condition 7 (Rolling Futures Contract Securities), Debt Condition 8 (Adjustment to an Exchange-traded Contract) and Debt Condition 9 (Non-Commencement or Discontinuance of an Exchange-traded Contract), Commodity Condition 2 (Market Disruption), Commodity Condition 6 (Rolling Futures Contract Securities), Currency Condition 2 (Disruption Events) and Futures Condition 3 (Adjustments to a Future) takes effect. For the purposes hereof, any such adjustment shall be deemed to take effect:

- (i) pursuant to Index Condition 3.1, Index Condition 6.1 and Commodity Condition 4(a), on the day the relevant successor index or Successor Commodity Index is deemed to be the Index or Commodity Index, as the case may be;
 - (ii) pursuant to Index Condition 6.2(a)(i), Index Condition 6.2(a)(ii)(A), Index Condition 6.2(b)(i) and Index Condition 6.2(b)(ii)(A), on the Scheduled Custom Index Business Day deemed to be the relevant Valuation Date;
 - (iii) pursuant to Index Condition 3.2, on the day the Calculation Agent following the occurrence of an Index Adjustment Event calculates the relevant value, level or price of the Index;
 - (iv) pursuant to Debt Condition 9(c), on the day the Calculation Agent replaces the relevant Exchange-traded Contract affected by the Non-Commencement or Discontinuance of an Exchange-traded Contract;
 - (v) pursuant to Currency Condition 3, on the day the Calculation Agent applies the applicable Disruption Fallback; and
 - (vi) pursuant to Futures Condition 3.1 (a), on the day the Calculation Agent uses the Future so modified or replaces in lieu of the initial Future.
- (b) if Option 2 is specified in the relevant Final Terms, each calendar day in the period from and excluding the Issue Date to and including the Valuation Date.

"Security Percentage" means the percentage specified as such in the applicable Final Terms. The Security Percentage may be adjusted by the Calculation Agent on each Reset Date in order to take into account changes in market conditions (including, in particular, volatility), provided that the adjusted Security Percentage (a) unless the Security Percentage is equal to zero, falls between the "Minimum Security Percentage" and the "Maximum Security Percentage" specified in the applicable Final Terms and (b) does not trigger the occurrence of an Automatic Early Redemption Event;

"Security Threshold" means the amount calculated as follows by the Calculation Agent and rounded upwards or downwards in accordance with the Security Threshold Rounding Rule specified in the applicable Final Terms:

- (a) in the case of OET Call Certificates, an amount equal to the product, rounded in accordance with the Security Threshold Rounding Rule specified in the applicable Final Terms, of (i) the Capitalised Exercise Price as at the relevant Reset Date and (ii) one, plus the Security Percentage; and

- (b) in the case of OET Put Certificates, an amount equal to the product, rounded in accordance with the Security Threshold Rounding Rule, (i) of the Capitalised Exercise Price as at the relevant Reset Date and (ii) one, minus the Security Percentage,

which, in each case, is available (subject to technical problems) during normal business hours on any Local Business Day during the term of the relevant OET Certificates on the OET Website(s) specified in the applicable Final Terms or such other website as may be notified to the Holders.

For the avoidance of doubt, the Security Threshold calculated by the Calculation Agent in accordance with the provisions of this Annex shall, in case of any discrepancy, prevail over the Security Threshold published on the OET Website. The publication of the Security Threshold on the applicable OET Website(s) is for information purposes only and may be subsequently corrected should the amount published differ from the Security Threshold calculated by the Calculation Agent;

"Settlement Currency" means Euro, unless otherwise specified in the applicable Final Terms;

"Underlying Reference" means the relevant Index, Share, ETI, Commodity, Subject Currency, Debt Instrument or other basis of reference to which the relevant Certificates relate, as specified in the Product Specific Provisions of the applicable Final Terms; and

"Valuation Date" means:

- (a) the date designated as such by the Issuer, acting in good faith, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Relevant Business Day preceding the contemplated Valuation Date or, if such date is not a Relevant Business Day, the next following Relevant Business Day. Other than in the case of Commodity OET Certificates, the provisions of (a)(i) or (a)(ii), as applicable, of the definition of "Valuation Date" in Condition 25 shall apply if any such day is a Disrupted Day and, in the case of Commodity OET Certificates, the provisions of the definition of "Pricing Date" in the Commodity Conditions will apply if such day is a Commodity Disrupted Day; or
- (b) if Automatic Early Redemption is specified as being applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the Relevant Automatic Early Redemption Valuation Date or if such date is not a Relevant Business Day, the next following Relevant Business Day,

in each case, subject to adjustment in accordance with the relevant Conditions.

If (i) the Issuer designates a date as being the Valuation Date in accordance with these Terms and Conditions and (ii) an Automatic Early Redemption Event occurs after such designation but prior to the designated Valuation Date, then the Valuation Date shall be deemed to be the Relevant Automatic Early Redemption Valuation Date as determined pursuant to this definition.

2. Automatic Early Redemption

If "Automatic Early Redemption" is specified as being applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the date falling the number of Business Days specified in the applicable Final Terms following the Valuation Date (the **"Automatic Early Redemption Date"**) and the amount payable by the Issuer upon

redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

USE OF PROCEEDS

The net proceeds from each issue of Securities by BNPP B.V. or BNPP will become part of the general funds of BNPP B.V. or BNPP, as the case may be. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

DESCRIPTION OF BNPP INDICES

The Index Methodology governing each Index shall be available on <https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf> as soon as such Index is the Underlying Reference in respect of a product which is under the scope of the Prospectus Directive. The Cinery Code is specified as set out in the tables below.

In any case and for all the indices the following part shall be included:

The objective of each Index comprised in a Family Index is to provide synthetic exposure to the performance as the case may be appropriate of a notional basket of Equity, Fund Shares, FX, Bond Rate, Money Market Rate, Index, Custom Index, Commodity, ETI or other Index component types (the "**Index Components Types**") in accordance with the objective of the Index comprised in the category of indices as described below.

The following indices shall be Excess Return ("**ER**") Total Return ("**TR**"), Price Return ("**PR**"), Adjusted Return ("**AR**") or Cash Less ("**CL**") (each a "**Cash Kind**"). As a consequence, if the Index is an "Excess Return" index, the level of the index will reflect the performance of the strategy of the index above an applicable money market rate. If the Index is a "Total Return" index, the level of the index will reflect a value assuming reinvestment of all or a part of dividends and distributions (as the case may be declared or paid by underlying index components). If the Index is a "Price Return" index, the level of the index will reflect a value assuming no reinvestment of dividends or distributions (declared/paid by underlying index components). If the Index is an "Adjusted Return" Index, the level of the Index will reflect a value assuming reinvestment of all or a part of dividends and distributions (as the case may be, declared or paid) by underlying index components and the deduction of an applicable adjustment factor. At last, if the Index is a "Cashless" index as it is constituted of components that require little or no cash to hedge in order to obtain the economic exposure and risk required by the index strategy, the level of the index will not take into account money market interest that would be ordinarily be payable when hedging the performance of an index which would require a cash investment equal to the value of the Index.

If any Index component (the "**Index Component**") of an Index ceases to exist or is, or would be, subject to an adjustment pursuant to the provisions of the Index rules in respect of that Index Component, the Index Calculation Agent may, acting in good faith and in a commercially reasonable manner, (a) effect no change to the Index, (b) adjust the Index as it deems appropriate including, but not limited to, replacing such Index Component with a replacement Index Component or the Index Calculation Agent and the Index Sponsor may continue to calculate and publish (as applicable) the Index without such Index Component or any replacement therefore, subject to the BNP Paribas Index proprietary methodology (the "**Index Methodology**"), or (c) terminate the Index. The aim of the Index Calculation Agent when making any such operational adjustments is to ensure that, so far as possible, the basic principles and economic effect of the Index are maintained.

Following the Index Start Date, the Index Calculation Agent shall review the composition of the Index and the Index weightings of the Index Components within the Index on an ongoing basis and in accordance with the Index Methodology comprised into the Index rules (the "**Rules**") governing the Index.

1. **GURU Indices**
2. **Thematic Mutual Fund Indices**
3. **Thematic Equity Indices**
4. **Fixed Exposure Indices**

5. **Risk Control Indices**
6. **Millenium Indices**
7. **Platinum Indices**
8. **Harbour Indices**
9. **Flexinvest Indices**
10. **Volatility Indices**
11. **Buy Write Indices**
12. **Alternative Strategy Indices**
13. **Liberty Indices**
14. **Alternative Synthetic Tracker Indices**
15. **Daily Weekly Indices**
16. **Commodity Indices**

1. GURU Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide a positive exposure ("Long") or positive and negative exposure ("Long /Short") to the performance of a notional basket of "Equity" Index Components, that track the price movements of shares of companies selected through a BNP Paribas proprietary methodology
2	Description of the process of selecting components weighting factors	Components are selected following a process based on different potential indicators such as profitability of the business model, perspectives, valuation, price based.
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Monthly
7	Type of index	All Indices listed in the table below are part of the GURU Indices

		family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Long or Long /Short	Cash Kind	Universe	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Calculation Agent	Index Code
BNP Paribas GURU Europe Long TR EUR	EUR	Long	TR	Europe	70%	100%	32%	BNPGEL TR	Solactive	GELMTR
BNP Paribas GURU Europe Long ER 10 EUR	EUR	Long	ER	Europe	0%	150%	10%	BNPGEL 10	Solactive	GEL10M AER
BNP Paribas GURU Europe Long ER 15 EUR	EUR	Long	ER	Europe	0%	150%	15%	BNPGEL 15	Solactive	GEL15M AER
BNP Paribas GURU Europe Long/Short TR EUR	EUR	Long/Short	TR	Europe	0%	100%	10%	BNPGEL ST	Solactive	GELSTM ATR
BNP Paribas GURU Europe Long/Short ER EUR	EUR	Long/Short	ER	Europe	0%	100%	10%	BNPGEL SE	Solactive	GELSEM AER
BNP Paribas GURU US Long TR USD	USD	Long	TR	US	70%	100%	32%	BNPGUL TR	Solactive	GULTMT R
BNP Paribas GURU US Long ER 10 USD	USD	Long	ER	US	0%	150%	10%	BNPGUL 10	Solactive	GUL10M AER
BNP Paribas GURU US Long ER 15 USD	USD	Long	ER	US	0%	150%	15%	BNPGUL 15	Solactive	GUL15M AER
BNP Paribas GURU US Long/Short TR USD	USD	Long/Short	TR	US	0%	100%	10%	BNPGUL ST	Solactive	GULSTM ATR
BNP Paribas GURU US Long/Short ER USD	USD	Long/Short	ER	US	0%	100%	10%	BNPGUL SE	Solactive	GULSEM AER
BNP Paribas GURU Asia ex Jp Long TR USD	USD	Long	TR	Asia	70%	100%	32%	BNPGAL TR	Solactive	GAL2TR
BNP Paribas GURU Asia ex Jp ex India Long ER 15 USD	USD	Long	ER	Asia	0%	100%	15%	BNPIGA1 5	BNP Paribas	GAXI15E R
BNP Paribas GURU Asia ex Jp ex India Long ER 20 USD	USD	Long	ER	Asia	0%	100%	20%	BNPIGA2 0	BNP Paribas	GAXI20E R
BNP Paribas GURU Global Emerging Long TR USD	USD	Long	TR	Emerging Markets	70%	100%	32%	BNPIGE MT	Solactive	GEMTTR
BNP Paribas GURU Global Emerging Long ER 18 USD	USD	Long	ER	Emerging Markets	0%	100%	18%	BNPIGE1 8	BNP Paribas	GE18ER
BNP Paribas GURU World Developed Long TR USD	USD	Long	TR	World Developed	70%	100%	32%	BNPIGW DT	Solactive	GWDTR

Index Name	Currency	Long or Long /Short	Cash Kind	Universe	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Calculation Agent	Cinergy Code
BNP Paribas GURU World Developed Long ER 10 USD	USD	Long	ER	World Developed	0%	100%	10%	BNPIGD1 0	BNP Paribas	GWD10E R
BNP Paribas GURU World Developed Long ER 15 USD	USD	Long	ER	World Developed	0%	100%	15%	BNPIGD1 5	BNP Paribas	GWD15E R
BNP Paribas GURU All Country Long TR USD	USD	Long	TR	Worldwid e	70%	100%	32%	BNPIGW AT	Solactive	GWATTR
BNP Paribas GURU All Country Long ER 10 USD	USD	Long	ER	Worldwid e	0%	100%	10%	BNPIGW 10	BNP Paribas	GWA10E R
BNP Paribas GURU All Country Long ER 15 USD	USD	Long	ER	Worldwid e	0%	100%	15%	BNPIGW 15	BNP Paribas	GWA15E R
BNP Paribas Conviction Action Monde ER	EUR	Long	ER	Worldwid e	0%	100%	10%	BNPICA WD	BNP Paribas	CAWDER
BNP Paribas Conviction Action Europe ER	EUR	Long	ER	Europe	0%	100%	10%	BNPICAE U	BNP Paribas	CAEUER
BNP Paribas GURU All Country volcap 10 ER EUR ER	EUR	Long	ER	Worldwid e	0%	100%	10%	BNPIGW EE	BNP Paribas	GWEEER
GURU L/S volcap 7 TR EUR	EUR	Long/Sh ort	TR	Europe+ US	0%	100%	7%	BNPILST R	Solactive	GLSTMA TR
GURU L/S volcap 7 ER EUR	EUR	Long/sh ort	ER	Europe+ US	0%	100%	7%	BNPILSE R	Solactive	GLSEMA ER
GURU L/S volcap7 ER USD	USD	Long/sh ort	ER	Europe+ US	0%	100%	7%	BNPI50E U	BNP Paribas	GLSEUM AER
GURU L/S volcap7 TR USD	USD	Long/Sh ort	TR	Europe+ US	0%	100%	7%	BNPI50T U	BNP Paribas	GUGLST TR
GURU L/S volcap 7 ER HUF ER	HUF	Long/Sh ort	ER	Europe+ US	0%	100%	7%	BNPILSE H	BNP Paribas	GULSEH ER
BNPP GURU Europe isovol 15 ER Net	EUR	Long	ER	Europe	0%	150%	15%	BNPIGE1 5	BNP Paribas	GE15MA RKITER
BNPP GURU Europe isovol 10 ER Net	EUR	Long	ER	Europe	0%	150%	10%	BNPIGE1 0	BNP Paribas	GE10MA RKITER
BNPP GURU US isovol 15 ER Net	EUR	Long	ER	US	0%	150%	15%	BNPIGU1 5	BNP Paribas	GU15ER
BNPP GURU US isovol 15 ER Net (RUB)	RUB	Long	ER	US	0%	150%	15%	BNPIGR1 5	BNP Paribas	GR15ER
Guru Asia x Japan x India Naked Net USD TR	USD	Long	TR	Asia	0%	100%	15%	BNPIGA XI	Solactive	GAXITR
GURU Global Emerging 6% Volatility target	USD	Long	ER	Emerging Markets	0%	100%	6%	BNPIGE M6	Solactive	GEM61E R
Guru All Country Total	USD	Long	TR	Worldwid e	0%	100%	10%	BNPIGW AN	Solactive	GWANTR

Index Name	Currency	Long or Long /Short	Cash Kind	Universe	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Calculation Agent	Cinergy Code
Return USD Net TR										
Guru World Developed Naked Net TR	USD	Long	TR	World Developed	0%	100%	10%	BNPIGWDN	Solactive	GWDNTR
Guru Asia x Japan Naked Gross TR Index	USD	Long	TR	Asia	0%	100%	32%	BNPGALGT	Solactive	GALGTR
Guru Asia x Japan x India Naked Gross TR Index	USD	Long	TR	Asia	0%	100%	NA	BNPIGAXG	Solactive	GAXGTR
Guru Global Emerging Gross TR Index	USD	Long	TR	Emerging Markets	0%	100%	NA	BNPIGEMG	Solactive	GEMGTR
Guru Europe short naked TR Index	EUR	Long	TR	Europe	0%	100%	NA	BNPGESTR	Solactive	GESTR
Guru US long naked TR Index	USD	Long	TR	US	0%	100%	NA	BNPGULNT	Solactive	GULNTTR
Guru US short naked TR Index	USD	Long	TR	US	0%	100%	NA	BNPGUSTR	Solactive	GUSTR
Guru All Country Total Return USD Gross TR	USD	Long	TR	Worldwide	0%	100%	NA	BNPIGWAG	Solactive	GWAGTR
Guru Global Developed Naked Gross TR	USD	Long	TR	World Developed	0%	100%	NA	BNPIGWDG	Solactive	GWGDTR
BNP Paribas High Dividend Yield Europe TR EUR index	EUR	Long	TR	Europe	0%	100%	NA	BNPIHDEN	Solactive	HDENTR
Guru All Country Islamic Vol Cap 10 USD ER	USD	Long	ER	Worldwide	0%	100%	10%	BNPIGII0	BNP Paribas	GI10ER
Guru All Country Islamic Total Return USD Gross	USD	Long	TR	Worldwide	100%	100%	NA	BNPIGWI G	Solactive	GWIGTR
BNP Paribas Low Volatility Risk Premium Long Factor Europe TR Index	EUR	Long	TR	Europe	100%	100%	NA	BNPILVLF	BNP Paribas	LVLFR
BNP Paribas Low Volatility Risk Premium Europe ER Index	EUR	Long	ER	Europe	100%	100%	NA	BNPILVRP	BNP Paribas	LVRPER
Markit Guru Long Europe Naked TR	EUR	Long	TR	Europe	100%	100%	NA	BNPGELNT	Solactive	GELNMT R
BNP Paribas Guru Global Emerging Net Index	USD	Long	TR	Emerging Markets	100%	100%	NA	BNPIGEMN	Solactive	GEMN
BNP Paribas High Dividend Yield US TR USD index	USD	Long	TR	US	100%	100%	NA	BNPIHDUN	Solactive	HDUNTR
BNP Paribas GURU L/S	EUR	Long/Short	ER	Europe + US	0%	100%	0.07	BNPILSNE	BNP Paribas	LSNEER

Index Name	Currency	Long or Long /Short	Cash Kind	Universe	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Calculation Agent	Cinergy Code
Market Neutral volcap 7 ER Index										

2. Thematic Mutual Fund Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide a long only exposure to the performance of a portfolio of "Fund Shares" Index Component Types that are exposed to a given investment strategy ("Thematic").
2	Description of the process of selecting components weighting factors	Indices are generally equally weighted with components respecting performance and AUM constraints
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Fixed basket
7	Type of index	All Indices listed in the table below are part of the Thematic Mutual Fund Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
BNP Paribas Starfonds EUR ER Index ER	EUR	ER	Star managers	0%	150%	5.00%	BNPISFEU	SFEUER
BNP Paribas Income Star Fund Index EUR ER	EUR	ER	Star managers	0%	150%	4.50%	BNPIICST	ICSTER
BNP Paribas Russia Funds Index USD ER	USD	ER	Russia	0%	150%	18.00%	BNPIRUUE	RUUEER
BNP Paribas Fond Europe ER	EUR	ER	International Stocks	0%	150%	15.00%	BNPIFEEE	FEEER
BNP Paribas Flexible Fund Stars ER	EUR	ER	Flexible Star Managers	0%	150%	5.00%	BNPIFLST	FLSTER
BNP Paribas Star Absolute	EUR	ER	Absolute Return	0%	150%	6.00%	BNPICNSL	CNSLER

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
Return Funds CNSL Index ER								
BNP Paribas LATAM Equity Funds ER USD Index ER	USD	ER	LATAM	0%	150%	18.00%	BNPILAU E	LAUER
BNP Paribas EM Square Index ER	EUR	ER	Emerging Markets	0%	150%	10.00%	BNPIEME2	EME2ER
BNP Paribas Flexible Star Managers (PLN Hedged) Index ER	PLN	ER	Flexible Star Managers	0%	150%	15.00%	BNPIFLSM	FLSMER
BNP Paribas Flexible Fund Stars Index (GBP) ER	GBP	ER	Flexible Star Managers	0%	150%	15.00%	BNPIFLSG	FLSGER
BNP Paribas SLI Enhanced Absolute Return Index EUR TR	EUR	TR	Absolute Return	0%	150%	15.00%	BNPIGAR E	GARPR
BNP Paribas Emerging Markets Debt & Equity Funds Index USD ER	USD	ER	Emerging Markets	0%	150%	10.00%	BNPIEMU E	EMUEER
BNP Paribas Emerging Markets Debt & Equity Funds EUR Hedged ER	EUR	ER	Emerging Markets	0%	150%	10.00%	BNPIEME E	EMEEER
BNP Paribas Russia Funds Index EUR Hedged ER	EUR	ER	Russia	0%	150%	18.00%	BNPIRUEE	RUEEER
BNP Paribas Africa Funds Index EUR ER	EUR	ER	Africa	0%	150%	15.00%	BNPIAFEE	AFEEER
BNP Paribas Africa Funds Square Index ER	EUR	ER	Africa	0%	150%	15.00%	BNPIAFE2	AFE2ER
BNP Paribas High Yielding Bond Fund EUR ER Index ER	EUR	ER	High Yield	0%	150%	5.00%	BNPIHYB F	HYBFER
BNP Paribas High Yield and Emerging Bond Funds TR	EUR	TR	High Yield	0%	150%	3.00%	BNPIHYE T	HYETR
BNP Paribas High Yield and Emerging Bond Funds ER	EUR	ER	High Yield	0%	150%	3.00%	BNPIHYE E	HYEER
BNP Paribas Global High Yield and Investment Grade Bond Funds USD Index ER	USD	ER	High Yield	0%	150%	3.00%	BNPIHIUE	HIUEER
BNP Paribas Global High Yield and Investment Grade Bond Funds EUR Index ER	EUR	ER	High Yield	0%	150%	3.00%	BNPIHIEE	HIEEER

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
BNP Paribas CHINDIA Equity Funds EUR ER Index ER	EUR	ER	CHINDIA	0%	150%	18.00%	BNPICIEE	CIEER
BNP Paribas LATAM Equity Funds ER EUR Hedged Index ER	EUR	ER	LATAM	0%	150%	5.00%	BNPILAE	LAEER
BNP Paribas CHINDIA Equity Funds USD Hedged ER Index ER	USD	ER	CHINDIA	0%	150%	18.00%	BNPICIU	CIUER
BNP Paribas Real Estate Funds USD Hedged Index ER	USD	ER	Real Estate	0%	150%	5.00%	BNPIREU	REUEER
BNP Paribas Real Estate Funds (HUF Hedged) Excess Return Index ER	HUF	ER	Real Estate	0%	150%	10.00%	BNPIREH	REHER
BNP Paribas Gold & Precious Metals Funds EUR ER Index ER	EUR	ER	Commodities	0%	150%	15.00%	BNPIGPE	GPEER
BNP Paribas Africa Funds Index USD ER	USD	ER	Africa	0%	150%	15.00%	BNPIAFU	AFUEER
Emergents & Investissement Index ER	EUR	ER	Emerging Markets	0%	150%	15.00%	BNPIEMIN	EMINER
BNP Paribas Europe America and Emergent ER	EUR	ER	Europe+US+ Emerging Markets	0%	150%	15.00%	BNPIEAE M	EAEMER
BNP Paribas Strategic Convictions Index ER	EUR	ER	Convictions	0%	150%	10.00%	BNPISCEE	SCEER
Dobrynianikitchen Mutual Fund Isovol ER	RUB	ER	Mutual Fund	0%	NA	25.00%	BNPIDNRE	DNRER
BNP Paribas Gold & Precious Metals Funds USD Hedged ER Index ER	USD	ER	Commodity	0%	150%	15.00%	BNPIGPUE	GPUER
Dobrynian Index USD ER	USD	ER	Dobrynian funds	0%	NA	25.00%	BNPIDNUR	DNUER
GOVERNMENT BOND FUND INDEX ER	EUR	ER	Government Bond	100%	100%	NA	BNPIGBTE	GBER
BNP Paribas Emerging Market Corporates Debt EUR ER Index ER	EUR	ER	Emerging Markets	0%	150%	4.00%	BNPIECE	ECEER
Indeks Funduszy Rynkow Wschodzacych ER	PLN	ER	Rynkow Wschodzacych funds	0%	150%	8.00%	ENHAEMPL	ENHAEMPLER

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
Cadiz SA tracker Risk Controlled 15% Index ER	ZAR	ER	South Africa	0%	100%	15.00%	BNPICSAE	CSAEER
Flexible Fund Stars Index (SEK)	SEK	ER	Flexible Star Managers	0%	150%	5.00%	ENHAFLST	ENHAFLSTER
KRW FX-Hedge on BNPIAFE2	KRW	ER	Africa	0%	150%	15.00%	ENHASHAF	ENHASHAFER
ABN AMRO Top Fixed Income Funds EUR Index	EUR	ER	Global Bonds	0%	150%	4.00%	ENHAATFE	ENHAATFEER
ABN AMRO Top Fixed Income Funds USD Index	USD	ER	Global Bonds	0%	150%	4.00%	ENHAATFU	ENHAATFUER
ABN AMRO Top Fixed Income Funds AED Index	AED	ER	Global Bonds	0%	150%	4.00%	ENHAATFA	ENHAATFAER
BNP Paribas Emerging Markets Local Debt Funds USD Index	USD	ER	Emerging Markets	0%	150%	5.50%	BNPIEMLU	EMLUER
FWR Emerging markets growth opportunities	EUR	TR	Emerging Markets	0%	150%	10.00%	BNPIEMGO	EMGOTR
BNP Paribas Income Fund Stars Index (RUB)	RUB	ER	Star managers	0%	150%	4.50%	BNPIICSR	ICSRER
BNP Paribas Flexible Fund Stars Index (USD)	USD	ER	Flexible Star Managers	0%	150%	5.00%	BNPIFLSU	FLSUER
Flexible Fund Stars Index (GBP)	GBP	ER	Mutual Fund	0%	150%	5.00%	ENHASTAR	ENHASTAR3ER
African Exposure Fund Index	SEK	ER	Africa	0%	150%	15.00%	ENHAAFSE	ENHAAFSEER
BNP Paribas Newcits Fund Stars Index	EUR	ER	Mutual Fund	0%	150%	3.00%	BNPINUST	NUST1ER
Open High Yield	EUR	ER	Mutual Fund	0%	150%	4.50%	ENHAOHY	ENHAOHY1ER
Global Diversified Funds Index	PLN	ER	Mutual Fund	0%	100%	10.00%	ENHAGDFI	GDFIER
Diversified Selected Funds ER Index	HUF	ER	Mutual Fund	0%	100%	10.00%	ENHADSF E	DSFEER
Alfa Capital Balanced Funds VC Strategy	EUR	TR	Mutual Fund	0%	150%	7.00%	ENHAACBF	ENHAACBFTR
Globalny Portfel Modelowy ER	PLN	ER	Mutual Fund	0%	150%	6.00%	ENHAPORT	ENHAPORTER
Hungarian Selected Funds ER Index	HUF	ER	Mutual Fund	0%	100%	10.00%	ENHASUQU	ENHASUQU2ER
Wealth Options BNPP Global Star Performers Index	EUR	TR	Mutual Fund	0%	100%	NA	BNPIGSPI	IGSPITR
Stabilna Strategia	PLN	TR	Mutual Fund	0%	100%	8.00%	BNPIPZUF	PZUFER

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
Alternative Funds Index (SEK)	SEK	ER	Mutual Fund	0%	150%	4.00%	ENHAALFI	ALFIER
BNP Paribas Real Estate (EUR) ER Index	EUR	ER	Real Estate	0%	150%	10.00%	BNPIREER	REERER
BNP Paribas Real Estate Funds RUB Index	RUB	ER	Real Estate	0%	150%	10.00%	BNPIRERE	REREER
BNP Paribas Newcits Fund Stars Series 2 Index	EUR	ER	Mutual Fund	0%	150%	4.00%	BNPIN2ST	N2STER
BNP Paribas Income Fund Stars Index (USD)	USD	ER	Star managers	0%	150%	4.50%	BNPIICSU	ICSUER
Bond Funds Target Vol Index	RUB	ER	Bond Mutual Funds	0%	150%	4.50%	ENHAPFTV	ENHAPFTVER
BNP Paribas Fd - Income Fund Stars Index (EUR)	EUR	ER	Star managers	0%	150%	4.50%	BNPIICFT	ICFTER
BNP Paribas Fd - Income Fund Stars Index (RUB)	RUB	ER	Star managers	0%	150%	4.50%	BNPIICFR	ICFR
BNP Paribas Fd - Income Fund Stars Index (USD)	USD	ER	Star managers	0%	150%	450.00%	BNPIICFU	ICFUER
BNP Paribas Fd - Flexible Fund Stars Index (EUR)	EUR	ER	Star managers	0%	150%	5.00%	BNPIFLFT	FLFTER
BNP Paribas Fd - Flexible Fund Stars Index (USD)	USD	ER	Star managers	0%	150%	5.00%	BNPIFLFU	FLFUER
BNP Paribas Fd - Newcits- Fund Stars Series 2 Index (EUR)	EUR	ER	Star managers	0%	150%	4.00%	BNPIN2FT	N2FTER
BNP Paribas Fd - Newcits Fund Stars Series 2 Index (USD)	USD	ER	Star managers	0%	150%	4.00%	BNPIN2FU	N2FUER
BNP Paribas Fd - Emerging Market Debt & Equity Funds Index (RUB)	RUB	ER	Emerging Markets Corporate Debt	0%	150%	10.00%	BNPIEMFR	EMFRER
BNP Paribas Fd - Flexible Fund Stars Index (GBP)	GBP	ER	Mutual Fund	0%	150%	5.00%	BNPIFLFG	FLFGER
Global Fixed Income Funds Index	USD	ER	Fixed Income	0%	150%	3.50%	ENHAGFI	GFIFER
BNPP Global Dividend Funds Index	EUR	ER	Dividends	0%	150%	4.00%	BNPIGDFI	BNPIGDFIER
BNP Paribas Newcits Fund Stars Series 2 Index (USD)	USD	ER	Flexible Star Managers	0%	150%	4.00%	BNPIN2SU	N2SUER
BNP New Technology	USD	ER	New Technology	0%	150%	10.00%	BNPINTER	BNPINTER

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
USD ER Index								
BNP PBS Multi Asset	EUR	ER	Multi ASSET	0%	150%	9.00%	BNPIPBSM	BNPIPBSMER
Stabilna Strategia Plus	PLN	ER	Strategy	0%	100%	9.00%	BNPIPZU2	PZU2ER
Alternative Star Funds Index	PLN	ER	Flexible Star Managers	0%	150%	4.00%	ENHAASF1	ASFIER
Diversified Selected Funds II ER	HUF	ER	Diiversified	0%	100%	10.00%	ENHADSF2	DSF2ER
Globalna Strategia	PLN	ER	Strategy	0%	100%	9.00%	ENHAGLST	ENHAGLSTER
Advanced Fund Index	EUR	ER	Advanced	0%	100%	NA	ENHAMANF	ENHAMANFER
Newcits Selection Index	EUR	ER	Flexible Star Managers	0%	150%	3.00%	ENHANEWC	ENHANEWCER
BNP Paribas Fd - Emerging Markets Debt & Equity Funds Index (EUR)	EUR	ER	Emerging Market	0%	150%	10.00%	BNPIEMFT	EMFTER
BNP Paribas Fd - Global High Yield and Investment Grade Bond Funds Index (EUR)	EUR	ER	High Yield	0%	150%	3.00%	BNPIHIFT	HIFTER
BNP Paribas Fd – Strategic Bond Fund Stars Index (EUR)	EUR	ER	High Yield	0%	150%	2.50%	BNPISBFT	SBFTER
BNP Paribas Fd – Emerging Markets Corporate Debt Funds Index (EUR)	EUR	ER	Emerging Market	0%	150%	4.00%	BNPIECFT	ECFTER
Alternative Funds Index (EUR)	EUR	ER	Mutual Fund	0%	150%	4.00%	ENHAALFE	ALFEER
BNP Paribas Fd –Africa Equities Funds Index (EUR)	EUR	ER	Africa	0%	150%	15.00%	BNPIAEFT	AEFT
BNP Paribas Fd –Africa Equities Funds Index (SEK)	SEK	ER	Africa	0%	150%	15.00%	BNPIAEFS	AEFS
BNP Paribas Fd - Real Estate Funds Index (EUR)	EUR	ER	Real Estate	0%	150%	10.00%	BNPIREFT	BNPIREFT
BNP Paribas Fd - Real Estate Funds Index (USD)	USD	ER	Real Estate	0%	150%	10.00%	BNPIREFU	BNPIREFU
Newcits II Fund Index (SEK)	SEK	ER	Mutual Fund	0%	150%	4.00%	ENHAALF2	ALF2ER
BNP Paribas MS - Income Fund Stars Series 2 Index (EUR)	EUR	ER	Income Funds	0%	150%	5.00%	BNPI2CMT	2CMTER
BNP Paribas MS- Income Fund Star Series 2 Index (USD)	USD	ER	Income Funds	0%	150%	5.00%	BNPI2CMU	2CMUER
BNP Paribas	EUR	ER	Mutual Fund	0%	150%	4.00%	BNPIMSFT	MSFT

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
Ms – MultiStrat Fund Stars Index (EUR)								
Newcits Absolute Return Fund Index	SEK	ER	Mutual Funds	0%	150%	4.00%	ENHAALFAR	ALFARER
BNP Paribas MS – Newcits Fund Stars 3 Index (EUR)	EUR	ER	Newcits Funds	0%	150%	3.50%	BNPIN3FT	N3FTER
BNP Paribas MS – Newcits Fund Stars 3 Index (USD)	USD	ER	Newcits Funds	0%	150%	3.50%	BNPIN3FU	N3FUER
Stars Select Fund Index (EUR)	EUR	ER	Newcits Funds	0%	150%	3.50%	ENHA2SFE	ENHA2SFE
Stars Select Fund Index (SEK)	SEK	ER	Newcits Funds	0%	150%	3.50%	ENHA2SFS	ENHA2SFS
ISCS Top Stocks Fund – Risk Controlled Index	CZK	TR	Mutual Fund	0%	125%	15.00%	BNPISCST	SCST
BNP Paribas Ms – MultiStrat Fund Stars Index (USD)	USD	ER	Mutual Fund	0%	150%	4.00%	BNPIMSFU	MSFU
Income Fund Champions Index	EUR	ER	Income	0%	150%	5.00%	ENHAINCH	INCHER
BNP Paribas MS - Newcits Fund Stars 3 Index (DKK)	DKK	ER	Absolute return	0%	150%	3.50%	BNPIN3FD	N3FD
BNP Paribas MS - Newcits Fund Stars 3 Index (SEK)	SEK	ER	Absolute return	0%	150%	3.50%	BNPIN3FS	N3FS
Fund Volatility Target Strategy KRW Index	KRW	ER	Fixed Income	0%	100%	4.00%	ENHAFVK	ENHAFVK
BNP Paribas WM ELITE 1 USD	USD	ER	Mixed	0%	150%	3.50%	BNPWME L1	WMEL1
BNP Paribas MS - Allocation Fund Stars Index (USD)	USD	ER	Star managers	0%	150%	5.00%	BNPIAFSU	AFSU
BNP Paribas MS - Allocation Fund Stars Index (EUR)	EUR	ER	Star managers	0%	150%	5.00%	BNPIAFST	AFST
BNP Paribas MS - Allocation Fund Stars Index (DKK)	DKK	ER	Star managers	0%	150%	5.00%	BNPIAFSD	AFSD
BNP Paribas MS - Allocation Fund Stars Index (SEK)	SEK	ER	Star managers	0%	150%	5.00%	BNPIAFSE	AFSE
BNP Paribas Fd - High yield and emerging bond funds Index (EUR)	EUR	ER	Mutual Fund	0%	150%	3.00%	BNPIHEFT	HEFTER
BNP Paribas Fd - High yield and emerging bond funds Index (USD)	USD	ER	Mutual Fund	0%	150%	3.00%	BNPIHEFU	HEFU

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
BNP Paribas Fd – Emerging Markets Corporate Debt Funds Index (USD)	USD	ER	Emerging Market	0%	150%	4.00%	BNPIECFU	ECFU
BNP Paribas Fd - Global High Yield and Investment Grade Bond Funds Index (USD)	USD	ER	High Yield	0%	150%	3.00%	BNPIHIFU	HIFU
BNP Paribas MS – Diversified Fund Star Index (EUR)	EUR	ER	Mutual Fund	0%	150%	4.50%	BNPIDFST	DFST
BNP Paribas MS – Diversified Fund Star Index (USD)	USD	ER	Mutual Fund	0%	150%	4.50%	BNPIDFSU	DFSU
BNP Paribas Fd - Real Estate Europe Funds Index (EUR)	EUR	ER	Real Estate	0%	150%	10.00%	BNPIRE2E	RE2E
BNP Paribas Fd - Real Estate Europe Funds Index (USD)	USD	ER	Real Estate	0%	150%	10.00%	BNPIRE2U	RE2U
BNP Paribas Ms – Sustainable Fund Stars Index (EUR)	EUR	ER	Mutual Fund	0%	150%	7.00%	BNPISFFT	SFFT
BNP Paribas Ms – Sustainable Fund Stars Index (USD-Hedged version)	USD	ER	Mutual Fund	0%	150%	7.00%	BNPISFFU	SFFU
BNP Paribas Ms – Equity L/S Fund Stars Index (EUR)	EUR	ER	Mutual Fund	0%	150%	7.00%	BNPIELFT	ELFT
BNP Paribas Ms – Equity L/S Fund Stars Index (USD-Hedged version)	USD	ER	Mutual Fund	0%	150%	7.00%	BNPIELFU	ELFU
BNP Paribas MSB - Income Fund Star Series 2 Index (EUR)	EUR	TR	Income Funds	0%	100%	5.00%	BNPI2CMB	2CMB
BNP Paribas MSB – MultiStrat Fund Stars Index (EUR)	EUR	TR	Mutual Fund	0%	100%	4.00%	BNPIMSF B	MSFB
BNP Paribas MSB - Allocation Fund Stars Index (EUR)	EUR	TR	Star managers	0%	100%	5.00%	BNPIASFB	ASFB
BNP Paribas MSB – Newcits Fund Stars 3 Index (EUR)	EUR	TR	Newcits Funds	0%	100%	3.50%	BNPIN3FB	N3FB

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
Swedish Mixed Allocation Funds Index (SEK)	SEK	ER	Mutual Fund	0%	150%	12.00%	BNPIASWE	ASWE
BNP Paribas MS - Income Fund Star Series 3 Index (EUR)	EUR	ER	Income Funds	0%	150%	4.00%	BNPII3MT	I3MT
BNP Paribas MS - Income Fund Star Series 4 Index (EUR)	EUR	ER	Income Funds	0%	150%	4.00%	BNPII4MT	I4MT
BNP Paribas MS - Income Fund Star Series 3 Index (USD-Hedged)	USD	ER	Income Funds	0%	150%	4.00%	BNPII3MU	I3MU
BNP Paribas MS - Income Fund Star Series 4 Index (USD-Hedged)	USD	ER	Income Funds	0%	150%	4.00%	BNPII4MU	I4MU
BNP Paribas MSB - Income Fund Star Series 3 Index (EUR)	EUR	TR	Income Funds	0%	100%	4.00%	BNPII3MB	I3MB
BNP Paribas MSB - Income Fund Star Series 4 Index (EUR)	EUR	TR	Income Funds	0%	100%	4.00%	BNPII4MB	I4MB
BNP Paribas MS - Allocation Fund Stars Series 3 Index (EUR)	EUR	ER	Star managers	0%	150%	5.00%	BNPIA3MT	A3MT
BNP Paribas MS - Allocation Fund Stars Series 4 Index (EUR)	EUR	ER	Star managers	0%	150%	5.00%	BNPIA4MT	A4MT
BNP Paribas MS - Allocation Fund Stars Series 3 Index (USD Hedged)	USD	ER	Star managers	0%	150%	5.00%	BNPIA3MU	A3MU
BNP Paribas MS - Allocation Fund Stars Series 4 Index (USD Hedged)	USD	ER	Star managers	0%	150%	5.00%	BNPIA4MU	A4MU
BNP Paribas MSB - Allocation Fund Stars Series 3 Index (EUR)	EUR	TR	Star managers	0%	100%	5.00%	BNPIA3MB	A3MB
BNP Paribas MSB - Allocation Fund Stars Series 4 Index (EUR)	EUR	TR	Star managers	0%	100%	5.00%	BNPIA4MB	A4MB
BNP Paribas MS – MultiStrat Fund Stars Series 2 Index (EUR)	EUR	ER	Star managers	0%	150%	5.00%	BNPIM2MT	M2MT
BNP Paribas MS – MultiStrat Fund Stars Series 3 Index (EUR)	EUR	ER	Star managers	0%	150%	5.00%	BNPIM3MT	M3MT
BNP Paribas	USD	ER	Star managers	0%	150%	5.00%	BNPIM2MU	M2MU

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
MS – MultiStrat Fund Stars Series 2 Index (USD Hedged)							U	
BNP Paribas MS – MultiStrat Fund Stars Series 3 Index (USD Hedged)	USD	ER	Star managers	0%	150%	5.00%	BNPIM3M U	M3MU
BNP Paribas MSB – MultiStrat Fund Stars Series 2 Index (EUR)	EUR	TR	Star managers	0%	100%	5.00%	BNPIM2M B	M2MB
BNP Paribas MSB – MultiStrat Fund Stars Series 3 Index (EUR)	EUR	TR	Star managers	0%	100%	5.00%	BNPIM3M B	M3MB
BNP Paribas MS – Newcits Fund Stars Series 4 Index (EUR)	EUR	ER	Newcits Funds	0%	150%	4.00%	BNPIN4MT	N4MT
BNP Paribas MS – Newcits Fund Stars Series 5 Index (EUR)	EUR	ER	Newcits Funds	0%	150%	4.00%	BNPIN5MT	N5MT
BNP Paribas MS – Newcits Fund Stars Series 4 Index (USD Hedged)	USD	ER	Newcits Funds	0%	150%	4.00%	BNPIN4M U	N4MU
BNP Paribas MS – Newcits Fund Stars Series 5 Index (USD Hedged)	USD	ER	Newcits Funds	0%	150%	4.00%	BNPIN5M U	N5MU
BNP Paribas MS – Newcits Fund Stars Series 4 Index (EUR)	EUR	TR	Newcits Funds	0%	100%	4.00%	BNPIN4M B	N4MB
BNP Paribas MS – Newcits Fund Stars Series 5 Index (EUR)	EUR	TR	Newcits Funds	0%	100%	4.00%	BNPIN5M B	N5MB
BNP Paribas Fd - Global Inflation Funds Index (EUR)	EUR	ER	Inflation bond	0%	150%	4.00%	BNPIGIFT	GIFT
BNP Paribas Fd - Global Inflation Funds Index (USD-Hedged version)	USD	ER	Inflation bond	0%	150%	4.00%	BNPIGIFU	GIFU
Indeks Polskich Funduszy Dłużnych	PLN	TR	Polish Bond Funds	0%	100%	2.50%	ENHADLU Z	DLUZ
BNP Paribas MS - Global High Yield and Investment Grade Bond Funds Index (EUR)	EUR	ER	High Yield / IG	0%	150%	3.00%	BNPIHIMT	HIMT
BNP Paribas MS - Global High Yield and	EUR	ER	High Yield / IG	0%	150%	3.00%	BNPIHIMN	HIMN

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
Investment Grade Bond Funds Net ER Index (EUR)								
BNP Paribas MS - Global Inflation Funds Index (EUR)	EUR	ER	Inflation bond	0%	150%	4.00%	BNPIGIMT	GIMT
BNP Paribas MS - Global Inflation Funds Net ER Index (EUR)	EUR	ER	Inflation bond	0%	150%	4.00%	BNPIGIMN	GIMN
BNP Paribas Fd – Strategic Bond Fund Stars Net ER Index (EUR)	EUR	ER	Bond Funds	0%	150%	2.50%	BNPISBFN	SBFN
BNP Paribas Fd – Financial Bonds Funds Index (EUR)	EUR	ER	Financial Bonds	0%	150%	4.00%	BNPIFBFT	FBFT
BNP Paribas Fd – Financial Bonds Funds Index (USD-hedged)	USD	ER	Financial Bonds	0%	150%	4.00%	BNPIFBFU	FBFU
BNP Paribas FdB – Financial Bonds Funds Index (EUR)	EUR	TR	Financial Bonds	100%	100%	4.00%	BNPIFBFB	FBFB
BNP Paribas Fd – Financial Bonds Funds Net ER Index (EUR)	EUR	ER	Financial Bonds	0%	150%	4.00%	BNPIBFBN	FBFN
BNP Paribas Fd – Financial Bonds Funds TR Index (EUR)	EUR	TR	Financial Bonds	0%	150%	4.00%	BNPIBFBR	FBFR
BNP Paribas Fd – Short Duration High Yield Debt Funds Index (EUR)	EUR	ER	Short Duration High Yield Debt	0%	150%	4.00%	BNPISHFT	SHFT
BNP Paribas Fd – Short Duration High Yield Debt Funds Index (USD-hedged)	USD	ER	Short Duration High Yield Debt	0%	150%	4.00%	BNPISHFU	SHFU
BNP Paribas FdB – Short Duration High Yield Debt Funds Index (EUR)	EUR	TR	Short Duration High Yield Debt	100%	100%	4.00%	BNPISHFB	SHFB
BNP Paribas Fd – Short Duration High Yield Debt Funds Net ER Index (EUR)	EUR	ER	Short Duration High Yield Debt	0%	150%	4.00%	BNPISHFN	SHFN
BNP Paribas Fd – Short Duration High Yield Debt Funds TR Index (EUR)	EUR	TR	Short Duration High Yield Debt	0%	150%	4.00%	BNPISHFR	SHFR

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
BNP Paribas Fd – Bank Loans Funds Index (EUR)	EUR	ER	Bank Loans Funds	0%	150%	4.00%	BNPIBLFT	BLFT
BNP Paribas Fd – Bank Loans Funds Index (USD-hedged)	EUR	ER	Bank Loans Funds	0%	150%	4.00%	BNPIBLFU	BLFU
BNP Paribas FdB – Bank Loans Funds Index (EUR)	EUR	TR	Bank Loans Funds	100%	100%	4.00%	BNPIBLFB	BLFB
BNP Paribas Fd – Bank Loans Funds Net ER Index (EUR)	EUR	ER	Bank Loans Funds	0%	150%	4.00%	BNPIBLFN	BLFN
BNP Paribas Fd – Bank Loans Funds TR Index (EUR)	EUR	TR	Bank Loans Funds	0%	150%	4.00%	BNPIBLFR	BLFR
Swedish Mixed Allocation Adjusted Funds Index (SEK)	SEK	AR	Mutual Fund	0%	100%	11.00%	BNPIASWP	ASWPR
BNP Paribas MS - Allocation Fund Stars Series 2 Index (EUR)	EUR	ER	Star managers	0%	150%	5.00%	BNPIA2MT	A2MTER
BNP Paribas Fd - Global Inflation Funds Index (EUR)	EUR	TR	Inflation bond	0%	150%	4.00%	BNPIGIFB	GIFBTR
BNP Paribas Fd - Global Inflation Funds Index (EUR)	EUR	ER	Inflation bond	0%	150%	4.00%	BNPIGIFN	GIFNER
BNP Paribas Fd - Global Inflation Funds TR Index (EUR)	EUR	TR	Inflation bond	0%	150%	4.00%	BNPIGIFR	GIFRTR
BNP Paribas Fd - Multi Asset SRI Funds Index VC 4 ER (EUR)	EUR	ER	SRI	0%	150%	4.00%	BNPIMIFN	MIFNER
BNP Paribas Fd - Multi Asset SRI Funds Index VC 4 TR (EUR)	EUR	TR	SRI	0%	150%	4.00%	BNPIMIFR	MIFRTR
BNP Paribas Fd - Multi Asset SRI Funds Index (EUR)	EUR	TR	SRI	100%	100%	4.00%	BNPIMIFB	MIFB
BNP Paribas Fd - Multi Asset SRI Funds AR Index (EUR)	EUR	TR	SRI	100%	100%	4.00%	BNPIMIEB	MIEB
BNP Paribas Fd - Multi Asset SRI Funds AR Index (USD)	USD	TR	SRI	100%	100%	4.00%	BNPIMIUB	MIUB
BNP Paribas Fd - Multi Asset SRI Funds Index VC 4 ER (EUR)	EUR	ER	SRI	0%	150%	4.00%	BNPIMIFE	MIFE
BNP Paribas Fd - Multi Asset	USD	ER	SRI	0%	150%	4.00%	BNPIMIFU	MIFU

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
SRI Funds Index VC 4 ER (USD-hedged)								
BNP Paribas Fd - Multi Asset SRI Funds Index VC 4 ER (SEK-hedged)	SEK	ER	SRI	0%	150%	4.00%	BNPIMIFS	MIFS

3. Thematic Equity Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide exposure to the performance of a notional basket of "Equity" Index Components. The Index comprises a basket of a minimum of 5 and a maximum of 50 "Equity" Index Components whose revenues are predominantly linked to a specific thematic
2	Description of the process of selecting components weighting factors	The objective of each Index is to provide exposure to the performance of a notional basket of "Equity" Index Components. The Index comprises a basket of a minimum of 5 and a maximum of 50 "Equity" Index Components whose revenues are predominantly linked to a specific thematic.
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Generally twice a year
7	Type of index	All Indices listed in the table below are part of the Thematic Equity Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
BNP Emerging Consumer ER	EUR	ER	Consumer	0%	200%	15%	BNPIECER	ECER
Ethibel ER	EUR	ER	Ethibel	0%	200%	15%	BNPIETER	ETER
Energy Efficiency ER	EUR	ER	Energy Efficiency	0%	200%	15%	BNPIEEER	EEER
Emerging Infrastructure ER	EUR	ER	Infrastructure	0%	100%	18%	BNPIEIER	EIER

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
Agribusiness ER	EUR	ER	Agribusiness	0%	200%	15%	BNPIGAER	GAER
Agribusiness USD TR	USD	TR	Agribusiness	0%	200%	15%	BNPIGAUI	GAUTR
Grey Gold ER	EUR	ER	Grey Gold	0%	200%	15%	BNPIGGER	GGER
Global Infrastructure ER	EUR	ER	Infrastructure	0%	200%	15%	BNPIGIER	GIER
Global Waste Management ER	EUR	ER	Waste Management	0%	200%	15%	BNPIGWER	GWER
M&A ER	EUR	ER	M&A	0%	200%	SX5E	BNPIMAE R	MAER
M&A TR	EUR	ER	M&A	100%	100%	NA	BNPIMAT R	MATR
Renewable Energy ER	EUR	ER	Renewable Energy	0%	200%	15%	BNPIREER	REER
Global Water ER	EUR	ER	Water	0%	200%	15%	BNPIWAE R	WAER
Next 11 Core 8 ER	EUR	ER	Emerging Markets	0%	100%	18%	BNPINEER	NEER
Renewable Energy USD TR	USD	TR	Renewable Energy	0%	200%	15%	BNPIREUI	REUTR
BNP Paribas High Div 15 TR Index	EUR	TR	High Dividend	0%	100%	15%	BNPIHDT R	HD15TR
BNPP Global Green Excess Return Index volcap 12% ER	EUR	ER	Green	0%	100%	12%	BNPIGRER	GEER
Key Idea ER	EUR	ER	Key Idea	0%	200%	SX5E	BNPIKIER	KIER
BNP Paribas High Div 15 ER Index	EUR	ER	High Dividend	0%	100%	15%	BNPIHDE R	HD15EER
BNP Paribas Inflation Equity USD TR	USD	TR	Inflation	100%	100%	NA	BNPIEUT	IEUTR
BNP Paribas High Div Naked TR Index	EUR	TR	High Dividend	100%	100%	NA	BNPIHDN T	HDNTR
BNP Paribas High Dividend Yield Japan Equity Long TR	JPY	TR	High Dividend	100%	100%	NA	BNPIHDJT	HDJTTR
BNP Paribas African Consumer EUR TR	EUR	TR	Consumer	100%	100%	NA	BNPIACTR	ACTR
BNP Paribas African Consumer Isovol 15 EUR ER	EUR	ER	Consumer	0%	150%	15%	BNPIACER	ACERER
AXA Singapore Equity Select Index	SGD	PR	Singapore	0%	100%	11%	ENHAALSG	ENHAALSGPR
BNP Paribas World ex Japan Large Cap Tracker Index TR	USD	TR	World ex Japan	0%	200%	NA	BNPIWLC T	WLC TTR
Next 11 Core 8 SBox PR	EUR	PR	Next 11	0%	100%	NA	BNPINEPR	BNPINEPR
BNP Paribas Technology 15 RUB Index	RUB	ER	Techno	0%	150%	15%	BNPINTRE	NTRER
BNP Paribas Global	USD	TR	Agribusiness	0%	200%	15%	BNPIGAT R	BNPIGAT R

Index Name	Currency	Cash Kind	Thematic	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
Agribusiness Total Return Index (USD)								
BNP Paribas Global Waste Management Total Return Index (USD)	USD	TR	Waste Management	100%	100%	NA	BNPIGWTR	BNPIGWTR
BNP Paribas Next 11 Core 8 Total Return Index (USD)	USD	TR	Emerging Markets	100%	100%	NA	BNPINETR	BNPINETR
BNP Paribas Global Renewable Energies Total Return Index (USD)	USD	TR	Renewable Energies	100%	100%	NA	BNPIRETR	BNPIRETR
BNP Paribas Global Water Total Return Index (USD)	USD	TR	Water	100%	100%	NA	BNPIWATR	BNPIWATR
BNP Paribas World Renewable Energy Total Return Index (EUR)	EUR	TR	Renewable Energies	100%	100%	NA	BNPIRETE	BNPRETE
Next dividend Low Risk Europe	EUR	PR	Efficient Europe	100%	100%	NA	BNPINXD V	NXDVPR
Next Dividend High Beta Europe	EUR	PR	Efficient Europe	100%	100%	NA	BNPINXH B	BNPINXH BPR
Dynamic deep Value Equity Europe Index	EUR	PR	Efficient Europe	100%	100%	NA	ENHADEEP	DEEPPR
Deep Value Europe Select 50 PR Index	EUR	PR	Efficient Europe	100%	100%	NA	ENHADVE S	DVE5ER
Global Grey Gold Select 30 USD	USD	PR	Ageing Population	100%	100%	NA	BNPIGGGP	GGGP
Sélection de Valeurs Kepler Chevreux TR	EUR	NA	Recherche Equities	100%	100%	NA	ENHAKSP R	KSPR
Sélection de Valeurs Kepler Chevreux PR	EUR	NA	Recherche Equities	100%	100%	NA	ENHAKST R	KSTR

4. Fixed Exposure Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide a positive exposure ("Long") or negative exposure ("Short") to the performance of instruments of different kinds ("Instrument Kind") that can be a Future Contract ("Future") or a Forward ("Forward") or an Index ("Index") that are linked to a given reference instrument ("Reference Instrument").
2	Description of the process of selecting components weighting factors	Components and weights are fixed
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as

		such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCIenergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Fixed Exposure Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Long / Short	Cash Kind	Instrument Kind	Reference Instrument	Exposure	Bloomberg Code	Calculation Agent	Cinergy Code
BNP Paribas USD 10Y Futures Index ER	USD	Long	ER	Future	10-Year US Treasury Note	100%	BNPIFU10	BNP Paribas Arbitrage SNC	FU10ER
BNP Paribas USD EUR Forward Index ER	USD	Long	ER	Forward	USD-EUR Exchange Rate	100%	BNPIUSEU	BNP Paribas Arbitrage SNC	USEUER
BNP Paribas Eurozone Equity Futures Index ER	EUR	Long	ER	Future	DJ Euro Stoxx 50 Index	100%	BNPIFEU	BNP Paribas Arbitrage SNC	FEUER
BNP Paribas Australia Equity Futures Index ER	AUD	Long	ER	Future	S&P/ASX 200 INDEX	100%	BNPIFAU	BNP Paribas Arbitrage SNC	FAUER
BNP Paribas EUR 5Y Futures Index ER	EUR	Long	ER	Future	Euro-Bobl 5yr 6%	100%	BNPIFEU5	BNP Paribas Arbitrage SNC	FEU5ER
BNP Paribas EUR 10Y Futures Index ER	EUR	Long	ER	Future	Euro-Bund 10yr 6%	100%	BNPIFE10	BNP Paribas Arbitrage SNC	FE10ER
BNP Paribas Hong Kong Equity Futures Index ER	HKD	Long	ER	Future	HANG SENG INDEX	100%	BNPIFHK	BNP Paribas Arbitrage SNC	FHKER
BNP Paribas Singapore Equity Futures Index ER	SGD	Long	ER	Future	MSCI SINGAPORE FREE	100%	BNPIFSG	BNP Paribas Arbitrage SNC	FSGER
BNP Paribas Japan Equity Futures Index ER	JPY	Long	ER	Future	NIKKEI 225	100%	BNPIFJP	BNP Paribas Arbitrage SNC	FJPER
BNP Paribas US Equity Futures Index ER	USD	Long	ER	Future	S&P 500 INDEX	100%	BNPIFUS	BNP Paribas Arbitrage SNC	FUSER
BNP Paribas UK Equity Futures Index ER	GBP	Long	ER	Future	FTSE 100 INDEX	100%	BNPIFGB	BNP Paribas Arbitrage SNC	FGBER
BNP Paribas US Equity 5Y Futures Index ER	USD	Long	ER	Future	S&P 500 INDEX	100%	BNPIFUS5	BNP Paribas Arbitrage SNC	FUS5ER
BNP Paribas Taiwan Equity Futures Index ER	USD	Long	ER	Future	MSCI TAIWAN	100%	BNPIFTW	BNP Paribas Arbitrage SNC	FTWER
BNP Paribas China Equity Futures Index ER	HKD	Long	ER	Future	HANG SENG CHINA ENT INDX	100%	BNPIFCN	BNP Paribas Arbitrage SNC	FCNER
BNP Paribas Korea Equity Futures Index ER	KRW	Long	ER	Future	KOSPI 200 INDEX	100%	BNPIFKR	BNP Paribas Arbitrage SNC	FKRER
BNP Paribas GBP 10Y Futures Index ER	GBP	Long	ER	Future	UK 10yr 4.0 %	100%	BNPIFG10	BNP Paribas Arbitrage SNC	FG10ER
BNP Paribas Emergents Futures Index ER	USD	Long	ER	Future	MSCI EM	100%	BNPIFEM	BNP Paribas Arbitrage SNC	FEMER
BNP Paribas	EUR	Long	ER	Future	CBOE SPX	100%	BNPIVX	BNP	VX5EER

Volatility Front 5 days Futures Index ER					VOLATILITY INDX		5E	Paribas Arbitrage SNC	
BNP Paribas JPY 10Y Futures Index ER	JPY	Long	ER	Future	Jpn 10yr 6%	100%	BNPIFJ10	BNP Paribas Arbitrage SNC	FJ10ER
BNP Paribas Sweden Futures Index ER	SEK	Long	ER	Future	OMX STOCKHOLM 30 INDEX	100%	BNPIFSW	BNP Paribas Arbitrage SNC	FSWER
BNP Paribas Russia Futures Index ER	USD	Long	ER	Future	RUSSIAN RTS INDEX \$	100%	BNPIFRU	BNP Paribas Arbitrage SNC	FRUER
BNP Paribas Italy Futures Index ER	EUR	Long	ER	Future	FTSE MIB INDEX	100%	BNPIFIT	BNP Paribas Arbitrage SNC	FITER
BNP Paribas Spain Futures Index ER	EUR	Long	ER	Future	IBEX 35 INDEX	100%	BNPIFSP	BNP Paribas Arbitrage SNC	FSPER
BNP Paribas Netherlands Futures Index ER	EUR	Long	ER	Future	AEX-Index	100%	BNPIFNE	BNP Paribas Arbitrage SNC	FNEER
BNP Paribas EUR USD Forward Index ER	USD	Long	ER	Forward	EUR USD Exchange Rate	100%	BNPIEUUS	BNP Paribas Arbitrage SNC	EUUSER
BNP Paribas HKD USD Forward Index ER	USD	Long	ER	Forward	HKD USD Exchange Rate	100%	BNPIHKUS	BNP Paribas Arbitrage SNC	HKUSER
BNP Paribas South Africa Equity Futures Index ER	ZAR	Long	ER	Future	FTSE/JSE AFRICA TOP40 IX	100%	BNPIFSA	BNP Paribas Arbitrage SNC	FSAER
BNP Paribas Norway Futures Index ER	NOK	Long	ER	Future	OBX STOCK INDEX	100%	BNPIFNO	BNP Paribas Arbitrage SNC	FNOER
BNP Paribas CAD 10Y Futures Index ER	CAD	Long	ER	Future	Can 10yr 6%	100%	BNPIFC10	BNP Paribas Arbitrage SNC	FC10ER
BNP Paribas Turkey Equity Futures Index ER	TRY	Long	ER	Future	ISE NATIONAL 30	100%	BNPIFTU	BNP Paribas Arbitrage SNC	FTUER
BNP Paribas EUR 2Y Futures Index ER	EUR	Long	ER	Future	Euro-Schatz 2yr 6%	100%	BNPIFEU2	BNP Paribas Arbitrage SNC	FEU2ER
BNP Paribas Brazil Equity Futures Index ER	BRL	Long	ER	Future	BRAZIL BOVESPA INDEX	100%	BNPIFBR	BNP Paribas Arbitrage SNC	FBRER
BNP Paribas USD 30Y Futures Index ER	USD	Long	ER	Future	US 20yr 6%	100%	BNPIFU30	BNP Paribas Arbitrage SNC	FU30ER
BNP Paribas Poland Equity Futures Index ER	PLN	Long	ER	Future	WSE WIG 20 INDEX	100%	BNPIFPL	BNP Paribas Arbitrage SNC	FPLER
BNP Paribas Switzerland Equity Futures Index ER	CHF	Long	ER	Future	SWISS MARKET INDEX	100%	BNPIFCH	BNP Paribas Arbitrage SNC	FCHER
BNP Paribas France Equity Futures Index ER	EUR	Long	ER	Future	CAC 40 INDEX	100%	BNPIFFR	BNP Paribas Arbitrage	FFRER

								SNC	
BNP Paribas Germany Equity Futures Index ER ER	EUR	Long	ER	Future	DAX INDEX	100%	BNPIFGE	BNP Paribas Arbitrage SNC	FGEER
BNP Paribas Canada Equity Futures Index ER	CAD	Long	ER	Future	S&P/TSX 60 INDEX	100%	BNPIFCA	BNP Paribas Arbitrage SNC	FCAER
BNP Paribas US Small Caps Equity Futures Index ER	USD	Long	ER	Future	RUSSELL 2000 INDEX	100%	BNPIFUSC	BNP Paribas Arbitrage SNC	FUSCER
BNP Paribas EUR 5Y Index TR TR	EUR	Long	TR	Future	Euro-Bobl 5yr 6%	100%	BNPIFE5T	BNP Paribas Arbitrage SNC	FE5TR
BNP Paribas Equity Spread Euro STOXX50 Index Future vs CME S&P500 Index Future FX Hedged EUR Index TR TR	EUR	Long /Short	TR	Future	Euro Stoxx 50 Pr	100%	BNPISEUE	BNP Paribas Arbitrage SNC	SEUETR
BNP Paribas Equity Spread US vs Eurozone Future FX Hedged EUR Index TR	EUR	Long /Short	TR	Future	Euro Stoxx 50 Pr	-100%	BNPISUEE	BNP Paribas Arbitrage SNC	SUEETR
Inav on BNP Paribas Short European Volatility Index EUR TR ER	EUR	Long	ETN	Index	BNP Paribas Short European Volatility Index EUR TR	100%	BNPISVXI	BNP Paribas Arbitrage SNC	SVXIER
BNP Paribas US Equity X4 Daily Leverage Index TR	USD	Long	TR	Index	BNP Paribas US Equity Futures Index	400%	BNPI4LUT	BNP Paribas Arbitrage SNC	LUTTR
BNP Paribas US Equity X4 Daily Leverage Index INAV	USD	Long	TR	Index	BNP Paribas US Equity X4 Daily Leverage Index TR	400%	BNPI4LUI	BNP Paribas Arbitrage SNC	LUITR
BNP Paribas US Equity X-4 Daily Leverage Index TR	USD	Long	TR	Index	BNP Paribas US Equity Futures Index	400%	BNPI4SUT	BNP Paribas Arbitrage SNC	SUTTR
BNP Paribas US Equity X-4 Daily Leverage Index INAV	USD	Long	TR	Index	BNP Paribas US Equity X-4 Daily Leverage Index TR	400%	BNPI4SUI	BNP Paribas Arbitrage SNC	SUITR
BNP Paribas France 10Y Index ER	EUR	Long	ER	Future	Euro-OAT 10yr 6%	100%	BNPIFF10	BNP Paribas Arbitrage SNC	FF10ER
BNP Paribas Europe 30Y Index ER	EUR	Long	ER	Future	Euro 30yr 4%	100%	BNPIFE30	BNP Paribas Arbitrage SNC	FE30ER
BNP Paribas US 2Y Index ER	USD	Long	ER	Future	US 2yr 6%	100%	BNPIFUS2	BNP Paribas Arbitrage SNC	FUS2ER
BNP Paribas Italy 10Y Index ER	EUR	Long	ER	Future	BTP 10yr 6%	100%	BNPIFI10	BNP Paribas Arbitrage SNC	FI10ER
BNP Paribas China Onshore Futures Index	USD	Long	ER	Future	FTSE China	100%	BNPIFCNO	BNP Paribas Arbitrage SNC	FCNO2ER
BNP Paribas Japan Tokyo Futures Index	JPY	Long	ER	Future	Topix Index	100%	BNPIFJT	BNP Paribas	FJTER

ER								Arbitrage SNC	
BNP Paribas Emerging Currency Basket JPY ER Index	JPY	Long	ER	Index	BNP Paribas Emerging Currency Basket JPY ER Index	100%	BNPIEC JE	BNP Paribas Arbitrage SNC	ECJEER
BNP Paribas Switzerland 10Y Future Index	CHF	Long	ER	Future	SWISS MARKET INDEX	100%	BNPIFS 10	BNP Paribas Arbitrage SNC	FS10ER
India Equity Select Index	INR	Long	TR	Index	NSE CNX NIFTY INDEX	100%	ENHAI NUT	BNP Paribas Arbitrage SNC	INUTTR
BNP Paribas Europe Small Caps Equity Futures Index	EUR	Long	ER	Futures	Stoxx Europe Small 200 Index Future	100%	BNPIFE US	BNP Paribas Arbitrage SNC	BNPIFEU S
China Equities Rolling Futures Index	HKD	Long	ER	Futures	H-shares Index Future	100%	BNSXF CHI	Solactive	BNSXFC HI
Emerging Equities Rolling Futures Index	USD	Long	ER	Futures	mini MSCI Emerging Markets Index Future	100%	BNSXF EME	Solactive	FEME

5. Risk Control Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide a synthetic exposure to the performance of a "Reference Index". The exposure to the underlying is dynamically adjusted in order to control the risks associated with the Index, with a volatility control mechanism
2	Description of the process of selecting components weighting factors	Based on the volatility of components
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Risk Control Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Index	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
Poland RC 20 PLN Hedged ER	PLN	ER	BNP Paribas Poland Equity Futures Index	0%	150%	20%	ENHAFPLP	FPLPER
BNP Paribas Risk-Controlled 10 US Equity Index ER	USD	ER	BNPP Paribas US Equity Futures Index	0%	NA	10%	BNPI10UE	RC10USEER
BNP Paribas Risk-Controlled 15 US Equity Index ER	USD	ER	BNPP Paribas US Equity Futures Index	0%	NA	15%	BNPI15UE	RC15USEER
BNP Paribas Risk-Controlled 20 US Equity Index ER	USD	ER	BNPP Paribas US Equity Futures Index	0%	NA	20%	BNPI20UE	RC20USEER
BNP Paribas Risk-Controlled 25 US Equity Index ER	USD	ER	BNPP Paribas US Equity Futures Index	0%	NA	25%	BNPI25UE	RC25USEER
BNP Paribas Risk-Controlled 30 US Equity Index ER	USD	ER	BNPP Paribas US Equity Futures Index	0%	NA	30%	BNPI30UE	RC30USEER
BNP Paribas Risk-Controlled 15 Eurozone Equity Index TR	EUR	TR	BNPP Paribas Eurozone Equity Futures Index	0%	NA	15%	BNPI15ET	SXE15TR
BNP Paribas Risk-Controlled 15 Eurozone Equity Index ER	EUR	ER	BNPP Paribas Eurozone Equity Futures Index	0%	NA	15%	BNPI15EE	SXE15ER
BRIC RC 10 PLN Hedged ER	PLN	ER	Dow Jones BRIC 50 All DR Volatility Risk Control Index	0%	150%	10%	ENHABRCP	BRCPER
Africa RC 10 PLN Hedged ER	PLN	ER	S&P Access Africa Daily Risk Control 10% Excess Return	0%	150%	10%	ENHAAFRP	AFRPER
BNP Paribas Volcap10 on 10Y American Bonds USD ER	USD	ER	Paribas USD 10Y Futures Index	0%	100%	10%	BNPI10U1	FU10_ISO VOL10ER
BNP Paribas Japanese Equity Dynamic Risk Control Index ER	JPY	ER	BNP Paribas Japan Tokyo Futures Index	0%	100%	10%	BNPIDJTE	DJTEER
BNP Paribas Japanese Equity Dynamic Risk Control Index TR	JPY	TR	BNP Paribas Japan Tokyo Futures Index	0%	100%	10%	BNPIDJTT	DJTT1TR
High Dividend RC 10 PLN Hedged ER Index	PLN	ER	Stoxx Global Dividend 100 Net Return Index	0%	100%	10%	ENHADVD P	ENHADVD PER
HIGH YIELD RC 10 PLN HEDGED ER Index	PLN	ER	BNP Paribas Poland Equity Futures Index	0%	100%	10%	ENHAYIL D	ENHAYIL DER
Russian Values Index	RUB	ER	BNPIFRU (Russia Futures Index) and SPGSGCP (GSCI Gold ER)	0%	150%	20%	ENHARVG I	ENHARVG IER
BNP Paribas World ex-Japan Equity Dynamic Risk Control Index TR	USD	TR	NIKKEI 225	0%	150%	20%	BNPIDWE T	BNPIDWE TTR
BNP Paribas High Dividend Europe TR EUR	EUR	TR	SX5E Index	0%	100%	8%	BNPIHDE8	HDE8TR
BNP Paribas Maximum Income Equity Europe KRW 10 Index	KRW	ER	SX5E Index	0%	100%	10%	BNPIMIK1	MIK1ER
Insular Philippine Equity PHP Index	PHP	ER	Phillipines Stock Exchange	0%	100%	10%	ENHA21IL	ENHA21IL ER

Index Name	Currency	Cash Kind	Reference Index	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
Asia Tiger Risk Control 10 Excess Return	RUB	ER	MSCI EM	0%	150%	10%	ENHAAT10E	AT10ER
BPI-Philam Asia Growth 3 Index	PHP	ER	Phillipines Stock Exchange	0%	100%	10%	ENHABAG3	ENHABAG3ER
Insular Philippine Equity PHP Index 2	PHP	ER	Phillipines Stock Exchange	0%	100%	10%	ENHAT2IL	T2ILER

6. Millenium Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide synthetic exposure to the performance of a notional long/short basket of (i) BNP Paribas custom indices based on future contracts for equity indices, bond indices and FX forward indices; and (ii) third party commodity indices, third party equity indices on real estate, and ETIs referencing emerging markets, bonds, and gold miner equities
2	Description of the process of selecting components weighting factors	Proprietary allocation algorithm aimed at maximizing return for a predetermined level of risk. The weights of the Index Components that comprise this basket are calculated taking into account their trends, volatility and/or correlation with the market and the other Components
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the " Index Calculation Agent ") and sponsored by BNP Paribas (the " Index Sponsor ").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Millenium Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
Cadiz Dynamic New World Index TR	EUR	TR	0%	100%	12%	BNPICNWT	CNWTR
Millenium New World ER	EUR	ER	0%	100%	12%	BNPIMNWE	MNWER
Cadiz Dynamic New World Index ER	EUR	ER	0%	100%	12%	BNPICNWE	CNWER

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
Millenium US Centric ER	USD	ER	0%	100%	8%	BNPIMUER	MUER
CIMB Evergreen II Index ER	EUR	ER	-100%	100%	10%	CIMGEVG2	MMSEER
Millenium Japan 10 JPY TR	JPY	TR	0%	100%	10%	BNPIMJYT	MJYTR
Millenium 10 EUR Serie 3 TR	EUR	TR	0%	100%	10%	BNPIMV3T & BNPICGOT	MI3TR
Millenium Evergreen Master Series ER	EUR	ER	-100%	100%	10%	CIMGEVGR	CIMGEV2ER
BNP Paribas Millenium 10 Europe Series 3 (HUF Hedged) ER	HUF	ER	0%	100%	10%	BNPIMH3E	M10HS3ER
BNP Paribas NF8 Europe (PLN Hedged) ER	PLN	ER	0%	100%	8%	BNPINFPE	NF8PER
BNP Paribas Millenium Master Series Japan Vol 10 Index ER	JPY	ER	0%	100%	10%	BNPIMJ10	MJ10ER
BNP Paribas Millenium Master Series 11 Fx hedged EUR Index TR	EUR	TR	0%	100%	11%	BNPIMMFT	MMFTTR
BNP Paribas Longitude Fx hedged EUR TR Index TR	EUR	TR	0%	100%	10%	BNPILGFT	GFTTR
Millenium Master Series Futures EUR ER	EUR	ER	0%	100%	10%	BNPIMMSF	MMSFER
Millenium Federal Finance Master Series EUR ER	EUR	ER	0%	100%	10%	BNPIMFFE	MFFER
Millenium Master Series 8 EUR ER	EUR	ER	0%	100%	8%	BNPIM8EE	M8EEER
BNP Paribas Longitude EUR Index ER	EUR	ER	0%	100%	10%	BNPILGEE	GLEER
BNP Paribas Multi-Asset Inflation Strategy Vol 5 ER	EUR	ER	0%	100%	10%	BNPIMIE5	MIE5ER
BNP Paribas millenium master series (HUF Hedged) ER	HUF	ER	0%	100%	10%	BNPIMMSH	MMSHER
Millenium Master Sparkasse Bremen Vermoens strategie Index EUR ER	EUR	ER	0%	100%	10%	BNPISBME	MMSBER
Millenium Master Series 8 PLN ER	PLN	ER	0%	100%	8%	BNPIM8PE	M8PEER
BNP Paribas Millenium Master Series USD Hedged Index ER	USD	ER	0%	100%	10%	BNPIMMUE	MMUEER
BNP Paribas Multi-Asset Aggressive (HUF Hedged) Index ER	HUF	ER	0%	100%	12%	BNPIM12H	M12HER
BNP Paribas Multi-Asset Conservative (HUF Hedged) Index ER	HUF	ER	0%	100%	6%	BNPIM6HE	M6HEER
BNP Paribas Multi-Asset	HUF	ER	0%	100%	8%	BNPIM8HE	M8HEER

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
Balanced (HUF Hedged) Index ER							
BNP Paribas Longitude HUF Hedged ER Index ER	HUF	ER	0%	100%	10%	BNPILGHE	GHEER
BNP Paribas Millenium Diversifie CRN Index ER	EUR	ER	0%	100%	8%	BNPIMCRN	MCRNER
BNP Paribas Master Series 10 PLN ER	PLN	ER	0%	100%	10%	BNPIMMPE	MMPEER
Millenium 10 Europe Series 3 (Sterling Hedged) TR	EUR	TR	0%	100%	10%	BNPIMS3T	MS3TR
BNP Paribas Multi-Asset Inflation Strategy Vol 10 ER	EUR	ER	0%	100%	10%	BNPIMIEE	MIEEER
Millenium New World TR	EUR	TR	0%	100%	12%	BNPIMNWT	MNWTR
Millenium US Centric TR	USD	TR	0%	100%	8%	BNPIMUTR	MUTR
Global Optimal Index ER	EUR	ER	-100%	100%	10%	ENHAGLOB	MMSE2ER
New Frontier 8 Europe TR	EUR	TR	0%	100%	8%	BNPINF8T	NF8TR
New Frontier 8 Europe ER	EUR	ER	0%	100%	8%	BNPINF8E	NF8ER
Millenium 10 EUR Serie 1 TR	EUR	TR	0%	100%	10%	BNPIMV1T	MITR
BNP Paribas Millenium Master Series 6 EUR ER	EUR	ER	0%	100%	10%	BNPIM6EE	M6EEER
BNP Paribas Millenium Master Series 12 EUR ER	EUR	ER	0%	100%	12%	BNPIM12E	M12EER
Millenium Finance ER	EUR	ER	0%	100%	10%	BNPIMFFT	MFER
BNP Paribas Millenium Diversified vol 4 EUR ER Index ER	EUR	ER	0%	150%	4%	BNPIMD4E	MD4EER
BNP Paribas Millenium Diversified EUR ER Index ER	EUR	ER	0%	300%	8%	BNPIMDEE	MDEEER
Zurich Multi Asset Inflation Strategy Index ER	CHF	ER	0%	100%	10%	BNPIZMI6	ZMI6ER
BNP Paribas Emerging Plus (HUF Hedged) ER index ER	HUF	ER	0%	100%	10%	BNPIEGHE	EGHEER
BNP Paribas Emerging Plus (PLN Hedged) ER Index ER	PLN	ER	0%	100%	10%	BNPIEPPE	EPPEER
BNP Paribas Enhanced Diversified (HUF Hedged) Index ER	HUF	ER	NA	NA	NA	BNPIDIHE	DIHEER
BNP Paribas Enhanced Diversified (HUF Hedged) Index	HUF	ER	0%	100%	10%	BNPIDIHE	DIHE
Millenium CIMB Master Series EUR ER	EUR	ER	0%	100%	10%	CIMMILER	CIMV2ER

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
Cadiz Dynamic Global Opportunities Excess Return Index	EUR	ER	0%	100%	10%	BNPICGOE	MV3EER
New Frontier 5 Social Europe TR	EUR	TR	0%	100%	10%	BNPIN5SE	NF5SEER
World of Wealth Index	RUB	ER	0%	300%	8%	ENHAWWIR	ENHAWWIRER
BNP Paribas Balanced Allocation Index	EUR	TR	0%	100%	7%	BNPIBAI	BNPIBAI
BNP Paribas Classic Allocation Index	EUR	TR	0%	100%	10%	BNPICAI	BNPICAI
BNP Paribas Dynamic Allocation Index	EUR	TR	0%	100%	18%	BNPIDAI	BNPIDAI
BNP Paribas Multi-Asset Diversified vol 10 ER	EUR	ER	33%	100%	10%	BNPIMD10	MD10ER
BNP Paribas Multi-Asset Diversified vol 4 USD Fx hedged Index	USD	ER	33%	100%	4%	BNPIMD4U	MD4U
BNP Paribas Multi-Asset Diversified USD Fx hedged Index	USD	ER	33%	100%	8%	BNPIMDUE	MDUE
BNP Paribas Multi-Asset Diversified vol 4 EUR Global Index	EUR	ER	0%	150%	4%	BNPIMD4A	BNPIMD4A
BNP Paribas Multi-Asset Diversified vol 8 EUR Global Index	EUR	ER	0%	300%	8%	BNPIMD8A	BNPIMD8A
BNP Paribas Multi-Asset Diversified vol 8 USD Fx Hedged Global Index	USD	ER	0%	300%	8%	BNPID8UA	BNPID8UA
BNP Paribas Multi-Asset Diversified vol 4 USD Fx Hedged Global Index	USD	ER	0%	150%	4%	BNPID4UA	BNPID4UA
BNP Paribas Millenium 10 EUR Serie 3 TR ex Agri	EUR	TR	0%	100%	10%	BNPIM3EA	MI3EA
BNP Paribas Multi-Asset Diversified EUR ex Agri	EUR	ER	0%	300%	8%	BNPIMD8X	BNPIMD8X
BNP Paribas Dynamic Opportunities EUR ER Index	EUR	ER	100%	100%	4%	BNPIDOEE	DOEE
BNP Paribas Dynamic Opportunities EUR TR Index	EUR	TR	100%	100%	4%	BNPIDOET	DOET
BNP Paribas MultiAsset D	EUR	TR	0%	100%	10%	BNPIMAD	MADTR
BNP Paribas MultiAsset A	EUR	ER	0%	100%	12%	BNPIMAA	MAATR
BNP Paribas MultiAsset M	EUR	ER	0%	100%	6%	BNPIMAM	MAMTR

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
Aurora Aggressive	EUR	TR	0%	100%	12%	BNPIAUAG	AUAGTR
Aurora Dynamic	EUR	TR	0%	100%	10%	BNPIAUDY	AUDYTR
Aurora Moderate	EUR	TR	0%	100%	6%	BNPIAUMO	AUMOTR
Multi-Asset Strategie	EUR	ER	0%	150%	5%	BNPIMAS	MASER
BNP Paribas Multi Asset Diversified 5 Index	USD	ER	0%	100%	5%	BNPIMAD5	BNPIMAD5
BNP Paribas Multi-Asset Diversified vol 8 EUR Future Index	EUR	ER	0%	300%	8%	BNPIMD8F	MD8FER
BNP Paribas Multi-Asset Diversified vol 4 EUR Future Index	EUR	ER	0%	150%	4%	BNPIMD4F	MD4F
BNP Paribas Multi-Asset Diversified vol 2 EUR Future Index	EUR	ER	0%	100%	2%	BNPIMD2F	MD2F
BNP Paribas Multi-Asset Diversified vol 8 USD Fx Hedged Future Index	USD	ER	0%	300%	8%	BNPID8UF	D8UF
BNP Paribas Multi-Asset Diversified vol 4 USD Fx Hedged Future Index	USD	ER	0%	150%	4%	BNPID4UF	D4UF
BNP Paribas Multi-Asset Diversified vol 2 USD Fx Hedged Future Index	USD	ER	0%	100%	2%	BNPID2UF	D2UF
BNP Paribas Multi-Asset Diversified vol 10 EUR Future Index	EUR	ER	0%	300%	10%	BNPID10F	D10F
BNP Paribas MS - Multi Asset Dynamic Fund Index EUR TR	EUR	TR	100%	100%	4%	BNPIMDFT	MDFT
BNP Paribas MS - Multi Asset Dynamic Fund Index EUR ER	EUR	ER	100%	100%	4%	BNPIMDFE	MDFE
BNP Paribas Multi-Asset Diversified vol 10 ER ex Agri	EUR	ER	0%	300%	10%	BNPIMDEA	MD10EAER
BNP Paribas Cross Asset Income Maximizer Vol 8 Index USD TR	USD	TR	0%	100%	8%	BNPIIM8U	M8U
BNP Paribas Cross Asset Income Maximizer Vol 8 Index EUR TR	EUR	TR	0%	100%	8%	BNPIIM8E	IM8E
BNP Paribas Multi Asset Global Income Index	EUR	ER	0%	200%	5%	BNPIMAGI	MAGI
BNP Paribas Multi-Asset Diversified Defensive EUR Index	EUR	ER	0%	200%	5%	BNPIMDDE	MDDEER
BNP Paribas Multi Asset Income	EUR	TR	100%	100%	4%	BNPIIM4E	IM4E

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
Maximizer Vol 4 Index EUR AR							
BNP Paribas MultiAsset Income Maximizer Vol 5 Index EUR AR	EUR	TR	100%	100%	5%	BNPIIM5E	IM5E
BNP Paribas Multi Asset Income Maximizer Vol 4 Index EUR ER	EUR	ER	100%	100%	4%	BNPIIME4	IME4
BNP Paribas Multi Asset Income Maximizer Vol 5 Index EUR ER	EUR	ER	100%	100%	5%	BNPIIME5	IME5
BNP Paribas Multi Asset Income Maximizer Vol 4 Index (USD-hedged)	USD	TR	100%	100%	4%	BNPIIM4U	IM4U
BNP Paribas Multi Asset Income Maximizer Vol 5 Index (USD-hedged)	USD	TR	100%	100%	5%	BNPIIM5U	IM5U
BNP Paribas Multi-Asset Diversified vol 16 EUR Future Index	EUR	ER	0%	600%	16%	BNPIMD16	MD16ER
BNP Paribas Multi-Asset Diversified vol 16 USD FX Hedged Future Index	USD	ER	0%	600%	16%	BNPID16U	D16UER
BNP Paribas Multi-Asset Diversified Protected EUR Index	EUR	ER	0%	400%	10%	BNPIMADP	MADP
BNP Paribas Multi-Asset Diversified Protected Vol 5 EUR Index	EUR	ER	0%	200%	5%	BNPIMDP5	MDP5
BNP Paribas Multi-Asset Diversified Protected USD Index	USD	ER	0%	400%	10%	BNPIMDPU	MDPU
BNP Paribas Multi-Asset Diversified Protected Vol 5 USD Index	USD	ER	0%	200%	5%	BNPIMP5U	MP5U
BNP Paribas Multi-Asset Diversified Defensive Global EUR Index	EUR	ER	0%	200%	5%	BNPIMDDG	MDDGER
BNP Paribas Smart Momentum Strategy EUR Index	EUR	ER	0%	200%	5%	BNPISMSE	SMSE
BNP Paribas Smart Momentum Strategy USD Index	USD	ER	0%	200%	5%	BNPISMSU	SMSU
BNP Paribas Smart Momentum Strategy Vol 4 EUR Index	EUR	ER	0%	200%	4%	BNPISM4E	SM4E
BNP Paribas Smart Momentum Strategy Vol 4 USD Index	USD	ER	0%	200%	4%	BNPISM4U	SM4U
BNP Paribas MS - Multi Style Fund	EUR	ER	0%	150%	4%	BNPIMSTF	MSTF

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
Index (EUR)							
BNP Paribas MS - Multi Style Fund Index (USD-Hedged)	USD	ER	0%	150%	4%	BNPIMSTU	MSTU
BNP Paribas MSB - Multi Style Fund Index (EUR)	EUR	TR	100%	100%	4%	BNPIMSTB	MSTB
Dynamic Allocation Fund Stars Index VC 4 ER (EUR)	EUR	ER	0%	150%	4%	ENHADFSF	DFSE
Dynamic Allocation Fund Stars Index VC 4 ER (USD-hedged)	USD	ER	0%	150%	4%	ENHADFSU	DFSU
Dynamic Allocation Fund Stars Index	PLN	ER	0%	150%	4%	ENHADFSF	DFSP
K Multi Asset Risk Opportunities Index	EUR	ER	0%	200%	5%	ENHAMARK	MARK
K Multi Asset Risk Opportunity Index TR	EUR	TR	0%	200%	5%	ENHAMART	MART
Dynamic Allocation Fund Stars Index TR (EUR)	EUR	TR	100%	100%	4%	ENHADFSB	DFSE
Dynamic Allocation Fund Stars Index VC 4 Net ER (EUR)	EUR	ER	0%	150%	4%	ENHADFSN	DFSN
Dynamic Allocation Fund Stars Index VC 4 AR (EUR)	EUR	TR	0%	150%	4%	ENHADFSR	DFSR
BNP Paribas Fd - Multi Asset SRI Funds Index VC 3 ER (EUR)	EUR	ER	0%	150%	3%	BNPIM3FE	M3FE
BNP Paribas Fd - Multi Asset SRI Funds Index VC 3 Net ER Index (EUR)	EUR	ER	0%	150%	3%	BNPIM3FN	M3FN

7. Platinum Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide synthetic exposure to the performance of a notional basket of Index Components which are a diversified portfolio of BNP Paribas proprietary indices. Each Index Component implements an absolute return strategy, which is diversified and uncorrelated to the strategies implemented by other Index Components and each Index Component is chosen to represent a different asset class (Commodities, Volatility, Foreign Exchange and Equities, respectively).
2	Description of the process of selecting components weighting factors	The Index Methodology is comprised of an equally weighted basket of the Index Components
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of

		the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Platinum Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
BNP Paribas Platinum Asia Index USD ER	USD	ER	0%	150%	3%	BNPIPAUE	PAUEER
Platinum EUR ER	EUR	ER	0%	200%	3%	BNPITEER	TEER
Platinum 2 EUR ER	EUR	ER	0%	150%	3%	BNPIZEER	TE2ER
Platinum USD ER	USD	ER	0%	200%	3%	BNPITUER	TUER
Platinum 2 FX hedge PLN ER	PLN	ER	0%	150%	3%	BNPIZPER	TP2ER
Platinum 2 FX hedge CZK ER	CZK	ER	0%	150%	3%	BNPIZCER	TC2ER
BNP Paribas Maars Index EUR ER	EUR	ER	0%	100%	5%	BNPIMAEER	MAEER
BNP Paribas Maars Fx hedged USD ER Index ER	USD	ER	0%	100%	5%	BNPIMAFU	MAFUER
BNP Paribas Maars 2 EUR ER Index ER	EUR	ER	0%	100%	5%	BNPIMAE2	MAE2ER
Platinum HUF ER	HUF	ER	0%	200%	3%	BNPITHER	THER
Platinum 3 EUR ER	EUR	ER	0%	150%	3%	BNPIP3EE	TE3ER
BNP Paribas platinum 3 FX hedge USD ER	USD	ER	0%	150%	3%	BNPIP3UE	TU3ER
BNP Paribas platinum 3 HUF fx-hedged Index ER	HUF	ER	0%	150%	3%	BNPIP3HE	TH3ER
BNP Paribas Platinum Index Series 4 EUR ER	EUR	ER	0%	150%	3%	BNPIP4EE	P4EEER
BNP Paribas Platinum 3 Extended GBP Index ER	GBP	ER	0%	150%	3%	BNPIP3GX	P3GXER
BNP Paribas Platinum 3 Extended USD Index ER	USD	ER	0%	150%	3%	BNPIP3EX	P3EXER
BNP Paribas Platinum Index Series 4 ER USD Hedged ER	USD	ER	0%	150%	3%	BNPIP4UE	P4UER

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Target Volatility	Bloomberg Code	Cinergy Code
BNP Paribas Platinum Index Series 4 GBP Hedged ER	EUR	ER	0%	150%	3%	BNPIP4GE	P4GEER
BNP Paribas Quatrum PLN hedged ER Index	PLN	ER	0%	150%	3%	BNPIP3PE	TUPER
BNP Paribas Platinum 5 USD ER	USD	ER	0%	100%	4%	BNPIP5UE	P5UEER
BNP Paribas Platinum 5 ex-Agri USD ER	USD	ER	0%	100%	4%	BNPIP5UA	P5UAER

8. Harbour Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide synthetic exposure to the performance of a notional long only basket of (i) BNP Paribas custom indices based on future contracts for equity indices, bond indices and FX forward indices; and (ii) third party commodity indices, third party equity indices on real estate, and ETIs referencing emerging markets, bonds, and gold miner equities
2	Description of the process of selecting components weighting factors	Proprietary allocation algorithm aimed at maximizing return for a predetermined level of risk
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Harbour Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
BNP Paribas Harbor vol 4 EUR Index ER	EUR	ER	0%	150%	4%	BNPIH4EE	H4EEER
BNP Paribas Harbor EUR ER Index ER	EUR	ER	0%	300%	8%	BNPIHBEE	HBEER

Index Name	Currency	Cash Kind	Min Exposure	Max Exposure	Volatility Target	Bloomberg Code	Cinergy Code
BNP Paribas Harbourvol 4 USD Fx Hedged ER Index ER	EUR	ER	0%	150%	4%	BNPIH4UE	H4UER
BNP Paribas Harbour USD Fx Hedged ER Index ER	EUR	ER	0%	300%	8%	BNPIHBUE	HBUER
BNP Paribas Risk Off Futures Index	EUR	ER	0%	250%	8%	BNPIROFE	ROFE

9. Flexinvest Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide a synthetic exposure to the performance of a long only dynamic basket composed of a risky asset ("Risky Asset"), a deleverage asset ("Deleverage Asset") and money market assets
2	Description of the process of selecting components weighting factors	The respective weights of the component are determined by the Index Calculation Agent using the relative value of the Risky Asset to a set of its moving averages, and the volatility of the Risky Asset and/or Deleverage Asset.
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Flexinvest Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Risky Asset	Deleverage Asset	Bloomberg Code	Cinergy Code
Flex Invest Europe ER	EUR	ER	BNP Paribas Eurozone Equity Futures Index	BNP Paribas EUR 5Y Futures Index	BNPIFLEU	FLEUER
Smart Trend HSCEI Excess return Index ER	USD	ER	BNP Paribas China Equity Futures Index	BNP Paribas USD 5Y Futures Index	BNPISTHK	STHKER
Flex Invest US ER	USD	ER	BNP Paribas US Equity Futures Index	BNP Paribas USD 5Y Futures Index	BNPIFLUS	FLUSER
Flex Invest BRIC ER	USD	ER	S&P BRIC 40 NET TR	BNP Paribas USD 5Y Futures	BNPIFLBR	FLBRER

Index Name	Currency	Cash Kind	Risky Asset	Deleverage Asset	Bloomberg Code	Cinergy Code
				Index		
BNP Paribas Flex Invest BRIC (EUR hedged) ER	EUR	ER	S&P BRIC 40 NET TR	BNP Paribas USD 5Y Futures Index	BNPISHBR	SHBRER
Taunus FlexInvest Index ER	EUR	ER	BNP Paribas Eurozone Equity Futures Index	BNP Paribas USD 5Y Futures Index	BNPITSFE	TSFEER
PBS Flexinvest Asia Index ER	USD	ER	Basket of 7 Asian future indexes	BNP Paribas USD 5Y Futures Index	PBSDFLAS	PBSDFLER
BNP Paribas Libra Emerging Markets PLN Index ER	PLN	ER	iShares MSCI Emerging Markets Index	BNP Paribas USD 5Y Futures Index	BNPIFLEP	FLEPER
BNP Paribas Emerging Markets RAPID CZK ER Index ER	CZK	ER	iShares MSCI Emerging Markets Index	BNP Paribas USD 5Y Futures Index	BNPIFLEC	FLECER
BNP Paribas Emerging Markets EUR ER Index ER	EUR	ER	iShares MSCI Emerging Markets Index	BNP Paribas USD 5Y Futures Index	BNPIFLEE	FLEEER
BNP Paribas Flex Invest BRIC (PLN hedged) ER	PLN	ER	S&P BRIC 40 NET TR	BNP Paribas USD 5Y Futures Index	BNPIFLBP	FLBPER
BNP Paribas Flex Invest BRIC (HUF hedged) ER	HUF	ER	S&P BRIC 40 NET TR	BNP Paribas USD 5Y Futures Index	BNPIFLBH	FLBHER
BNP Paribas Smart Trend Gold Index ER	USD	ER	Gold	NA	BNPIFLGC	FLGCER

10. Volatility Indices

1	Index strategy, investment policy, objective of the Index	The objective of the Index is to provide a positive exposure ("Long") or positive and negative exposure ("Long /Short") or short exposure ("Short") to volatility through instruments of different kinds ("Instrument Kind") that can be Future Contract ("Future") or Option Contract ("Option") or Index ("Index").
2	Description of the process of selecting components weighting factors	Index dependant
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Volatility Indices

		family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Long or Long /Short or Short	Instrument Kind	Reference Instrument	Bloomberg Code	Cinergy Code
BNP Paribas Enhanced Volatility Strategy Index ER	USD	ER	Long	Future	CBOE SPX Volatility Index	BNPIVIX	VIXER
Classical Evolution Europe EUR ER	EUR	ER	Short	Index	Euro Stoxx 50 Volatility Index VStoxx	BNPICEEE	CEEER
BNP Paribas Evolution Variance Euro Index ER	EUR	ER	Short	Option	DJ Euro Stoxx 50 Index	BNPIEOEE	EOEER
SMARTVOL US Series TR	USD	TR	Long	Future	CBOE SPX Volatility Index	BNPISVUS	SVUTR
BNP Paribas Enhanced Long Short Volatility Index ER	USD	ER	Long/Short	Future	CBOE SPX Volatility Index	BNPIVXLS	VXLSEER
BNP Paribas Enhanced Volatility Long Short 50 Index ER	USD	ER	Long/Short	Future	CBOE SPX Volatility Index	BNPIVX50	VX50ER
BNP Paribas Volatility Arbitrage US ER Index	USD	ER	Long/Short	Future	CBOE SPX Volatility Index	BNPIVALS	VALSNER
BNP Paribas Enhanced Medium Term Vix Futures Index	USD	ER	Long/Short	Future	CBOE SPX Volatility Index	BNPIEMTV	EMTVER
BNP Paribas Enhanced Short Term VIX Futures Index	USD	ER	Long/Short	Future	CBOE SPX Volatility Index	BNPIESTV	ESTVER
Evolution Advanced TR	EUR	TR	Short	Option	DJ Euro Stoxx 50 Index	BNPIEVET	EVETNTR
BNP PARIBAS DYNAMIC ROLLING 1YATMF STRADDLE EURO ER Index ER	EUR	ER	Long/Short	Option	DJ Euro Stoxx 50 Index	BNPIDSYE	DSYER
BNP PARIBAS DYNAMIC ROLLING 1YATMF STRADDLE US ER Index ER	USD	ER	Long/Short	Option	S&P 500 INDEX	BNPIDSYU	DSYUER
BNP PARIBAS E-volution Variance Reppli US Excess Return Index ER	USD	ER	Short	Option	S&P 500 INDEX	BNPIEOUE	EOUER
BNP PARIBAS E-volution Variance Repli EU Excess Return Index ER	EUR	ER	Short	Option	DJ Euro Stoxx 50 Index	BNPIEORE	EORER
BNP Paribas Rolling Put Europe 3M 95 TR	EUR	TR	Long	Option	DJ Euro Stoxx 50 Index	BNPIRPE4	RPE4TR
BNP Paribas Rolling Put Europe 3M 100 TR	EUR	TR	Long	Option	DJ Euro Stoxx 50 Index	BNPIRPE3	RPE3TR
BBNP Paribas	EUR	TR	Long	Option	DJ Euro Stoxx 50	BNPIRPE2	RPE2TR

Index Name	Currency	Cash Kind	Long or Long /Short or Short	Instrument Kind	Reference Instrument	Bloomberg Code	Cinergy Code
Rolling Put Europe 1Y 90 TR					Index		
BNP Paribas Rolling Put Europe 1Y 100 TR	EUR	TR	Long	Option	DJ Euro Stoxx 50 Index	BNPIRPE1	RPE1TR
BNP Paribas US Variance Replication Jun 12 USD TR	USD	TR	Long	Option	S&P 500 INDEX	BNPIURM2	URM2TR
BNP Paribas Europe 1Y Volatility TR	EUR	TR	Long	Option	DJ Euro Stoxx 50 Index	BNPIV1EU	V1EUTR
Evolution Advanced ER	EUR	ER	Short	Option	DJ Euro Stoxx 50 Index	BNPIEVEE	EVAER
BNP Paribas Enhanced Volatility FX Hedged EUR Index TR	EUR	TR	Long	Future	CBOE SPX Volatility Index	BNPIVXET	VXETTR
BNP Paribas Inverse US Volatility Balanced Hedged in EUR TR TR	USD	TR	Short	Future	CBOE SPX Volatility Index	BNPIVXVI	VXVITR
BNP PARIBAS Rolling 1Y ATMF Straddle Euro Total Return Ask Index TR	EUR	TR	Long	Option	DJ Euro Stoxx 50 Index	BNPISYEA	YEATR
BNP PARIBAS Rolling 1Y ATMF Straddle Euro Total Return Bid Index TR	EUR	TR	Long	Option	DJ Euro Stoxx 50 Index	BNPISYEB	YEBTR
BNP PARIBAS Rolling 1Y ATMF Straddle US Total Return Ask Index TR	USD	TR	Long	Option	S&P 500 INDEX	BNPISYUA	YUATR
BNP PARIBAS Rolling 1Y ATMF Straddle US Total Return Bid Index TR	USD	TR	Long	Option	S&P 500 INDEX	BNPISYUB	YUBTR
BNP PARIBAS E- volution Variance Repli EU Total Return Index TR	EUR	TR	Short	Option	DJ Euro Stoxx 50 Index	BNPIEORT	EORTTR
BNP PARIBAS E- volution Variance Repli US Total Return Index TR	USD	TR	Short	Option	S&P 500 INDEX	BNPIEOUT	EOUTTR
BNP Paribas Vol Edge Term Structure Strategy index ER	EUR	ER	Long/Short	Option + Future	DJ Euro Stoxx 50 Index	BNPIVETS	VOLEER
BNP Paribas Europe 1Y Volatility for Short TR	EUR	TR	Short	Option	DJ Euro Stoxx 50 Index	BNPIV1ES	V1ESTR
BNP Paribas US 1Y Volatility TR	USD	TR	Short	Option	S&P 500 INDEX	BNPIV1UA	V1UATR
BNP Paribas US 1Y Volatility for Short TR	US	TR	Short	Option	S&P 500 INDEX	BNPIV1UB	V1UBTR
BNP Paribas Short European Volatility Index EUR ER ER	EUR	ER	Short	Future	VSTOXX Index	BNPISVXE	SVXEER

Index Name	Currency	Cash Kind	Long or Long /Short or Short	Instrument Kind	Reference Instrument	Bloomberg Code	Cinergy Code
BNP Paribas Short European Volatility Index EUR TR TR	EUR	TR	Short	Future	VSTOXX Index	BNPISVXT	SVXTTR
BNP Paribas Long European Volatility Index EUR TR TR	EUR	TR	Long	Future	VSTOXX Index	BNPIVXTR	VXTR
Inav on BNP Paribas Long European Volatility Index EUR TR TR	EUR	TR	Long	Future	VSTOXX Index	BNPIVXTI	VXTITR
BNP Paribas EU Volatility Futures 1 Index ER	EUR	ER	Long	Future	VSTOXX Index	BNPIVXX1	VXX11ER
BNP Paribas EU Volatility Futures 2 Index ER	EUR	ER	Long	Future	VSTOXX Index	BNPIVXX2	VXX21ER
BNP Paribas EU Volatility Futures 3 Index ER	EUR	ER	Long	Future	VSTOXX Index	BNPIVXX3	VXX31ER
BNP Paribas EU Volatility Futures 4 Index ER	EUR	ER	Long	Future	VSTOXX Index	BNPIVXX4	VXX4ER
BNP Paribas EU Volatility Futures 5 Index ER	EUR	ER	Long	Future	VSTOXX Index	BNPIVXX5	VXX51ER
BNP Paribas Dynamic Volatility 1YATMF Euro ER Index	EUR	ER	Long/Short	Option	DJ Euro Stoxx 50 Index	BNPIDS1E	DS1E1ER
BNP Paribas Dynamic Volatility 1YATMF US ER Index	USD	ER	Long/Short	Option	S&P 500 INDEX	BNPIDS1U	DS1U1ER
BNP Paribas E-volution Variance Repli EU ER USD Index	USD	ER	Long	Option	DJ Euro Stoxx 50 Index	BNPIEORU	EORUER
BNP Paribas Enhanced Volatility Protection ER Index	USD	ER	Long	Future	VIX	BNPIEVPO	EVPO8ER
BNP Paribas Volatility EU Futures Index ER	EUR	ER	Long	Future	VSTOXX Index	BNPIFVXX	FVXXER
BNP Paribas Rolling Options Eurozone Leverage 3 TR	EUR	TR	Long	Index/Option	DJ Euro Stoxx 50 Index	BNPIROE3	ROE3TR
BNP Paribas Rolling Options Eurozone Leverage 5 TR	EUR	TR	Long/Short	Option	DJ Euro Stoxx 50 Index	BNPIROE5	ROE5TR
BNP Paribas Rolling Put UK 1Y 100 TR	GBP	TR	Long	Option	FTSE	BNPIRPU1	RPU1TR
BNP Paribas Rolling Put UK 1Y 90 TR	GBP	TR	Long	Option	FTSE	BNPIRPU2	RPU2TR
BNP Paribas Rolling Put UK 3M 100 TR	GBP	TR	Long	Option	FTSE	BNPIRPU3	RPU3TR
BNP Paribas Rolling Put UK 3M 95 TR	GBP	TR	Long	Option	FTSE	BNPIRPU4	RPU4TR
BNP Paribas US Equity & Dynamic Volatility TR Index	USD	TR	Long	Future/Index	VIX/ S&P 500 INDEX	BNPIUEDV	UEDVTR

Index Name	Currency	Cash Kind	Long or Long /Short or Short	Instrument Kind	Reference Instrument	Bloomberg Code	Cinergy Code
BNP Paribas World ex Japan Equity & Dynamic Volatility TR Index	USD	TR	Long	Future/Index	VIX	BNPIWEDV	WEDVTR
BNP Paribas Eurozone Variance Replication Dec 14 EUR TR	EUR	TR	Long	Option	S&P 500 INDEX	BNPIERZ4	Z41TR
BNP Paribas Protection B25 TR Index	EUR	TR	Long/Short	Options	Eurostoxx 50 Options	BNPIPB25	PB25TR
BNP Paribas US Volatility Dynamic Short controlled ETN	USD	TR	Short	Future	CBOE SPX Volatility Index	BNPIVMRI	VMRITR
BNP Paribas Volatility Mean Reversion US	USD	ER	Short	Future	CBOE SPX Volatility Index	BNPIVMRU	VMRUER
BNP Paribas Short Variance Crude Oil Daily VG2 Index	USD	ER	Short	Option + Future	NYMEX WTI	BNPIVT2D	VT2DER
BNP Paribas Short Variance Brent Daily VG2 Index	USD	ER	Short	Option + Future	ICE BRENT	BNPIVB2D	VB2DER
BNP Paribas Short Variance Gold 2 Daily VG2 Index	USD	ER	Short	Option + Future	COMEX GOLD	BNPIVG2D	BNPIVG2DER
BNP Paribas Commodity Short Variance CVXA ER Index	USD	ER	Short	Option + Future	BNPP Short Variance Crude Oil Daily VG2 Index, BNPP Short Variance Natural Gas Daily VG2 Index, BNPP Short Variance Gold 2 Daily VG2 Index, BNPP Short Variance Silver 2 Daily VG2 Index, BNPP Short Straddle Copper LME Daily VG2 Index, BNPP Short Straddle Aluminium LME Daily VG2 Index	BNPICVXA	CVXAER
BNP Paribas Commodity Strategy VRXA ER Index	USD	ER	Short	Option + Future	BNPP Short Variance RC Crude Oil Daily VG2 Index, BNPP Short Variance RC Brent Daily VG2 Index, BNPP Short Variance RC Natural Gas Daily VG2 Index, BNPP Short Variance RC Gold 2 Daily VG2 Index, BNPP Short Variance RC Silver 2 Daily VG2 Index, BNPP Short Straddle RC Copper LME Daily VG2	BNPIVRXA	VRXAER

Index Name	Currency	Cash Kind	Long or Long /Short or Short	Instrument Kind	Reference Instrument	Bloomberg Code	Cinergy Code
					Index, BNPP Short Straddle RC Aluminium LME Daily VG2 Index		
BNP Paribas TIER EU 4% Index	EUR	TR	Short	Option	DJ Euro Stoxx 50 Index	BNPITIE1	TIE1TR
BNP Paribas TIER EU 6% Index	EUR	TR	Short	Option	DJ Euro Stoxx 50 Index	BNPITIEE	TIEETR
BNP Paribas TIER US 4% Index	USD	TR	Short	Option	S&P 500 Index	BNPITIU1	TIU1TR
BNP Paribas TIER Switzerland 2% Index	CHF	TR	Short	Option	SMI Index	BNPITIS1	TIS1TR
BNP Paribas TIER T-Note Index	USD	ER	Short	Option	10-Year US Treasury Note Futures Contract	BNPITIT1	TIT1TR
BNP Paribas TIER Bund Index	EUR	ER	Short	Option	Euro-Bund Futures Contract	BNPITIB1	TIB1TR
BNP Paribas TIER UK 4% Index	GBP	TR	Short	Option	FTSE 100 Index	BNPITIG1	TIG1TR
BNP Paribas Stock Put Write US Index	USD	TR	Short	Option	US Single Stock	BNPISPUS	SPUSTR
BNP Paribas Stock Put Write EU Index	EUR	TR	Short	Option	EU Single Stock	BNPISPEU	SPEUTR
BNP Paribas Enhanced Covered EU TR Index	EUR	TR	Short	Option	DJ Euro Stoxx 50 Index	BNPIECEU	ECEUTR
BNP Paribas LEO EU ER Index	EUR	ER	Short	Option	DJ Euro Stoxx 50 Index	BNPILEOE	LEOEER
BNP Paribas Europe Rolling Call Delta 20 Index	EUR	ER	Short	Option	DJ Euro Stoxx 50 Index	BNPIERCD	ERCDER
BNP Paribas Rolling Call EU Delta Cap ER Index	EUR	ER	Short	Option	DJ Euro Stoxx 50 Index	BNPIRCEE	RCEEER
BNP Paribas Enhanced Buy Write EUR TR	EUR	TR	Short	Option	DJ Euro Stoxx 50 Index	BNPIBWEU	BWEUTR
BNP Paribas Covered Stock EU Top 10 Index	EUR	TR	Short	Option	Basket Top 10 EU Equity (SAN FP, FP FP, BNP FP, SAP GY, BAS GY, BAYN GY, SIE GY, ALV GY, DAI GY, UNA NA)	BNPICSET	CSETTR
BNP Paribas Buy- Write Danone Index	EUR	TR	Short	Option	BN FP Equity	BNPIBWBN	BWBNTR
BNP Paribas Enhanced Covered US TR Index	USD	TR	Short	Option	S&P 500 Index	BNPIECUS	ECUSTR
BNP Paribas LEO US ER Index	USD	ER	Short	Option	S&P 500 Index	BNPILEOU	LEOUER
BNP Paribas Rolling Call US Delta Cap ER Index	USD	ER	Short	Option	S&P 500 Index	BNPIRCUE	RCUEER
BNP Paribas Enhanced Buy Write US TR	USD	TR	Short	Option	S&P 500 Index	BNPIBWUS	BWUSTR
BNP Paribas Buy Write 103 US Total Return	USD	TR	Short	Option	S&P 500 Index	BNPIBWU6	BWU6TR
BNP Paribas Buy Write 103 JP Total Return	JPY	TR	Short	Option	Nikkei 225 Index	BNPIBWJ3	BWJ3TR

Index Name	Currency	Cash Kind	Long or Long /Short or Short	Instrument Kind	Reference Instrument	Bloomberg Code	Cinergy Code
BNP Paribas Buy Write JP 98/104 TR Index	JPY	TR	Short	Option	Nikkei 225 Index	BNPIBWJP	BWJPTR
BNP Paribas LEO UK ER Index	GBP	ER	Short	Option	FTSE 100 Index	BNPILEOG	LEOGER
BNP Paribas UK Roll Call 103 Total Return	GBP	TR	Short	Option	FTSE 100 Index	BNPIRCU3	RCU3TR
BNP Paribas Enhanced Buy Write SW Total Return Index	CHF	TR	Short	Option	FTSE 100 Index	BNPIBWSW	BWSWTR
BNP Paribas South Africa Buy-Write TR Index	ZAR	TR	Short	Option	FTSE/JSE Top40 Index	BNPIBWSA	BWSATR
BNP Paribas TIER US Volatility Index	USD	TR	Short	Option	VIX Index	BNPITIV1	TIV1TR

11. Buy Write Indices: Systematic Sales of Options

1	Index strategy, investment policy, objective of the Index	The objective of each Index is either (i) to generate long-term performance similar to the Reference Instrument with lower volatility by taking a long position on the Reference Instrument while selling call options on the Reference Instrument or a benchmark to generate regular income during bearish market phases ("Buy Write" strategy), either (ii) to generate income during bearish market phases by selling call options on the Reference Instrument ("Alpha Buy Write" strategy).
2	Description of the process of selecting components weighting factors	Index dependant
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Buy Write Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Instrument	Strategy	Bloomberg Code	Cinergy Code
BNP Paribas Buy Write 103 JP Total Return	EUR	TR	Nikkei 225 Index	Buy-Write	BNPIBWJ3	BWJ3TR
BNP Paribas Rules-Based Overwrite Index Always USD TR	EUR	TR	S&P 500 Index	Buy-Write	BNPIRBOA	RBOANTR
Buy-Write Europe EUR TR	EUR	TR	DJ Euro Stoxx 50 Index	Buy-Write	BNPIBWEU	BWEUTR
Buy-Write SX5E 103 EUR TR	EUR	TR	DJ Euro Stoxx 50 Index	Buy-Write	BNPIBWE4	BWE4TR
BNP PARIBAS Buy Write 103 US Total Return	EUR	TR	S&P 500 Index	Buy-Write	BNPIBWU6	BWU6TR
BNP PARIBAS ALPHA BUY WRITE 103 EUR TR INDEX	EUR	TR	DJ Euro Stoxx 50 Index	Alpha Buy-Write	BNPIAWE3	AWE3TR
BNP Paribas Alpha Buy-Write 103 USD TR Index	EUR	TR	S&P 500 Index	Alpha Buy-Write	BNPIAWU3	AWU3TR
Rule Based Overwriting Index USD TR	EUR	TR	S&P 500 Index	Buy-Write	BNPIRBOI	RBOINTR
BNP Paribas Rules-Based Overwrite Europe Index TR	EUR	TR	DJ Euro Stoxx 50 Index	Buy-Write	BNPIRBOE	RBOENTR
BNP Paribas Buy-Write 103 USD TR Index	EUR	TR	S&P 500 Index	Buy-Write	BNPIBW4U	BW4UTR
BNP Paribas Maximum Income Equity Europe Index TR	EUR	TR	DJ Euro Stoxx 50 Index	Buy-Write	BNPIMIET	MIETTR
PGDF Vente de calls US 102 98 ER	EUR	ER	S&P 500 Index	Buy-Write	BNPIPGUS	PGDFUSDER
PGDF Vente de calls Europe 102 98 ER	EUR	ER	DJ Euro Stoxx 50 Index	Buy-Write	BNPIPGEU	PGDFEURER
PGDF Vente de calls UK 102 98 TR	EUR	ER	FTSE100	Buy-Write	BNPIPGUK	PGDFGBPTR
BNP PARIBAS Dynamic Call Write Leverage 3 EUR TR Index	EUR	TR	DJ Euro Stoxx 50 Index	Buy-Write	BNPICWE3	CWE3TR
BNP Paribas Enhanced Buy Write SW Total Return Index TR	CHF	TR	SMI Index	Buy-Write	BNPIBWSW	BWSWTR
BNP Paribas UK Enhanced Income Buy Write Index	GBP	TR	FTSE100	Buy-Write	BNPIBWIK	IBWIKTR
BNP Paribas US Enhanced Income Buy Write Index	USD	TR	S&P 500 Index	Buy-Write	BNPIBWU7	IBWU7TR
BNP Paribas Option Vector HK Index	HKD	TR	HengSeng Index	Buy-Write	BNPIOVHK	OVHKTR
BNP Paribas UK Roll Call 103 Total Return TR	GBP	TR	FTSE100	Alpha Buy-Write	BNPIRCU3	RCU3TR
BNP Paribas Buy-Write Gold Index	USD	ER	COMEX GOLD	Buy-Write	BNPIBWGC	BNPIBWGCER

12. Alternative Strategy Indices

1	Index strategy, investment policy, objective of the Index	The objective of the Index is to deliver positive absolute return independently of market conditions.
2	Description of the process of selecting components weighting factors	Weighting is based on different Price based indicators

3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Alternative Strategy Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Strategy applied by Reference Instruments	Bloomberg Code	Cinergy Code
BNP Paribas Equity Extremum Reversion Risk Premia EUR Index	EUR	ER	Fixed Exposure Indices	BNPIERP	IEERP
BNP Paribas Alternative Multi Style Index	EUR	ER	Risk Premia	BNPIAMSE	AMSE
BNP Paribas Alternative Multi Style Vol 2 Index	EUR	ER	Risk Premia	BNPIAMS2	AMS2
BNP Paribas Alternative Multi Style Vol 4 Index	EUR	ER	Risk Premia	BNPIAMS4	AMS4
BNP Paribas Alternative Multi Style Index (USD-Hedged)	USD	ER	Risk Premia	BNPIAMS U	AMSU
BNP Paribas Alternative Multi Style Vol 2 Index (USD-Hedged)	USD	ER	Risk Premia	BNPI2MSU	2MSU
BNP Paribas Alternative Multi Style Vol 4 Index (USD-Hedged)	USD	ER	Risk Premia	BNPI4MSU	4MSU
BNP Paribas RPAI XA Risk Premia Index	CHF	ER	Risk Premia	BNPIRPAI	RPAI
BNP Paribas Risk Premia Volatility Index	EUR	ER	Risk Premia	BNPIRPVO	BNPIRPVO
BNP Paribas Risk Premia Value Index	EUR	ER	Risk Premia	BNPIRPVA	BNPIRPVA
BNP Paribas Risk Premia Carry Index	EUR	ER	Risk Premia	BNPIRPCA	BNPIRPCA
BNP Paribas Risk Premia Momentum Index	EUR	ER	Risk Premia	BNPIRPMO	BNPIRPMO
BNP Paribas Risk Premia Multi Style Vol 4 Index	EUR	ER	Risk Premia	BNPIRPM4	RPM4
BNP Paribas Risk Premia Multi Style Vol 5 Index	EUR	ER	Risk Premia	BNPIRPM5	RPM5

13. Liberty Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index is to provide synthetic long or long/short exposure to the performance of a notional basket of Equity, Fund Shares, FX, Bond Rate, Money Market Rate, Index, Custom Index, Commodity, ETI or other Index Component Types. Each Series is maintained, calculated and rebalanced by the Index Calculation Agent following recommendations provided by an Index investment advisor (the "Index Investment Advisor") in collaboration with the Index Sponsor in accordance with the Index Methodology
2	Description of the process of selecting components	Index Investment Advisor in collaboration with the Index Sponsor in accordance with the Index Methodology

	weighting factors	
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the " Index Calculation Agent ") and sponsored by BNP Paribas (the " Index Sponsor ").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	At the hand of the Index Investment Advisor
7	Type of index	All Indices listed in the table below are part of the Liberty Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Index Investment Advisor	Bloomberg Code	Cinergy Code
BNP Paribas FundQuest Select Core Asset Vol 6 EUR ER	EUR	ER	Fund Quest	BNPIFCA6	FCA6ER
BPI-Philam Asia Growth Index ER	PHP	ER	BPI-Philam	ENHABAGI	ENHABAGIER
BPI-Philam Philippine Growth Index ER	USD	ER	BPI-Philam	ENHABPGI	HABPGIER
Fortis Investment Sigma Best Selection World EU PR	EUR	PR	BNP Paribas IP	FISBSWEP	SWEPR
Sigma SRI World V10 Index EUR PR	EUR	PR	BNP Paribas IP	BIPSSW1P	SSWPR
Cardif Liberty Action EUR ER Index	EUR	ER	Cardif	BNPICDLA	CDLAER
Noble Funds Global Perspective Index	PLN	ER	Noble Funds	ENHANFGP	ENHANFGPER
EFG AM Optimized Income Strategy	USD	ER	Mutual Fund	ENHAEFIS	ENHAEFISER
BPI-Philam Asia Growth 2 Index ER	PHP	ER	BPI-Philam	ENHABAG2	ENHABAG2ER
Phil-China Equity Index USD	USD	ER	BPI-Philam	ENHAPHCE	ENHAPHCEER
Flexible Vol Max 4.5	EUR	TR	Lazard Frères Gestion	ENHALFVM	LFVMTR
Cardif Liberty Rolling Put EUR TR Index	EUR	TR	Cardif	BNPICDLP	CDLPTR
BNP Pariba AL-4U Index	EUR	TR	BNP Paribas Wealth Management	BNPIAL4U	AL4UTR
BNP Pariba AL-4U Index ER	EUR	ER	BNP Paribas Wealth Management	BNPIEV4U	EV4UER
Flexible Vol Max 7.5	EUR	TR	Lazard Frères Gestion	ENHALFV2	LFV2TR
Newcits Funds Index	EUR	ER	KBL European Private Bankers S.A.	ENHAKBLE	KBLEER
E-cerTiFicates Index	EUR	TR	None	BNPIECTF	ECTFTR
BNP Paribas Global Fund Composite Index	EUR	TR	Banca Popolare di Milano S.c.a.r.l.	BNPIGFCI	GFCITR
BNP New Technology TR	USD	TR	None	BNPINTTU	NTUTR
Flexible 5 Vol Max 3.5%	EUR	TR	Lazard Frères Gestion	ENHALFV5	LFV5

14. Alternative Synthetic Tracker Indices

1	Index strategy, investment policy, objective of the Index	The objective of the Index is to provide synthetic exposure to the performance of a notional basket of various Index Component Types which are rebalanced on a regular basis with the objective of replicating a long or short position in the global hedge fund industry. The index aims at tracking this exposure by using a dynamic allocation between liquid major market indices. The Hedge Funds industry performance will be represented by a benchmark and the objective of the index will be to minimize the expected tracking error versus this benchmark
2	Description of the process of selecting components weighting factors	The rebalancing will be conducted based on a "tracking" algorithm which aims at optimizing the long replication of the benchmark on an "ex ante" basis
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Monthly
7	Type of index	All Indices listed in the table below are part of the Alternative Synthetic Tracker Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Name	Currency	Cash Kind	Bloomberg Code	Cinergy Code
BNP Paribas Alternative Synthetic Tracker (ALSSTAR) Index TR	USD	TR	BNPIAS	ALSSTTR
BNP Paribas Alternative Synthetic Tracker (ALSTAR) Index TR	USD	TR	BNPIAT	ALSTTR

15. Daily Weekly Indices

1	Index strategy, investment policy, objective of the Index	The objective of each Index (" Dynamic " or " Fixed ") is to monetize the mean reversion of returns of equity futures on a specific index (" Reference Index "). The process is synthetically systematically getting long realized volatility computed with daily returns and short realized volatility computed with weekly returns
2	Description of the process of selecting components weighting factors	Achieved through delta replication and subject to a maximum exposure of 200% and a minimum exposure of -200%.

3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Unless specifically described in the descriptions below, the Index is calculated, maintained, and published by BNP Paribas Arbitrage (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Daily Weekly Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Index	Fixed/Dynamic	Bloomberg Code	Cinergy Code
BNP Paribas Mean Reverting Daily Weekly Europe Strategy (dynamic rescale) ER	EUR	ER	Euro Stoxx 50	Dynamic	BNPIDWED	WEDER
BNP Paribas Mean Reverting Daily Weekly Europe Strategy (fixed rescale) ER	EUR	ER	Euro Stoxx 50	Fixed	BNPIDWEF	WEFER
BNP Paribas Mean Reverting Daily Weekly Europe Strategy (fixed rescale) TR	EUR	ER	Euro Stoxx 50	Fixed	BNPIDTEF	TEFTR
BNP Paribas Mean Reverting Daily Weekly US Strategy (dynamic rescale) ER	USD	ER	S&P 500 Index	Dynamic	BNPIDWUD	WUDER

16. Commodity Indices

16.1 Oscillator Indices

1	Index strategy, investment policy, objective of the Index	The Oscillator indices are a family of commodity indices, each comprised of commodity mono-indices, whose objective is to provide exposure to a diversified basket of up to 19 commodities. A so-called " momentum " strategy is employed, which means that the strength of the price of each commodity compared to the market as a whole is taken into account when determining the daily weight of each commodity mono-index of which the index is comprised. Exposure to the commodity mono-indices is achieved by holding hedge positions in the futures contracts of which the mono-indices are comprised
2	Description of the process of selecting components weighting factors	The maximum weight of each commodity is 20%. In addition, the weighting of the indices in petroleum components (Brent and WTI crude oil, heating oil, unleaded gasoline and gasoil) is limited to 35% in aggregate
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-

		globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Each Index is calculated, maintained, and published by the entity specified in the tables below (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Commodity Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Index Component	Volatility Control	Index Calculation Agent	Bloomberg Code	Cinergy Code
BNP Paribas Oscillator Commodities ER Core Index	USD	ER	Basket of S&P GSCI Dynamic Roll Commodity Mono-Indices	NA	BNP Paribas	BNPMOCCE	MOCCEER
BNP Paribas Oscillator Commodities ER Index	USD	ER	Basket of Diapason Commodities Mono-Indices	11%	BNP Paribas	BNPIOSCE	OSCEER
BNP Paribas Oscillator Commodities EUR Hedged ER Index	EUR	ER	Basket of Diapason Commodities Mono-Indices	11%	BNP Paribas	BNPIOSEE	OSEER

16.2 BNP Paribas Alpha Curve DR Index

The objective of the BNP Paribas Alpha Curve DR Index is to capture the outperformance of an investment in various S&P GSCI Dynamic Roll Indices versus an investment in the Dow Jones-UBS ex Precious Metals Commodity index by providing (i) long exposure to an enhanced index, comprised of a basket of the Dow Jones-UBS Soybean Oil Index and various S&P GSCI Dynamic Roll Indices and (ii) short exposure to the Dow Jones – UBS ex-Precious Metals Commodity Index. The target weights of the index components of the enhanced index are derived from the weight of each commodity comprised in the Dow Jones-UBS Commodity ex-Precious Metals Index and are adjusted on a yearly basis to maintain the target weighting. If, on any day on which the index is calculated, the weight of any such commodity is observed to be greater than 20% of the enhanced index or the weighting of the enhanced index to the petroleum sector (Brent and WTI crude oil, heating oil, unleaded gasoline and gasoil) or soybean sector (soybeans and soybean oil) is greater than 35% each, an additional reweighting of the enhanced index will be performed. This mechanism is designed to ensure that the index does not become too highly concentrated in any single commodity, or in the petroleum or soybean sectors. The number of index components in the enhanced index may be adjusted on a yearly basis, following any adjustment of the composition of the Dow Jones-UBS ex-Precious Metals Commodity Index.

1	Index strategy, investment policy, objective of the Index	The objective of the BNP Paribas Alpha Curve DR Index is to capture the outperformance of an investment in various S&P GSCI Dynamic Roll Indices versus an investment in the Dow Jones-UBS ex Precious Metals Commodity index by providing (i) long exposure to an enhanced index, comprised of a basket of the Dow Jones-UBS Soybean Oil Index and various S&P GSCI Dynamic Roll Indices and
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		(ii) short exposure to the Dow Jones – UBS ex-Precious Metals Commodity Index
2	Description of the process of selecting components weighting factors	Weight of most commodities capped to 20% of the enhanced index or the weighting of the enhanced index to the petroleum sector (Brent and WTI crude oil, heating oil, unleaded gasoline and gasoil) or soybean sector (soybeans and soybean oil) capped to 35%
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Each Index is calculated, maintained, and published by the entity specified in the tables below (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Yearly
7	Type of index	All Indices listed in the table below are part of the Commodity Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
BNP Paribas Alpha Curve DR Index	USD	CL	Dow Jones – UBS Commodity ex-Precious Metals Index	S&P	BNPIDRAC	DRACER
BNP Paribas DR Alpha ex-Agriculture and Livestock Index	USD	ER	Bloomberg Commodity Index excluding Agriculture, Livestock and Precious Metals	S&P	BNPIDRXA	DRXAER
BNP Paribas DR Alpha ex-Agriculture and Livestock Vol. 3% Index	USD	ER	BNP Paribas DR Alpha ex-Agriculture and Livestock Index	BNP Paribas	BNPIDRX3	DRX3ER
BNP Paribas DR Alpha ex-Agriculture and Livestock Vol. 3% EUR Index	EUR	ER	BNP Paribas DR Alpha ex-Agriculture and Livestock Index	BNP Paribas	BNPIDRXE	DRXE

16.3 BNP Paribas Alpha Backwardation Index

1	Index strategy, investment policy, objective of the Index	The objective of the BNP Paribas Alpha Backwardation Index is to capture the outperformance of the commodities whose prices are the most backwardated by comparison to the commodity market as a whole. The index generates returns by taking long positions in the most backwardated commodities and short positions in the least backwardated commodities comprised in the Dow Jones-UBS Commodity Index, investing in various Dow Jones-UBS Mono Indices to do so.
2	Description of the process of selecting components	The index allocation is determined from (i) daily monitoring of the forward curve shape of each commodity comprised in the Dow

	weighting factors	Jones-UBS Commodity Index and (ii) the weight of each such commodity. The target weights of the index components are calculated on a daily basis and are based on the relative degree of backwardation or contango of such index component. The maximum weight of any such commodity is 20% of the index (whether long or short) and the weighting of the index to the petroleum sector (Brent and WTI crude oil, heating oil, unleaded gasoline and gasoil) or soybean sector (soybeans and soybean oil) may not exceed 35% each
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Each Index is calculated, maintained, and published by the entity specified in the tables below (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Commodity Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
BNP Paribas Alpha Backwardation Index	USD	CL	Dow Jones – UBS Commodity Index	S&P	BNPIF3AB	F3ABER
BNP Paribas Alpha Backwardation ex-Agriculture and Livestock Index	USD	ER	Bloomberg Commodity Index excluding Agriculture, Livestock and Precious Metals	BNP Paribas	BNPINBX A	NBXAER

16.4 BNP Paribas Alpha Momentum Index

1	Index strategy, investment policy, objective of the Index	The objective of the BNP Paribas Alpha Momentum Index is to capture the outperformance of the recent best performing commodities comprised in the Dow Jones-UBS Commodity Index. Commodities which have underperformed the market are weighted negatively, while commodities which have outperformed the market are weighted positively, the weight of each commodity being proportional to its weight in the Dow Jones-UBS Commodity Index
2	Description of the process of selecting components weighting factors	The weights of each index component are calculated on a daily basis and the maximum weight of any such commodity is 20% of the index (whether long or short) and the weighting of the index to the petroleum sector (Brent and WTI crude oil, heating oil, unleaded gasoline and gasoil) or soybean sector (soybeans and soybean oil) may not exceed 35% each (whether long or short).
3	Methods and formulae of	The Index Methodology governing each Index shall be available on

	calculation	https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Each Index is calculated, maintained, and published by the entity specified in the tables below (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Commodity Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
BNP Paribas Alpha Momentum Index	USD	CL	Dow Jones - UBS Commodity Index	S&P	BNPIF3AM	F3AMER
BNP Paribas Alpha Momentum ex-Agriculture and Livestock Index	USD	ER	Bloomberg Commodity Index excluding Agriculture, Livestock and Precious Metals	BNP Paribas	BNPINM XA	NMXAER

16.5 BNP Paribas Strategy B52 Index

1	Index strategy, investment policy, objective of the Index	The objective of the BNP Paribas Strategy B52 Index is to provide exposure to the commodity market enhanced by i) optimised investment in futures contracts determined according to the forward curve of the relevant commodity and ii) optimal allocation methodology based on price trends and forward curve shape observations
2	Description of the process of selecting components weighting factors	Weights of commodities that have recently outperformed the market or that present the most backwardated forward curves are increased, while weights of commodities that have recently underperformed the market or that present the least backwardated forward curves are decreased
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Each Index is calculated, maintained, and published by the entity specified in the tables below (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as

		such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Commodity Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
BNP Paribas Strategy B51 Index	USD	CL	Bloomberg Commodity ex-Agriculture and Livestock Capped Index	BNP Paribas	BNPIB51P	B51PER
BNP Paribas Strategy B52 Index 10% Index	USD	CL	BNP Paribas Strategy B52 Index ER	BNP Paribas	BNPIB52V	B52V
BNP Paribas Strategy B52 Index 10% Index EUR Hedged Daily	EUR	CL	BNP Paribas Strategy B52 Index ER	BNP Paribas	BNPIB52E	B52E

16.6 BNP Paribas Enhanced Roll Index

1	Index strategy, investment policy, objective of the Index	The objective of the BNP Paribas Enhanced Roll Index is to provide broad and UCITS compliant exposure to the commodity market enhanced by optimised investment in futures contracts, determined according to the forward curve of the relevant commodity
2	Description of the process of selecting components weighting factors	The exposure to each commodity is achieved mainly through S&P GSCI Dynamic Roll indices, indices which are themselves invested in future contracts and which use a dynamic roll mechanism, taking into account the shape of the forward curve for the relevant commodity, to reduce the potentially negative effect of rolling futures contracts due to expire on the value of the index.
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Each Index is calculated, maintained, and published by the entity specified in the tables below (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Yearly
7	Type of index	All Indices listed in the table below are part of the Commodity Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
BNP Paribas Strategy C51 Index	USD	CL	Bloomberg Commodity Index	Standard and Poor's	BNPIC51P	C51P2ER
BNP Paribas Strategy C52 10% Index	USD	ER	BNP Paribas Strategy C52 Index	BNP Paribas	BNPIC52V	C52VER
BNP Paribas Strategy C52 10% EUR Index	EUR	ER	BNP Paribas Strategy C52 Index	BNP Paribas	BNPIC5VE	C5VE
Optimized Roll Commodity Excess Return Index	USD	CL	Bloomberg Commodity Index	Standard and Poor's	EBCIWTE	EBCIWTE
Optimised Roll Commodity Total Return Index	USD	CL	Bloomberg Commodity Index Total Return	Standard and Poor's	EBCIWTT	EBCIWTT
BNP Paribas Energy & Metals Enhanced Roll ER Index	USD	ER	Bloomberg Commodity ex-Agriculture and Livestock Capped Index	Standard and Poor's	BNPIC52P	C52PER
BNP Paribas Energy & Metals Enhanced Roll TR Index	USD	ER	Bloomberg Commodity ex-Agriculture and Livestock Capped Index	Standard and Poor's	BNPIC52T	C52TTR
BNP Paribas Energy & Metals Enhanced Roll ER Index 10%	USD	ER	BNP Paribas Energy & Metals Enhanced Roll ER Index	BNP Paribas	BNPIEM10	EM10
BNP Paribas Energy & Metals Enhanced Roll ER Index 10% EUR Hedged Daily	EUR	ER	BNP Paribas Energy & Metals Enhanced Roll ER Index	BNP Paribas	BNPIEM1E	EM1E

16.7 BNP Paribas Backwardation Momentum DR Indices

1	Index strategy, investment policy, objective of the Index	The objective of the BNP Paribas Backwardation Momentum DR Alpha Index is to capture the return of a portfolio having a long position in an optimised basket of commodities and a short position in the DJUBS Commodity Index. The optimised basket is comprised of the same commodities as the DJUBS Commodity Index, but exposure to each commodity is made through investment in S&P Dynamic Roll Indices
2	Description of the process of selecting components weighting factors	The weight of each commodity in the optimised follow a momentum mechanism that increases the weights of commodity which have recently outperformed the market, and a backwardation mechanism that increases the weights of commodity presenting the most downward sloping forward curves
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Each Index is calculated, maintained, and published by the entity specified in the tables below (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.

6	Frequency review	Daily
7	Type of index	All Indices listed in the table below are part of the Commodity Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
BNP Paribas Backwardation Momentum DR Alpha Index	USD	CL	Dow Jones – UBS Commodity Index	BNP Paribas	BNPIBMDA	BMDAER
BNP Paribas Backwardation Momentum DR Alpha 5% RUB Hedged Index	RUB	CL	BNP Paribas Backwardation Momentum DR Alpha Index	BNP Paribas	BNPIBA5R	IBASER

16.8 BNP Paribas Short ER and TR Indices

1	Index strategy, investment policy, objective of the Index	The objective of the BNP Paribas Short ER and TR Indices is to provide short exposure to the associated Reference Index on either an excess or total return basis
2	Description of the process of selecting components weighting factors	The Indices contain an automatic rebalancing method, which rebalances each Index if the performance of the Reference Index, measured from the immediately preceding Automatic Index Rebalancing Date or the Index Start Date (where no Automatic Index Rebalancing Date has occurred), is greater than 65%.
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Each Index is calculated, maintained, and published by the entity specified in the tables below (the "Index Calculation Agent") and sponsored by BNP Paribas (the "Index Sponsor").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Systematic
7	Type of index	All Indices listed in the table below are part of the Commodity Indices family of BNP Paribas indices
8	Index Currency	As described in the table below

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
BNP Paribas Short	USD	ER	S&P GSCI Copper	BNP Paribas	BNPISLPE	BNPISLPEER

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
Copper ER Index			Official Close Index			
BNP Paribas Short Crude Oil ER Index	USD	ER	S&P GSCI Crude Oil Official Close Index	BNP Paribas	BNPISCOE	BNPISCOEER

16.9 BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index

1	Index strategy, investment policy, objective of the Index	The objective of the BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index (the " BNP Paribas Index ") is to provide absolute return performance by employing a strategy that takes position on spreads of commodity future contracts.
2	Description of the process of selecting components weighting factors	The Index strategy invests in a portfolio of spread of commodity future contracts which systematically rolls on a daily basis a fifth of its notional value, selling spreads positions and buying new ones, to capture the difference in carry cost between future contracts. During the 5th to the 9th Index Calculation Day of each month the Index strategy is limited only to closing spreads positions avoiding the potentially negative effect on buying new future spread position during the roll period of the main commodity benchmarks.
3	Methods and formulae of calculation	The Index Methodology governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
4	Index Calculation Agent	Each Index is calculated, maintained, and published by the entity specified in the tables below (the " Index Calculation Agent ") and sponsored by BNP Paribas (the " Index Sponsor ").
5	Adjustment rules	The Rules governing each Index shall be available on https://indices-globalmarkets/bnpparibas.com/nr/@CodeCInergy@.pdf as soon as such Index is the underlying of a product which is under the scope of the Prospectus Directive.
6	Frequency review	Yearly.
7	Type of index	All Indices listed in the table below are part of the Commodity Indices family of BNP Paribas indices.
8	Index Currency	As described in the table below.

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index	USD	ER	NA	BNP Paribas	BNPIPRX A	PRXA
BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index 2% Isovol	USD	ER	BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index	BNP Paribas	BNPIPRX 2	PRX2
BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index 3% Isovol	USD	ER	BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index	BNP Paribas	BNPIPRX 3	PRX3
BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and	EUR	ER	BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and	BNP Paribas	BNPIPRX E	PRXE

Index Name	Currency	Cash Kind	Reference Index	Index Calculation Agent	Bloomberg Code	Cinergy Code
Livestock Index EUR Hedged Daily			Livestock Index EUR Hedged Daily			
BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index 2% Isovol EUR Hedged Daily	EUR	ER	BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index EUR Hedged Daily	BNP Paribas	BNPIPR2E	PR2E
BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index 3% Isovol EUR Hedged Daily	EUR	ER	BNP Paribas Dynamic Pre-Roll Alpha ex-Agriculture and Livestock Index EUR Hedged Daily	BNP Paribas	BNPIPR3E	PR3E

FORM OF THE GUARANTEE

THIS GUARANTEE is made by BNP Paribas ("**BNPP**") in favour of the holders for the time being of the Securities (as defined below) (each a "**Holder**").

WHEREAS:

BNP Paribas Issuance B.V. ("**BNPP B.V.**") and BNPP have established a Warrant and Certificate Programme (the "**Programme**") under which, *inter alia*, BNPP B.V. may from time to time issue, *inter alia*, unsecured warrants and certificates governed by French law (the "**Securities**") of any kind including, but not limited to, warrants and certificates relating to a specified index or a basket of indices, a specified share, GDR or ADR or a basket of shares, GDRs and/or ADRs, a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified debt instrument or basket of debt instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices a specified currency or basket of currencies, Open End Certificates or Open End Turbo Certificates. In respect of Securities, BNPP B.V. will not grant any security interest in favour of the relevant Holders. BNPP intends to guarantee the obligations of BNPP B.V. under the Securities.

The Securities may be issued pursuant to (a) an Agency Agreement (the "**Agency Agreement**", which expression includes the same as it may be amended, supplemented or restated from time to time) dated 4 July 2017 between, *inter alia*, BNPP B.V., BNPP, BNP Paribas Securities Services as agent and BNP Paribas Arbitrage S.N.C. as calculation agent or (b) any other agency or analogous agreement entered into by BNPP and/or BNPP B.V. from time to time.

Terms defined in the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the "**Conditions**") and not otherwise defined in this Guarantee shall have the same meanings when used in this Guarantee.

In respect of all Securities issued on or after the date of this Guarantee, this Guarantee replaces the guarantee dated 5 July 2016 granted by BNPP in respect of Securities issued under the Programme.

Any reference in this Guarantee to any obligation or sums or amounts payable under or in respect of the Securities by BNPP B.V. shall be construed to refer to (if applicable) in the event of a bail-in of BNPP, such obligations, sums and/or amounts as reduced by reference to, and in the same proportion as, any such reduction or modification applied to liabilities of BNPP following the application of a bail-in of BNPP by any relevant authority (including in a situation where the Guarantee itself is not subject to such bail-in).

1. Guarantee

Subject as provided below, BNPP unconditionally and irrevocably guarantees to each Holder that, if for any reason BNPP B.V. does not pay any sum payable by it or perform any other obligation in respect of any Security on the date specified for such payment or performance BNPP will, in accordance with the Conditions pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligation on the due date for such performance PROVIDED THAT (A) in the case of Physical Delivery Securities where BNPP B.V. has the obligation, pursuant to the terms and conditions of the relevant Security, to deliver the Entitlement, notwithstanding that BNPP B.V. had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery

Securities of an amount equal to the Guaranteed Cash Settlement Amount (as defined in the Conditions) and (B) in the case of Securities where the obligations of BNPP B.V. which fall to be satisfied by BNPP constitute the delivery of the Entitlement to the Holders, BNPP will as soon as practicable following BNPP B.V.'s failure to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (i) a Settlement Disruption Event (as defined in Condition 5.1) or (ii) a Failure to Deliver due to Illiquidity (as defined in Condition 5.2) (if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (i) above, the Guaranteed Cash Settlement Amount or, in the case of (ii) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of BNPP's obligations in respect of such Security.

2. Joint liability of BNPP and BNPP B.V.

BNPP hereby acknowledges, absolutely and without right to claim the benefit of any legal circumstances amounting to an exemption from liability or a guarantor's defence, that it is bound by the obligations specified below. Accordingly, BNPP acknowledges that it will not be released from liability, nor will its liability be reduced, at any time, by extension or grace periods regarding payment or performance, any waiver or any consent granted to BNPP B.V. or to any other person, or by the failure of any execution proceedings brought against BNPP B.V. or any other person. Furthermore, BNPP acknowledges that (1) it will not be relieved of its obligations in the event that BNPP B.V.'s obligations become void for reasons relating to BNPP B.V.'s capacity, limitation of powers or lack thereof (including any lack of authority of persons having entered into contracts in the name, or on behalf, of BNPP B.V.), (2) its obligations under this Guarantee will remain valid and in full effect notwithstanding the dissolution, merger, takeover or reorganisation of BNPP B.V., as well as the opening of insolvency proceedings (*procédures collectives*), or any other proceedings similar to receivership or liquidation proceedings, in respect of BNPP B.V., (3) it will not avail itself of any subrogation rights in respect of the Holders' rights and that it will take no steps to enforce any rights or demands against BNPP B.V., so long as any amounts remain due; or any obligation remains unperformed, under the Securities, (4) its duties under this Guarantee will not be conditional on or subject to the validity or execution of any other security granted by BNPP B.V. or any other person to the Holders, or to the existence or creation of any security for the benefit of the Holders, and (5) neither the notification of, nor the serving of a formal request upon, BNPP B.V. or any other person is a prior condition to a payment or performance by BNPP under this Guarantee.

3. BNPP's continuing liability

BNPP's obligations under this Guarantee are and will remain valid and in full effect so long as any amounts remain outstanding, or any obligation remains unperformed, under the Securities.

4. Status

This Guarantee is an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law.

5. Exercise of BNPP' s rights

So long as any sum remains payable under the Securities or this Guarantee, BNPP shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by BNPP B.V. or to take the benefit of or enforce any security or other guarantee or indemnity.

6. BNPP B.V. repayment

If a payment received by, or other obligation discharged to or to the order of, any Holder is declared null and void under any rule relating to insolvency proceedings (*procédures collectives*), or any other procedure similar to the receivership or liquidation of BNPP B.V., such payment or obligation will not reduce BNPP's obligations and this Guarantee will continue to apply as if such payment or obligation had always been due from BNPP B.V.

7. Conditions binding

BNPP declares (i) that it has full knowledge of the provisions of the Conditions, (ii) that it will comply with them and (iii) that it will be bound by them.

8. Duration of the Guarantee

This Guarantee is granted by the Guarantor in respect of all Securities issued during a period of thirteen (13) months from the date of its signature.

9. Demand on BNPP

Any demand hereunder shall be given in writing addressed to BNPP served at its office at CIB Legal, 3 Rue Taitbout, 75009 Paris, France. A demand so made shall be deemed to have been duly made two (2) Paris Business Days (as used herein, "**Paris Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall be deemed to be duly made two (2) Paris Business Days after the Paris Business Day immediately following such day.

10. Governing law and jurisdiction

This Guarantee is governed by, and shall be construed in accordance with, French law and the competent courts within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*) will be competent to settle any litigation or proceedings ("**Proceedings**") relating to this Guarantee.

Executed in Paris in one (1) original, on 4 July 2017.

BNP PARIBAS

By:

DESCRIPTION OF BNPP B.V

1. Name, registered office and date of incorporation

- (a) The legal and commercial name of the Issuer is BNP Paribas Issuance B.V (formerly BNP Paribas Arbitrage Issuance B.V.).
- (b) BNPP B.V. is a limited liability company under Dutch law ("*besloten vennootschap met beperkte aansprakelijkheid*"), having its registered office at Herengracht 595, 1017 CE Amsterdam, The Netherlands. BNPP B.V. is incorporated in The Netherlands and registered with the Commercial Register in The Netherlands under number 33215278 (telephone number: + 31 20 5215 645).
- (c) BNPP B.V. was incorporated on 10 November 1989 with unlimited duration.

2. Business Overview

- (a) BNPP B.V.'s objects (as set out in Article 3 of its Articles of Association) are:
 - (i) to borrow, lend out and collect monies, including but not limited to the issue or the acquisition of debentures, debt instruments, financial instruments such as, among others, notes, warrants and certificates of any nature, with or without indexation based on, inter alia, shares, baskets of shares, stock exchange indices, currencies, commodities or futures on commodities, and to enter into related agreements;
 - (ii) to finance enterprises and companies;
 - (iii) to establish and to in any way participate in, manage and supervise enterprises and companies;
 - (iv) to offer advice and to render services to enterprises and companies with which the company forms a group of companies, and to third parties;
 - (v) to grant security, to bind the company and to encumber assets of the company for the benefit of enterprises and companies with which the company forms a group of companies, and of third parties;
 - (vi) to acquire, manage, exploit and dispose of registered property and asset value in general;
 - (vii) to trade in currencies, securities and asset value in general;
 - (viii) to exploit and trade in patents, trademark rights, licences, know-how and other industrial rights of ownership;
 - (ix) to engage in industrial, financial and commercial activities of any nature, and

all other things as may be deemed incidental or conducive to the attainment of the above objects, in the broadest sense of the word.

- (b) BNPP B.V. competes with other issuers in the issuance of financial instruments and securities.
- (c) BNPP B.V. is a BNP Paribas Group issuance vehicle, specifically involved in the issuance of structured securities, which are developed, setup and sold to investors by other companies in

the group. The securities are backed by a matching derivative contract with BNP Paribas Arbitrage S.N.C. or BNP Paribas SA ensuring a perfect match of BNPP B.V. assets and liabilities. Given the function of BNPP B.V. within the BNP Paribas Group and its asset and liabilities structure, the company generates a limited profit.

- (d) The securities issued by BNPP B.V. are sold to institutional clients, retail and high net worth individuals in Europe, Africa, Asia and Americas, either directly by BNP Paribas or through third party distributors.

3. Trend Information

Due to BNPP B.V. dependence upon BNPP its trend information is the same as that for BNPP set out on page 128 of the BNPP 2016 Registration Document.

4. Share capital

The issued share capital is €45,379, divided in 45,379 shares of €1 each.

All shares are ordinary registered shares and fully paid up and no share certificates have been issued. 100 per cent. of the share capital is held by BNP Paribas.

5. Management

5.1 Management Board

The management of BNPP B.V. is composed of a Management Board with one or several members appointed by the general meeting of shareholders.

On 31 January 2016, BNP Paribas has appointed as sole member of the Management Board BNP Paribas Finance B.V., a company established and existing under the laws of the Netherlands, with its registered office at Herengracht 595, 1017 CE Amsterdam, the Netherlands. Edwin Herskovic, Erik Stroet, Han Sijsling and Daniel Thielemans as Directors of BNP Paribas Finance B.V. have the power to take all necessary measures in relation to the issue of securities of IBV.

5.2 Duties of the Management Board

Within the limits of the constitutional documents, the Management Board is responsible for the management of BNPP B.V.

6. Accounts

6.1 Drawing up of annual accounts

The financial year is the calendar year.

6.2 Adoption of annual accounts

The general meeting of shareholders adopts the annual accounts.

7. Material Investments

BNPP B.V. has made no material investments since the date of its last published financial statements other than those related to the issue of securities and its Management Board has made no firm commitments on such material investments in the future.

8. Organisational Structure

BNPP B.V. is a wholly owned subsidiary of BNP Paribas.

BNPP B.V. is dependent upon BNP Paribas in that BNP Paribas develops and markets the Securities, hedges its market, credit and liquidity risks and guarantees the obligations of BNPP B.V. for any issuance of its securities towards investors.

9. Administrative, Management, and Supervisory Bodies

9.1 Names, Business Addresses, Functions and Principal Outside Activities

The names, functions and principal activities performed by it outside BNPP B.V. which are significant with respect to the only director of BNPP B.V. are:

Name	Function	Principal Outside Activities
BNP Paribas Finance B.V.	Managing Director	The facilitation of secondary debt transactions and trading on behalf of the BNP Paribas Group

9.2 Administrative, Management, and Supervisory Bodies Conflicts of Interests

The above-mentioned member of the Management Board of BNPP B.V. does not have potential conflicts of interests, material to the issue of the Securities, between any duties to BNPP B.V. and its interests or other duties.

10. Board Practices

10.1 Audit Committee

BNPP B.V. does not itself have an audit committee. However, BNPP B.V. is part of the BNP Paribas Group which divides the audit responsibility to review the annual consolidated financial statements of BNP Paribas between a Financial Statement Committee and an Internal Control and Risks Committee.

10.2 Corporate Governance

The Dutch Corporate Governance Code of 8 December 2016 only applies to listed companies. The shares of BNPP B.V. are not listed and therefore the code does not apply. Accordingly, BNPP B.V. is not required to make any disclosure regarding compliance with the code.

11. Historical Financial Information Concerning BNPP B.V.'s Assets and Liabilities, Financial Position and Profits and Losses

BALANCE SHEET IN SUMMARY (before appropriation of the net result)

	31.12.2016 (audited)	31.12.2015 (audited)
	EUR	EUR
Financial fixed assets	34,970,331,780	30,238,524,334

Current assets	13,349,942,128	12,804,050,994
TOTAL ASSETS	48,320,273,908	43,042,575,328

Shareholder's equity	488,299	464,992
Long term liabilities	34,970,331,780	30,238,524,334
Current liabilities	13,349,453,829	12,803,586,002
TOTAL EQUITY AND LIABILITIES	48,320,273,908	43,042,575,328

PROFIT AND LOSS ACCOUNT
in summary

	2016 (audited)	2015 (audited)
	EUR	EUR
Income including interest received	399,817	315,670
Costs, including interest paid and the tax charge	376,510	295,884
Profit after taxation	23,307	19,786

CASH FLOW STATEMENT
in summary

	2016 (audited)	2015 (audited)
	EUR	EUR
Cash flow from operating activities	276,050	(576,441)
Cash flow from financing activities	0	0
Increase/Decrease cash at banks	276,050	(576,441)
Cash at bank at December 31	352,062	76,012

DESCRIPTION OF BNPP

A description of BNPP can be found on pages 4 to 15 of the BNPP 2016 Registration Document which is incorporated by reference herein.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Clearstream, Luxembourg, Euroclear, Euroclear France or Euroclear Netherlands or Iberclear (together, the "**Clearing Systems**") currently in effect and subject as provided in the applicable Final Terms. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of BNPP B.V., BNPP, or any agent party to the Agency Agreement (as amended or supplemented from time to time) will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

BOOK-ENTRY SYSTEMS

Clearstream, Luxembourg and Euroclear

Clearstream, Luxembourg and Euroclear each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Clearstream, Luxembourg and Euroclear provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg and Euroclear also deal with domestic securities markets in several countries through established depositary and custodial relationships. Clearstream, Luxembourg and Euroclear have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Clearstream, Luxembourg and Euroclear customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream, Luxembourg and Euroclear is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Euroclear France

Euroclear France holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between its respective account holders. Euroclear France customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

Euroclear Netherlands

Euroclear Netherlands holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between its respective account holders. Euroclear Netherlands customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

Iberclear

"Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" – whose commercial name is Iberclear – is the Spanish Central Securities Depository. Iberclear is set up as a company as stated in articles 97 to 102 of Royal Legislative Decree 4/2015, of 23 October (the **Securities Market Law**). These articles assign Iberclear the right of all functions as indicated in the legal regulations containing its legal regime, in accordance with the following: (a) to maintain the Securities Registry by means of book-entry form of all eligible securities listed on the Spanish Stock Exchanges and the Public Debt Market as well as the securities listed on other secondary markets when requested by the appropriate governing bodies; (b) to manage the settlement, and when appropriate, the clearing of securities and money resulting from those trades settled on the Stock Exchanges, Public Debt Market and, when appropriate, the secondary markets; (c) to provide technical and operational services directly related to the Registering, Clearing and Settlement of securities which allows Iberclear to collaborate in, or co-ordinate with, other services related to Registering, Clearing and Settlement of securities as well as allowing it to participate in them; and (d) anything else that the Government entrusts to Iberclear provided permission has been first sought from the market supervisory bodies, be it the CNMV (*Comisión Nacional del Mercado de Valores*) or the Banco de España.

Euroclear Sweden

Euroclear Sweden AB ("**Euroclear Sweden**") is a Swedish private limited liability company which manages account operations and clearing activities for the Swedish financial market. Euroclear Sweden is an authorised central securities depository pursuant to the Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 and is acting under the supervision of the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*). Euroclear Sweden is owned by Euroclear S.A.

For each Security issued through Euroclear Sweden, a so called CSD register (*Sw. avstämningsregister*) (a "**CSD Register**") is created. The CSD Register will consist of a number of accounts, one for each holder of the Security in question. Such account is opened in respect of the holder in person or by a nominee (*Sw. förvaltare*) on behalf of the holder. Title to a registered Security is transferred through registration in the system operated by Euroclear Sweden (the "**VPC System**").

In conjunction with an issue of securities to be registered in the VPC System, the relevant Issuer must engage a financial institution authorised by Euroclear Sweden to operate as an issuer agent. The issuer agent is responsible for ensuring that the instructions received from the relevant Issuer with respect to the issue are duly registered. The issuer agent will be authorised to act on behalf of the relevant Issuer in dealings with Euroclear Sweden.

TAXATION

The statements herein regarding taxation are based on the laws in force in Belgium, Denmark, Finland, France, Luxembourg, the Netherlands, Spain, Sweden and the United-States, as applicable, as of the date of this Base Prospectus and are subject to any changes in law and interpretation hereof (potentially with a retroactive effect). The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe, purchase, own or dispose of the Securities. Each prospective holder or beneficial owner of Securities should consult its tax adviser as to each of the Belgian, Danish, Finnish, French, Luxembourg, Dutch, Spanish, Swedish and the U.S. tax consequences, as applicable, of any investment in or ownership and disposition of the Securities.

BELGIAN TAXATION

Taxation in Belgium

The following summary describes the principal Belgian withholding tax considerations with respect to the holding of the Certificates and/or Warrants obtained by an investor following this offer in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Certificates and/or the Warrants. In some cases, different rules may be applicable. Furthermore, the tax rules can be amended in the future, possibly with retroactive effect, and the interpretation of the tax rules may change.

This summary is based on the Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this offer in Belgium, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

This summary does not describe the tax consequences for a holder of Certificates and/or Warrants that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Certificates and/or Warrants and/or any tax consequences after the moment of exercise, settlement or redemption. In addition, it does not cover Warrants issued in accordance with the rules set out in the Act of 26 March 1999 on the Belgian Action Plan for Employment 1998 and other miscellaneous measures.

Each prospective holder of Certificates and/or Warrants should consult a professional adviser with respect to the tax consequences of an investment in the Certificates and/or Warrants, taking into account the influence of each regional, local or national law.

For Belgian tax purposes, if interest is in a foreign currency, it is converted into euro on the date of payment or attribution.

2. Income tax

On 25 January 2013, the Belgian tax authorities issued a circular letter on the Belgian tax treatment of income from structured securities characterised by an uncertain return on investment due to the variation of the coupons or the repayment terms at maturity, such as securities whose return is linked to the evolution of underlying products. According to the circular letter, the transfer of structured securities to a third party (other than the Issuer) results in taxation as interest income of the "pro rata interest", calculated on an unclear formulae. In addition, any amount paid in excess of the initial issue price upon redemption or repayment of the structured securities is considered as interest for Belgian tax purposes. It is highly debatable whether the circular letter is in line with Belgian tax legislation. Furthermore, it is unclear whether the Belgian tax authorities will seek to apply the principles set out in the circular letter to the structured Certificates and/or Warrants (the "**Structured Securities**").

It is assumed that any gains realised upon redemption or repayment by the Issuer will indeed be viewed as interest by the Belgian tax authorities (and any such gains are therefore referred to as "interest" for the purposes of the following paragraphs), but that the effective taxation of the "pro rata interest" in case of sale to a third party (ie other than the Issuer) would not be possible, on the basis that it is currently impossible to determine the amount of the "pro rata interest" (except for fixed rate Securities).

2.1 Repayment or redemption by the Issuer

(i) Belgian resident individual investors

Individuals who are holders of Structured Securities and who are Belgian residents for tax purposes, i.e. who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), are subject to the following tax treatment with respect to the Structured Securities in Belgium. Other rules may be applicable in special situations, in particular when individuals resident in Belgium acquire the Structured Securities for professional purposes or when their transactions with respect to the Structured Securities fall outside the scope of the normal management of their own private estate.

Payments of interest on the Structured Securities made through a paying agent in Belgium will in principle be subject to a 27 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Structured Securities in their personal income tax return, provided Belgian withholding tax was levied on these interest payments

Nevertheless, Belgian resident individuals may elect to declare interest on the Structured Securities in their personal income tax return. Also, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared this way will in principle be taxed at a flat rate of 27 per cent. (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, whichever is more beneficial) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the income tax liability.

(ii) Belgian resident corporate investors

Corporations that are Belgian residents for tax purposes, i.e. that are subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting/Impôt des sociétés*") are subject to the following tax treatment with respect to the Structured Securities in Belgium.

Interest received by Belgian corporate investors on the Structured Securities will be subject to Belgian corporate income tax at the applicable corporate income tax rates (the ordinary corporate income tax rate is 33.99 per cent, but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

Interest payments on the Structured Securities made through a paying agent in Belgium are in principle subject to a 27 per cent. withholding tax, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption will only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

(iii) Other Belgian legal entities

Non-corporate legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*") are subject to the following tax treatment with respect to the Structured Securities in Belgium.

Payments of interest on the Structured Securities made through a paying agent in Belgium will in principle be subject to a 27 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is responsible for the payment of the 27 per cent. withholding tax.

2.2 **Sale to a third party**

No Belgian withholding tax should apply to the Structured Securities (except in respect of that part of the sales price that can be attributed to the pro rata interest component in case of fixed rate Securities).

(i) Belgian resident individual investors

Individuals who are holders of Structured Securities and who are Belgian residents for tax purposes, i.e. who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), are currently not liable to Belgian income tax on the capital gains (if any) realised upon disposal of the Structured Securities to a third party, provided that the Structured Securities have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of the Structured Securities held as a non-professional investment are in principle not tax deductible.

However, Belgian resident individuals may be subject to a 33 per cent. Belgian income tax (plus local surcharges) if the capital gains on the Structured Securities are deemed to be speculative or outside the scope of the normal management of the individuals' private estate. Capital losses arising from such transactions are not tax deductible.

Capital gains realised upon transfer of Structured Securities held for professional purposes are taxable at the ordinary progressive income tax rates (plus local surcharges), except for Structured Securities held for more than five years, which are taxable at a separate rate of 16.5 per cent. (plus local surcharges). Capital losses on the Structured Securities incurred by Belgian resident individuals holding the Structured Securities for professional purposes are in principle tax deductible.

(ii) Belgian resident corporate investors

Corporations that are Belgian residents for tax purposes, i.e. that are subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are liable to Belgian corporate income tax on the capital gains (if any) realised upon disposal of the Structured Securities to a third party, irrespective of whether such Structured Securities relate to shares or other assets or indices. The current standard corporate income tax rate in Belgium is 33.99 per cent.

Capital losses realised upon disposal of the Structured Securities are in principle tax deductible.

(iii) Other Belgian legal entities

Non-corporate legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*"), are currently not liable to Belgian income tax on capital gains (if any) realised upon disposal of the Structured Securities to a third party.

Capital losses realised upon disposal of the Structured Securities are in principle not tax deductible.

3. Tax on stock exchange transactions

The sale and acquisition of the Certificates and Warrants is subject to a tax on stock exchange transaction ("*Taxe sur les opérations de bourse*" / "*Taks op de beursverrichtingen*") if executed in Belgium through a professional intermediary. The tax is generally due currently at a rate of 0.09 per cent. for Certificates and of 0.27 per cent. for Warrants on each sale and acquisition separately, with a maximum of EUR 650 per taxable transaction for Certificates and EUR 800 per taxable transaction for Warrants. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are not subject to this tax.

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (the "**FTT**"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

DANISH TAXATION

The following is a summary description of the taxation in Denmark of Securities according to Danish tax laws in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to invest, hold or dispose of Securities, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. The following does not include any description of any taxation related to the FATCA regulation. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment, holding and disposal of Securities.

Securities can either be taxed separately as a financial instrument liable to taxation in accordance with the Danish Capital and Exchange Gains Act (in Danish "*Kursgevinstloven*") Consolidation Act No. 1283 of 25 October 2016 (as amended) (the "**Danish Capital and Exchange Gains Act**") or as a gain or loss on the underlying asset.

In order not to be taxed separately, a number of conditions must be met, including in particular, that the parties to the warrant instrument remain the same and that the underlying asset will be delivered (as opposed to cash settlement). If taxation takes place as taxation of the underlying asset, the nature of the taxation will depend on the type of asset in question.

If the underlying asset is a debt claim, taxation of such Securities will take place in accordance with the Danish Capital and Exchange Gains Act. If the underlying financial asset is of a kind that will lead to taxation under the Danish Act on Capital Gains Tax on Shares (in Danish: "*Aktieavancebeskatningsloven*") Consolidation Act No. 1149 of 29 August 2016 (as amended), the holder of Securities will be deemed a shareholder for Danish tax purpose and be taxed in the following manner;

Resident personal holders of Securities

Sale, redemption or other disposals of Securities covered by the Danish Act on Capital Gains Tax on Shares are considered a realisation for Danish tax purposes. A capital gain or loss obtained by a Danish resident personal shareholder through a disposal of Securities is taxable or tax deductible in Denmark, respectively. The same applies to non-resident shareholders with a permanent establishment in Denmark to which the shares are connected.

Capital gains will be subject to taxation as share income at a rate of 27 per cent. on annual share income up to DKK 51,700 and 42 per cent. of share income exceeding DKK 51,700. The stated amount limits are applicable for 2017. The amount limits are doubled for married couples co-habiting at the end of the income year. Losses upon the realisation of Securities can be deducted.

Resident corporate holders of Securities

Danish resident holders of shares, including non-resident shareholders with a permanent establishment in Denmark to which the shares are connected are subject to tax on dividends. Companies holding at least 10 per cent of a Danish company (subsidiary shares) are as a general rule, however, not liable to pay tax on dividends irrespective of the period of ownership. The corporate tax rate is 22 per cent. in 2017.

Non-Resident holders of Securities

For non-tax residents, capital gains on shareholdings remain tax free irrespective of ownership percentage and ownership period. Generally, corporate shareholders are also exempt from tax on dividends if holding 10 per cent or more in a Danish company, however anti-avoidance exceptions apply. Dividends paid to corporate shareholders holding less than 10 per cent or dividends paid to individuals are subject to Danish withholding tax at a rate of up to 27 per cent.. The corporate withholding taxation is expected to be reduced to 22 per cent. with effect from 1 July 2016

FINNISH TAXATION

The following is a summary of certain tax consequences arising from Finnish tax legislation as in effect on the date of this Base Prospectus. Any subsequent changes in Finnish tax legislation or in the interpretation thereof may have an effect on the summary, also retroactively. The purpose of the summary is not to present completely all possible tax consequences arising from Finnish tax legislation. Especially, it should be noted that there is no special tax legislation and only limited case law regarding certificates and warrants in Finland. Therefore, the following summary is based on an interpretation of general provisions of tax law. The summary is not exhaustive and potential purchasers who have any doubt or concern regarding their tax and/or legal position on purchase, ownership, transfer, exercise or redemption of any Securities should consult their own independent, professionally qualified tax and/or legal advisers as to the tax consequences of the purchase, ownership, transfer, exercise and redemption of Securities.

General

Finnish residents and non-residents are treated differently for tax purposes in Finland. Finnish residents are subject to taxation in Finland on their worldwide income. Non-residents who are not generally liable for tax in Finland are subject to taxation in Finland solely in respect of their Finnish source income. Generally, an individual is deemed to be Finnish resident if such an individual continuously resides in Finland for more than six months or if the permanent home and dwelling of such an individual is in Finland. A citizen of Finland who has moved abroad is regarded as a resident of Finland for Finnish tax purposes until three years has passed after the end of the year of emigration, even though the individual does not reside in Finland over six months or the permanent home and dwelling are not located in Finland, if such an individual cannot prove that he/she has not had any essential relationship to Finland in the tax year in question. Entities established under the laws of Finland are regarded as residents of Finland in accordance with domestic tax law. Double tax treaties may restrict the authority of the Finnish state to tax foreign source income of an individual or entity deemed as resident of Finland pursuant to Finnish domestic tax law.

Income Tax

Resident individuals and estates

Interest and any similar income (e.g. interest compensation (in Finnish "*jälkimarkkinahyvitys*") and index compensation (in Finnish "*indeksihyvitys*")), received as well as any gain arising from the transfer or exercise of the Securities is likely taxed as capital income, subject to capital income tax, of an individual and estate resident in Finland for tax purposes, unless the Security is considered to belong to the business activity of an individual or an estate.

Payments under the Securities considered to belong to the business activity of an individual or an estate for Finnish tax purposes are included in the total business income of such individual or estate. The business income will be divided according to the Finnish Income Tax Act to be taxed as capital income (see below) and earned income at a progressive tax rate.

If the Securities are regarded as warrants/certificates for Finnish tax purposes, any gain arising from the transfer, exercise or redemption of the Securities should, based on current Finnish taxation practice, generally be considered a capital gain (as opposed to interest or compensation comparable to interest), at least where the Security is listed.

Further, according to a decision of the Supreme Administrative Court (KHO:2013:117), unlisted warrants, subject to trading only in a system upheld by a financial institution, were considered marketable securities for tax purposes where the warrants were freely issued and transferable and qualified for listing as such. Losses accrued were considered deductible in the taxation of the holder of the warrants. Although the case concerned warrants rather than certificates the interpretation should be similar in respect of certificates. Consequently, losses realized on the transfer, exercise or redemption of the Securities, especially where listed, are likely treated as a capital loss in taxation.

Capital income is taxed at a rate of 30 per cent (to the extent the annual capital income of a Finnish private person exceeds EUR 30,000 the tax rate is 34 per cent) in accordance with the Finnish Income Tax Act. Taxable capital gains or losses are the difference between the sales price or the amount received in connection with the exercise and the aggregate of the acquisition cost of the securities and related expenses. Individuals and estates may elect to apply a so called presumptive acquisition cost instead of the actual acquisition cost. The presumptive acquisition cost is generally 20 per cent of the sales price or the amount received in connection with the exercise, but is 40 per cent of the sales price or the amount received in connection with the exercise for securities that have been held for at least ten years. If the presumptive acquisition cost is used instead of the actual acquisition cost, the related expenses are included in the presumptive acquisition cost, and therefore, may not be deducted in addition to the presumptive acquisition cost. However, capital gains are not regarded as taxable income if the total amount of the sales prices (or the amounts received in connection with the exercise) of assets sold does not exceed EUR 1,000 in a calendar year.

Capital losses arising from the sale of securities during or after 2016, which are not considered to belong to the business activity of an individual or an estate, are deductible from all capital income arising in the same year and the following five years. To the extent the capital loss has arisen prior to 2016, the capital loss is, however, only deductible from capital gains (in the same year and the following five years.) Capital losses are not tax-deductible if the acquisition costs of the assets sold do not exceed EUR 1,000 in a calendar year and if the total amount of the sales prices (or the amounts received in connection with the exercise) does not exceed EUR 1,000 in the same calendar year.

Resident corporates

Interest and any similar income (e.g. interest compensation, (in Finnish "*jälkimarkkinahyvitys*") and index compensation, (in Finnish "*indeksihyvitys*"), received as well as any gain arising from the transfer or exercise of the Securities is generally included in the income arising from business activities (business income source) or from passive assets (other income source) of a Finnish company or the permanent establishment of a foreign company. The taxable income of a company is determined separately for business and other income sources. Both income sources are taxed at a flat rate of 20 per cent. The principal difference between the two sources of income concerns the deductibility of capital losses. The acquisition cost of the sold securities belonging to business activities is deductible for the company from other business income. Tax loss carry forwards (including capital losses) of a company (or the business activity of an individual or estate) are deductible from taxable business income in 10 subsequent tax years following the tax year for which the tax loss carry forwards was confirmed. Capital losses arising from the sale of securities not belonging to the business activity of a company are, however, deductible only against capital gains arising in the same tax year and the following five tax years. The decision of the Supreme Administrative Court referred to above under "Resident individuals and estates" should also be applicable in terms of the taxation of resident corporates where losses accrue from the sale of Securities not belonging to the business activity of the company. Companies are not allowed to use the acquisition cost presumption described above.

Non-residents

Holders of Securities who are not Finnish residents are not generally subject to Finnish tax on payments received under the Securities or gains realised in the transfer, exercise or redemption of Securities in Finland, provided that the Securities in question do not relate to business carried out in Finland through a permanent establishment.

Withholding

The Issuer is not under an obligation to perform any withholding or deduction for or on account of any income tax imposed, levied, withheld or assessed by Finland or any political subdivision or taxing authority thereof or therein in respect of any payments under the Securities. Further, such payments may be made free of any withholding when the recipient of the payment is not resident in Finland for tax purposes, or is a corporate resident in Finland for tax purposes.

An agent or intermediary resident in Finland shall withhold advance income tax at the rate of 30 per cent from any interest, interest compensation (in Finnish "*jälkimarkkinahyvitys*") or index compensation, (in Finnish "*indeksihyvitys*") paid to an individual or estate residing in Finland where such payment is made through the agent or intermediary. However, to the extent the payments in respect of the Securities are classified as capital gain - which should be the case upon the transfer, exercise or redemption of Securities regarded as warrants/certificates (especially where listed), as discussed above - they are generally not subject to advance withholding of income tax.

Wealth Tax

There is no wealth tax in Finland.

Transfer Tax

No transfer tax should be due on the transfer of the Securities.

Where the Securities are physically settled, and where the underlying security is considered a security for the purposes of the Finnish Transfer Tax Act, such as a share issued by a Finnish company, transfer tax may be due on the transfer of the underlying (securities). However, in case the underlying securities would be considered as securities for Finnish transfer tax purposes, securities listed for public trading, as defined in Chapter 1 Section 3 of the Finnish Securities Market Act and in the Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments, and sold against a fixed cash consideration using a qualified securities broker or where the purchaser is accepted as a trading party in the relevant marketplace, are not subject to Finnish transfer tax in accordance with the Finnish Transfer Tax Act.

Gift and Inheritance Tax

In accordance with domestic tax law, transfer of securities by way of gift or inheritance is subject to Finnish gift or inheritance tax, respectively, if either the transferor or the transferee was resident for tax purposes in Finland at the time of death or donation. Finland's right to impose gift or inheritance tax on transfer of movable property in the form of gift or inheritance received by residents and non-residents of Finland may, however, be limited by virtue of double tax treaties.

FRENCH TAXATION

This overview is based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisers so as to determine, in the light of their individual situation, the tax consequences of the subscription, purchase, holding, redemption or disposal of the Securities.

Withholding tax on Securities issued by BNPP

The treatment regarding withholding tax on payments in relation to Securities issued by BNPP will depend on the nature and characterisation of the relevant Securities.

Securities constituting debt instruments for French tax purposes

The following may be relevant to holders of Securities issued by BNPP who do not concurrently hold shares of BNPP.

Securities which are not consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes (other than Securities which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Securities are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues with respect to such Securities will not be deductible from BNPP's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to 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* of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of a particular issue of Securities if BNPP can prove that the principal purpose and effect of such issue of Securities was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320 n°10, an issue of Securities will benefit from the Exception without BNPP having to provide any proof of the purpose and effect of such issue of Securities, if such Securities 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; or
- (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 clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Securities which are consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes and which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts* will be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Securities issued before 1 March 2010, whether denominated in Euro or in any other currency, constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the *Bulletin Officiel des Finances Publiques-Impôts* BOI-RPPM-RCM-30-10-30-30-20140211, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the above mentioned *Bulletin Officiel des Finances Publiques-Impôts*.

In addition, interest and other revenues paid by BNPP on Securities which constitute debt instruments for French tax purposes, which are issued from 1 March 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 will not be subject to the Deductibility Exclusion, and hence will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Securities held by individuals who are fiscally domiciled in France

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

Securities issued by BNPP not constituting debt instruments for French tax purposes

Payments with respect to Securities issued by BNPP which do not constitute debt instruments for French tax purposes should not be subject to, or should be exempt from, withholding tax provided that the beneficial owner of such Securities and the payments thereunder is resident or domiciled in a country which has entered into an appropriate double tax treaty with France, fulfils the relevant requirements provided in such treaty and payments under the relevant Securities are not paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-cooperative State.

In addition, payments in respect of such Securities may, in certain circumstances, be non-deductible (in whole or in part) for French tax purposes if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, and subject to the more favourable provisions of an applicable double tax treaty, such non-deductible payments may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts* subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts* at a rate of up to 75 per cent..

Potential purchasers of Securities who are resident or domiciled in a country which has not entered into an appropriate double tax treaty with France or who are domiciled or established in a Non-Cooperative State are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, ownership of, or transactions involving the Securities.

Transfer tax and other taxes

The following may be relevant in connection with Securities which may be settled or redeemed by way of physical delivery of certain French listed shares (or assimilated securities) or other securities representing such listed shares or assimilated securities.

Pursuant to Article 235 *ter* ZD of the French *Code général des impôts*, a financial transaction tax (the "**Financial Transaction Tax**") is applicable to any acquisition for consideration of an equity security (*titre de capital*) as defined by Article L.212-1 A of the French *Code monétaire et financier* or of an assimilated equity security (*titre de capital assimilé*), as defined by Article L.211-41 of the French *Code monétaire et financier*, admitted to trading on a recognised stock exchange where such acquisition results in a transfer of ownership (in respect of acquisitions prior to 2018) and the said security is issued by a company whose registered office is located in France and whose market capitalisation exceeds 1 billion Euros on 1 December of the year preceding the year in which the imposition occurs (the "**French Shares**"). The FTT also applies to the acquisition of securities representing the French Shares. The Financial Transaction Tax could apply in certain circumstances to the acquisition of French Shares (or securities representing the French Shares) in connection with the exercise, settlement or redemption of any Securities.

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

The rate of the Financial Transaction Tax is 0.3 per cent. of the acquisition value of the securities.

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

LUXEMBOURG TAXATION

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

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

Withholding Tax

(i) Non-resident holders of Securities

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

(ii) Resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "**Relibi Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Law will be subject to a withholding tax at a rate of 10 per cent."

NETHERLANDS TAXATION

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For the purposes of Netherlands tax law, a holder of Securities may include an individual or entity who does not have the legal title of such Securities, but to whom nevertheless the Securities or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Securities or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) investment institutions (fiscale beleggingsinstellingen);
- (ii) pension funds, exempt investment institutions (vrijgestelde beleggingsinstellingen) or other entities that are not subject to or exempt from Netherlands corporate income tax;
- (iii) holders of Securities holding a substantial interest (aanmerkelijk belang) or deemed substantial interest (fictief aanmerkelijk belang) in the Issuer and holders of Securities of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (iv) persons to whom the Securities and the income from the Securities are attributed based on the separated private assets (afgezonderd particulier vermogen) provisions of the Netherlands Income Tax Act 2001 (Wet inkomstenbelasting 2001) and the Netherlands Gift and Inheritance Tax Act 1956 (Successiewet 1956);
- (v) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, to which permanent establishment or permanent representative the Securities are attributable;
- (vi) individuals to whom Securities or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands; and
- (vii) holders of Securities for whom the benefits from the Securities qualify for the participation exemption within the meaning of article 13 of the Netherlands Corporate Income Tax Act 1969 (Wet op de vennootschapsbelasting 1969) or would qualify for the participation exemption had the corporate holders of Securities been resident in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

This summary does not describe the consequences of the exchange or the conversion of the Securities.

Withholding Tax

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and Individual Income Tax

(a) Residents of the Netherlands

If a holder of Securities is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 52 per cent.) under the Netherlands Income Tax Act 2001 if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies, an individual that holds the Securities, must determine taxable income with regard to the Securities on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments is fixed at a rate of 4 per cent. of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Securities will be included as an asset in the individual's yield basis. The 4 per cent. deemed return on income from savings and investments is taxed at a rate of 30 per cent.

(b) Non-residents of the Netherlands

If a person is not a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes, such person is not liable to Netherlands

income tax in respect of income derived from the Securities and gains realised upon the settlement, redemption or disposal of the Securities, unless:

- (i) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25 per cent.

- (ii) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) realises income or gains with respect to the Securities that qualify as income from miscellaneous activities in the Netherlands which includes activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is other than by way of securities entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

Income derived from the Securities as specified under (1) and (2) is subject to individual income tax at progressive rates up to a maximum rate of 52 per cent. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Securities) will be part of the individual's Netherlands yield basis.

Gift and Inheritance Tax

- (a) Residents of the Netherlands

Generally, gift tax (*schenkbelasting*) or inheritance tax (*erfbelasting*) will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or on behalf of, or on the death of, a holder of Securities that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands Gift and Inheritance Tax Act 1956 at the time of the gift or his or her death. A gift made under a condition precedent is for purposes of the Netherlands Gift and Inheritance Tax Act 1956 deemed to be a made at the time the condition precedent is fulfilled and is subject to gift tax if the donor is, or is deemed to be, a resident of the Netherlands at that time.

A holder of Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956 if he or she has been resident in the Netherlands and dies or makes a gift within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Gift and Inheritance Tax Act 1956 if he or she has been resident in the Netherlands and makes a gift within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

(b) Non-residents of the Netherlands

No gift or inheritance tax will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or as a result of the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956. However, inheritance tax will be due in the case of a gift of the Securities by, or on behalf of, a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956, but who dies within 180 days after the date of the gift and at the time of his or her death is a resident or deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

SPANISH TAXATION

The statements herein regarding the tax legislation in Spain are based on the laws in force in Spain as of the date of this Base Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Securities. Each prospective holder or beneficial owner of Securities should consult its tax adviser as to the Spanish tax consequences of the ownership and disposition of the Securities.

A. AS REGARDS CERTIFICATES

1. Spanish resident individuals

1.1 Personal Income Tax

Personal Income Tax ("**PIT**") is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever its source and wherever the relevant payer is established. Therefore any income that a Spanish holder of the Certificates may receive under the Certificates will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties).

These amounts will be included in the savings part of the taxable income subject to PIT at the following tax rates: (i) 19 per cent. for taxable income up to €6,000; (ii) 21 per cent. for taxable income from €6,001 to €50,000; and (iii) 23 per cent. for any amount in excess of €50,000.

Spanish holders of the Certificates shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Certificates will be calculated as the difference between (a) their disposal, redemption or reimbursement value and (b) their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and transfer of the Certificates may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses related to the management and deposit of the Certificates, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Certificates cannot be offset if the investor acquires homogeneous securities within the two-month period prior or subsequent to the transfer of the Certificates, until he/she transfers such homogeneous securities.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Certificates, if any.

1.2 Spanish Inheritance and Gift Tax

Spanish Inheritance and Gift Tax is levied on transfers of Certificates upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General tax rates currently range from 7.65 to 81.60 per cent. although the tax situation may vary depending on any applicable regional tax laws.

1.3 Spanish Wealth Tax

Spanish tax resident individuals are subject to an annual Wealth Tax on the tax year 2016 on their total net wealth, regardless of the location of their assets or of where their rights may be exercised, to the extent that their net wealth exceeds €700,000 (note that a different minimum tax exempt amount may be approved by the corresponding regional authorities). Therefore, Spanish holders of the Certificates should compute the value of the Certificates as at 31 December 2016 when calculating their Wealth Tax liabilities. The applicable tax rates range between 0.2 per cent. and 2.5 per cent. although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

2. Legal Entities with Tax Residence in Spain

2.1 Corporate Income Tax

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates obtained by entities which are tax resident in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for Spanish Corporate Income Tax ("CIT") taxpayers is currently 25 per cent.. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Certificates, if any.

3. Individuals and Legal Entities with no Tax Residence in Spain

A non-resident holder of Certificates who has a permanent establishment in Spain to which such Certificates are attributable is subject to Spanish Non-Residents' Income Tax on any income obtained under the Certificates including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to Spanish tax resident CIT taxpayers.

4. Spanish withholding tax

BNP Paribas has been advised that, under Spanish tax law currently in effect, the Issuer should not be obliged to deduct withholdings on account of Spanish income taxes since it is not a Spanish tax resident entity and does not have a permanent establishment in Spain to which the issue of the Certificates is connected.

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Certificates or intervenes as manager on the collection of any income under the Certificates, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Certificates. To this effect income deriving

from the Certificates will include not only interest payments but also income arising from the disposal, redemption or reimbursement of the Certificates, if any.

The current withholding tax in Spain is 19 per cent. Amounts withheld in Spain, if any, can be credited against the final Spanish PIT liability, in the case of Spanish resident individuals, or against final Spanish CIT liability, in the case of Spanish CIT taxpayers, or against final Spanish Non-Residents' Income Tax liability, in the case of Spanish permanent establishments of non resident investors. However, holders of the Certificates who are CIT taxpayers or Non-Residents' Income Taxpayers acting through a permanent establishment in Spain can benefit from a withholding tax exemption when the Certificates are (a) listed in an OECD official stock exchange; or (b) represented in book-entry form and admitted to trading on a Spanish secondary stock exchange or on the Alternative Fixed Income Securities Market (Mercado Alternativo de Renta Fija).

Additionally, when the Certificates (i) are represented in book-entry form; (ii) are admitted to trading on a Spanish secondary stock exchange; and (iii) generate explicit yield, holders who are PIT taxpayers can benefit from a withholding tax exemption in respect of the income arising from the transfer or repayment of the Certificates. However, under certain circumstances, when a transfer of the Certificates has occurred within the 30-day period immediately preceding any relevant interest payment date, such PIT taxpayers may not be eligible for such withholding tax exemption.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the regulations of the Spanish tax legislation when intervening in the transfer or reimbursement of the Certificates.

5. Indirect taxation

The acquisition, transfer, redemption, reimbursement and exchange of the Certificates will be exempt from Transfer Tax and Stamp Duty, as well as Value Added Tax.

B. AS REGARDS WARRANTS

1. Spanish resident individuals

Personal Income Tax

The premium or amount paid for the subscription of the Warrants would not be considered as a deductible expense, but as the acquisition value, which would include the expenses and commissions, inherent to the acquisition, paid by the acquirer.

Income obtained by holders of the Warrants covered by this Prospectus on their transfer before the expiration date will be considered as capital gains or losses on the terms of article 33 of Law 35/2006 of Personal Income Tax, of 28 November, as amended (the "**PIT Act**"). The gain or loss shall be calculated as a difference between the transfer value, once any expenses and commissions paid by the taxpayer have been deducted, and the acquisition value, as it has been defined above.

Upon the exercise of the Warrants, income obtained would be considered as capital gain or loss, being calculated as the difference between (i) the Cash Settlement Amount, once expenses have been deducted and commissions paid by the taxpayer, and (ii) the acquisition value defined above.

Failure to exercise any Warrants on the expiration date would give rise to a capital loss on the

acquisition value.

Income derived from the transfer or exercise of the Warrants will be included in the savings part of the taxable income subject to PIT at the following tax rates: (i) 19 per cent. for taxable income up to €6,000; (ii) 21 per cent. for taxable income from €6,001 to €50,000; and (iii) 23 per cent. for any amount in excess of €50,000.

Additionally, tax credits for the avoidance of international double taxation any apply in respect of taxes paid outside Spain on income derived from the Warrants, if any.

Spanish Inheritance and Gift Tax

Spanish Inheritance and Gift Tax is levied on transfers of Warrants upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General tax rates currently range from 7.65 to 81.60 per cent., although the tax situation may vary depending on any applicable regional tax laws.

Spanish Wealth Tax

Spanish tax resident individuals are subject to an annual Wealth Tax on tax year 2016 on their total net wealth, regardless of the location of their assets or of where their rights may be exercised, to the extent that their net wealth exceeds €700,000 (note that a different minimum tax exempt amount may be approved by the corresponding regional authorities). Therefore, Spanish holders of the Warrants should compute their value as at 31 December 2016 when calculating their Wealth Tax liabilities. The applicable tax rates range between 0.2 per cent. and 2.5 per cent. although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

2. Legal Entities with Tax Residence in Spain

Corporate Income Tax

As a general rule, income obtained either through the transfer or the exercise of the Warrants and obtained by taxpayers subject to CIT will be included in their taxable income under general provisions, with the possibility of applying tax credits for the avoidance of international double taxation in respect of taxes paid outside Spain on income derived from the Warrants, if any.

The general tax rate for Spanish Corporate Income Tax ("CIT") taxpayers is currently 25 per cent.. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

3. Individuals and Legal Entities with no Tax Residence in Spain

As a general rule, income obtained by a permanent establishment located in Spain of a non-resident would be subject to taxation in a similar way than that applicable to Spanish tax resident CIT taxpayers.

4. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to Spanish tax resident CIT taxpayers.

5. Spanish withholding tax

Any income derived from the Warrants will be exempt from withholding in Spain.

6. Indirect taxation

The acquisition, transfer, redemption, reimbursement and exchange of the Warrants will be exempt from Transfer Tax and Stamp Duty, as well as Value Added Tax.

SWEDISH TAXATION

The following comments are of a general nature and included herein solely for information purposes. These comments are limited to Swedish taxation relating to direct holders of Securities that, unless otherwise stated, are considered to be resident in Sweden for Swedish tax purposes or that maintain a taxable presence in Sweden (e.g. a permanent establishment) under Swedish law to which the investment is attributable. The summary is based upon Swedish tax laws and practice as in effect as of the date hereof which are subject to change.

The information contained in this section is not exhaustive and is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Securities. For example, this summary does not address the specific rules that apply to Securities held as current assets/stock (Sw: *lager*) in a business operation, the rules related to crediting of foreign tax, the applicability or effect of tax treaties for the avoidance of double taxation, situations where the investment is made through an investment savings account (Sw: *investeringssparkonto*), or the rules regarding reporting obligations for, among others, payers of interest. Special tax consequences that are not described below may also apply to certain categories of taxpayers, e.g. partnerships, investment companies and life insurance companies. These comments are not intended to be, nor should they be construed to be, legal or tax advice. No representation with respect to the consequences to any particular prospective holder of a Security is made hereby. It is stressed that the Swedish tax treatment of any income and/or capital gain/loss for a particular holder of a Security is dependent on its particular situation and circumstances.

PROSPECTIVE PURCHASERS OF THE SECURITIES ARE ADVISED TO CONSULT THEIR OWN ADVISORS AS TO THE SWEDISH TAX AND OTHER TAX CONSEQUENCES (INCLUDING THE APPLICABILITY AND EFFECT OF TAX TREATIES FOR THE AVOIDANCE OF DOUBLE TAXATION) OF AN INVESTMENT IN THE SECURITIES IN THEIR PARTICULAR CIRCUMSTANCES.

Withholding tax

No Swedish withholding tax at source (Sw: *kupongskatt*) applies to payments made by the Issuer in respect of the Securities.

However, Sweden operates a system of preliminary tax (Sw: *preliminärskatt*) to ensure payment of taxes. In the context of the Securities a preliminary tax of 30 per cent may be deducted from all payments treated as interest for tax purposes made to any individual (or estate of a deceased individual) that is resident in Sweden for tax purposes, provided the paying entity is subject to tax reporting obligations under Swedish law. A preliminary tax of 30 per cent may also be deducted from any other payments in respect of the Securities not treated as capital gains for tax purposes, if such payments are paid out together with payments that are treated as interest for tax purposes. Depending on the relevant holder's overall tax liability for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the holder's overall tax liability with any balance subsequently to be paid by or to the relevant holder, as applicable.

Income tax

A holder that is a legal entity (except an estate of a deceased individual), e.g. a Swedish limited liability company (Sw: *aktiebolag*), is normally subject to Swedish corporate income tax on all types of income (less deductible expenses) including interest income, capital gains and other income derived from assets or liabilities. The tax rate is currently 22 per cent. Special tax rules may apply to certain categories of investors of varying legal form, for example insurance companies, pension foundations, investment funds and partnerships.

A holder that is an individual (or an estate of a deceased individual) is normally subject to Swedish income tax on interest income, capital gains and other income derived from assets or liabilities. The general tax rate is currently 30 per cent.

For holders that are subject to tax in Sweden, the calculation of capital gains and losses and the possibility to offset losses against other gains and/or income is generally dependent on the classification of the Securities for Swedish tax purposes. The classification of a Security for tax purposes may depend on several factors, including but not limited to the currency of issuance, whether it is to be considered listed (Sw: *marknadsnoterad*), the type and/or mix of underlying assets, references etc., and other characteristics of the Security and/or the underlying assets, references etc.

Non-residents

Holders of Securities who are not Swedish residents are generally not subject to Swedish tax (including preliminary tax) on payments received under the Securities or on gains realized on the sale, exercise, redemption, exchange or any other form of disposal of the Securities in Sweden, provided that the Securities in question do not relate to a taxable presence in Sweden (e.g. a Swedish permanent establishment). Special rules may however apply in certain situations.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

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

The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially apply to payments in respect of (i) any Securities characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which (A) with respect to Securities that give rise to foreign passthru payments is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register and (B) with respect to Securities that give rise to dividend equivalent payments, as discussed below under "*Hiring Incentives to Restore Employment Act*" is July 1, 2017, or which are materially modified after the grandfathering date and (ii) any Securities characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued on or before the grandfathering date, and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States has entered into an IGA with France and the Netherlands (each a "**Relevant IGA**") based largely on the Model 1 IGA.

If the Issuer is treated as Reporting FI pursuant to the Relevant IGA it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Securities are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Securities is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

While the Securities are in global form and held within the Clearing Systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Securities by the Issuer, any paying agent and the common depositary or common safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the Clearing Systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Securities.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the Relevant IGA, all of which are subject to change or may be

implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to an Issuer and to payments they may receive in connection with the Securities.

HIRING INCENTIVES TO RESTORE EMPLOYMENT ACT

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the U.S. Internal Revenue Code of 1986 (the "**Code**") which treats a "dividend equivalent" payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the U.S. Internal Revenue Services (the "**IRS**"). A "**dividend equivalent**" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). Recently published final U.S. Treasury regulations issued under Section 871(m) (together with any amendments or official guidance relating thereto, the **Section 871(m) Regulations**) will, when effective, require withholding on certain non-U.S. holders of the Securities with respect to amounts treated as attributable to dividends from certain U.S. securities. Under the Section 871(m) Regulations, only a Security that has an expected economic return sufficiently similar to that of the underlying U.S. security, as determined on the Security's issue date based on tests set forth in the Section 871(m) Regulations, will be subject to the Section 871(m) withholding regime (making such Security a **Specified Security**). The Section 871(m) Regulations provide certain exceptions to this withholding requirement, in particular for instruments linked to certain broad-based indices.

Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If the underlying U.S. security or securities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly linked to dividends. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

The Section 871(m) Regulations generally apply to Specified Securities issued on or after 1 January 2017. If the terms of a Security are subject to a "significant modification" (as defined for U.S. tax purposes), the Security generally would be treated as retired and reissued on the date of such modification for purposes of determining, based on economic conditions in effect at that time, whether such Security is a Specified Security. Similarly, if additional Securities of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales of Securities out of inventory) after the original issue date, the IRS could treat the issue date for determining whether the existing Securities are Specified Securities as the date of such subsequent sale or issuance. Consequently, a previously grandfathered Security, or otherwise out of scope Security, might become a Specified Security following such modification or further issuance.

The applicable Final Terms will indicate whether the Issuer has determined that Securities are Specified Securities and will specify contact details for obtaining additional information regarding the application of Section 871(m) to such Securities. If Securities are Specified Securities, a non-U.S. holder of such Securities should expect to be subject to withholding in respect of any dividend-paying U.S. securities underlying those Securities. The Issuer's determination is binding on non-U.S. holders of the Securities, but it is not binding on the IRS. The Section 871(m) Regulations require complex calculations to be made with respect to Securities linked to U.S. securities and their application to a specific issue of Securities may be uncertain. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Securities.

If so specified in the Final Terms, the Issuer will arrange for withholding under Section 871(m) to be imposed on any dividend equivalent payment with respect to a Specified Security at a rate of 30 per cent., regardless of any exemption from, or reduction on, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a non-U.S. holder is eligible for a reduced rate under an applicable tax treaty with the United States). A non-U.S. holder may be able to claim a refund of any excess withholding provided the required information is timely furnished to the IRS. Refund claims are subject to U.S. tax law requirements and there can be no assurance that a particular refund claim will be timely paid or paid at all.

OTHER TAXATION

The payment of the Cash Settlement Amount on the Securities, if any, will be made subject to withholding taxes and other taxes which the law may impose on holders of the Securities.

Individuals and legal entities should consult their usual tax advisors with respect to the tax treatment which applies to them.

In addition, holders of the Securities should comply with the tax laws applicable in the jurisdiction in which they are resident, subject to the application of any applicable tax treaty in force between France or, as the case may be, the Netherlands, and such jurisdiction.

Purchasers of Securities may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Security.

TRANSACTIONS INVOLVING SECURITIES MAY HAVE TAX CONSEQUENCES FOR POTENTIAL PURCHASERS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE POTENTIAL PURCHASER AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING SECURITIES SHOULD CONSULT THEIR OWN TAX ADVISERS.

Transactions involving Securities may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and may relate to transfer and registration taxes.

All prospective holders should seek independent advice as to their tax positions.

OFFERING AND SALE

No action has been or will be taken by BNPP B.V., BNPP or the Managers that would permit a public offering of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on BNPP B.V., BNPP and/or the Managers.

United States

None of the Securities, the Guarantee or, in the case of Physical Delivery Securities, the Entitlement to be delivered upon the exercise (in the case of Physical Delivery Warrants) or the redemption (in the case of Physical Delivery Certificates) of such Securities has been, or will be, registered under the Securities Act or any state securities laws, and trading in the Securities has not been approved by the CFTC under the CEA. The Issuer has not registered as an investment company pursuant to the U.S. Investment Company Act of 1940, as amended. Unless otherwise specified in the applicable Final Terms, the Securities are being offered and sold in reliance on Regulation S under the Securities Act. No Securities of such series, or interests therein, may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person or person that is not a non-United States Person (as defined in Rule 4.7 under the CEA), and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. The Securities of such series may not be legally or beneficially owned at any time by any U.S. person and accordingly are being offered and sold outside the United States only to non-U.S. persons in reliance on Regulation S.

As used herein, a "**U.S. person**" is any person who is (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, ten per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. Persons; or (vii) any other U.S. Person as such term may be defined in Regulation S or in regulations adopted under the CEA.

Securities related to a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified currency or basket of currencies, a specified commodity or basket of commodities or Hybrid Warrants related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, by or for the account or benefit of, persons that are U.S. persons as defined in Regulation S under the Securities Act or that are not non-United States Persons as defined in Rule 4.7 under the CEA unless expressly provided for pursuant to any applicable U.S. wrapper to the Base Prospectus. Any such applicable U.S. wrapper may restrict the types of Securities that can be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered and the terms of such Securities.

In connection with sales of Securities outside the United States, each relevant dealer will be required to agree that, except as described in the preceding paragraph, it has not offered, sold or delivered, and will not offer, sell or deliver, any Securities within the United States or to, or for the account or benefit of, U.S. persons as part of its distribution at any time.

In addition, until the expiration of the 40-day Distribution Compliance Period with respect to an offering of Securities pursuant to the registration exemption contained in Regulation S under the Securities Act, an offer or sale of such Securities within the United States by any dealer that is not participating in such offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption under the Securities Act.

Terms used above that are defined in Regulation S have the meanings given to them therein, as applicable.

Securities in bearer form that are debt for U.S. federal income tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain circumstances permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder.

The TEFRA rules do not apply to Securities in dematerialised form.

European Economic Area

Please note that in relation to EEA States, additional selling restrictions may apply in respect of any specific EEA State, including those set out below in relation to Belgium, Denmark, Finland, France, Spain, Sweden and the Netherlands.

From 1 January 2018, unless the Final Terms in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto may not be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “offer” includes 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.

Prior to 1 January 2018, and from that date if the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that offers of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public may not be made except offers of such Securities to the public may be made:

- (i) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to those Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Issuer or any Manager for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Issuer 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 of Securities to the public**" in relation to any Securities in any 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, the expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended.

Belgium

With regard to Securities having a maturity of less than 12 months (and which therefore fall outside the scope of the Prospectus Directive), this Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*) (the "**FSMA**"). Accordingly, no action will be taken that would be characterised as or result in a public offering of such Securities in Belgium in accordance with the Prospectus Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

With regard to fund linked Securities, the funds to which the fund linked Securities are linked are not registered and will not be registered in Belgium with the FSMA under the Belgian law of 3 August 2012 on certain forms of collective investment portfolios. The shares and other securities issued by these funds cannot be offered publicly in Belgium.

The Securities shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

Denmark

The Securities have not been offered or sold and may not be offered, sold or delivered directly or indirectly in Denmark, unless in compliance with Chapters 6 or 12 of the Danish Securities Trading Act, Consolidated Act

No. 1229 of 7 September 2016 and the Danish Prospectus Executive Orders issued pursuant thereto all as amended from time to time.

Finland

The Securities cannot, directly or indirectly, be offered or sold in Finland other than in compliance with all applicable provisions of the laws of Finland, including the Finnish Securities Market Act (*Fin. Arvopaperimarkkinalaki* (746/2012)) and any regulation issued thereunder, as supplemented and amended from time to time.

France

In the period beginning on the date of the delivery of a certificate of approval by the Authority for the Financial Markets (the "AFM") to the AMF of its approval of this Base Prospectus for the purposes of the Prospectus Directive and the relevant implementing measures in The Netherlands, and ending at the latest on the date which is 12 months after the date of such approval, the Issuer and any Authorised Offeror of an issue of Securities may make an offer of Securities:

- (a) to the public in France, as defined in Article L.411-1 of the French *Code monétaire et financier* and in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the provisions of the *Règlement général* of the AMF; and/or
- (b) in circumstances that do not constitute an offer to the public in France pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the AMF

Pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the AMF, (in each case as may be amended from time to time), the circumstances in which an offer of Securities shall not constitute an offer to the public in France include, but are not limited to, an offer of Securities:

- (i) addressed solely to qualified investors (*investisseurs qualifiés*) other than individuals, acting for their own account; and/or
- (ii) addressed solely to a limited number of investors (*cercle restreint d'investisseurs*) acting for their own account; and/or
- (iii) addressed solely to 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
- (iv) addressed to investors who acquire Securities for a total consideration of at least euro 100,000 (or its equivalent in another currency) per investor, for each separate offer; and/or
- (v) whose notional amount, nominal amount or equivalent amounts to at least euro 100,000 (or its equivalent in another currency); and/or
- (vi) with a total consideration of less than euro 100,000 (or its equivalent in another currency), which limit shall be calculated over a period of 12 months.

Netherlands

Zero coupon Certificates on which interest does not become due and payable during their term but only at maturity (that qualify as savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen*; the "SCA") may only be transferred and accepted, directly or indirectly, within,

from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Certificates to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Certificates if they are physically issued outside the Netherlands and are not immediately thereafter distributed in the Netherlands.

Spain

In addition to the selling restrictions under the Prospectus Directive in relation to EEA States, as stated above, when the offer is not strictly addressed to qualified investors (as described in the Prospectus Directive) in the Kingdom of Spain, any offer sale or delivery of the Securities, must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Kingdom of Spain in accordance with the Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Spanish Securities Market.

Sweden

The Securities have not been offered or sold and may not be offered, sold or delivered directly or indirectly in Sweden, unless in compliance with the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument).

GENERAL INFORMATION

1. Authorisation

The update of the Programme was approved by resolutions of the Board of Directors of BNPP B.V. dated 31 May 2017. No authorisation procedures are required of BNPP by French law for the giving of the Guarantee.

2. Approval and Listing

Application has been made to the Authority for the Financial Markets (the "**AFM**") in the Netherlands to approve this Base Prospectus as a base prospectus. Application has also been made to (i) Euronext Paris for Securities issued under the Programme to be admitted to trading on Euronext Paris and to admit the Securities for trading described herein on the regulated market of Euronext Paris and to be listed on Euronext Paris and (ii) application may be made to list Securities on Euronext Amsterdam and/or Euronext Brussels and (iii) application may be made to list Securities on Stock exchange of Madrid/Barcelona/Valencia/Bilbao and (iv) application may be made to list Securities on NASDAQ OMX Helsinki Ltd and (v) application may be made to list Securities on the Nordic Growth Market and (vi) application may be made to list Securities on NASDAQ OMX Stockholm and (vii) application may be made to list Securities on the Nordic Derivatives Exchange Stockholm and (viii) application may be made to list Securities on the Nordic MTF and (ix) application may be made to list Securities on the Boerse Stuttgart cats GmbH (the "**Cats**") and/or on other stock exchanges as set out in the applicable Final Terms and, if relevant, the applicable Final Terms will include information on the relevant Market segment of the stock exchange on which the securities are to be listed.

3. Notification

The Issuer may request the AFM to provide the competent authority of any EEA State with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Financial Supervision Act (*Wet op het financieel toezicht*) which implements the Prospectus Directive into Netherlands law.

Application has been made for the delivery by the AFM of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Directive to the competent authorities in Belgium, Denmark, Finland, France, Luxembourg, Spain and Sweden for the purposes of the Prospectus Directive. In compliance with Article 18 of the Prospectus Directive, such notification may also be made from time to time at the Issuer's request to any other competent authority of any other Member State of the EEA.

4. Documents Available

From the date hereof and so long as Securities are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection at the specified office for the time being of BNP Paribas Securities Services, at the specified office for the time being in Paris of BNP Paribas Arbitrage S.N.C. and at the specified office for the time being in Amsterdam of BNP Paribas Securities Services.

- (i) copies of the *Statuts* of BNPP;
- (ii) copies of the constitutional documents of BNPP B.V. and BNP Paribas;

- (iii) the audited annual non-consolidated financial statements of BNPP B.V. for the years ended 31 December 2015 and 31 December 2016 (BNPP B.V. does not produce consolidated annual reports);
- (iv) the most recently published audited annual consolidated financial statements and unaudited semi-annual consolidated financial statements and quarterly results of BNPP;
- (v) the most recently published unaudited semi-annual non-consolidated financial statements of BNPP B.V. (BNPP B.V. does not produce consolidated semi-annual reports);
- (vi) the BNPP 2015 Registration Document;
- (vii) the BNPP 2016 Registration Document;
- (viii) the First Update to the BNPP 2016 Registration Document ;
- (ix) copy of the Guarantee;
- (x) the Agency Agreement (as amended or supplemented from time to time) between *inter alia* BNPP B.V. and BNP Paribas Securities Services dated 4 July 2017; and
- (xi) this Base Prospectus.

In the case of (i), (ii), (iv), (vi), (vii) and (viii), the documents are also available via BNPP's website: www.invest.bnpparibas.com. In addition, copies of this Base Prospectus and any documents incorporated by reference in this Base Prospectus are available via BNPP's websites (www.produitsdebourse.bnpparibas.fr; www.bnpparibasmarkets.be; www.bnpparibasmarkets.nl; www.educatedtrading.bnpparibas.se; <https://www.productscotizados.com/home/>). In addition, the constitutional documents of BNPP B.V., the Guarantee and the documents listed at (iii), (v), (x) and (xi) above are available at the registered office of BNPP B.V.

In addition, the Swedish Agency Agreement will be available for inspection at the office of the Swedish Security Agency.

5. Material Adverse Change

There has been no material adverse change in the prospects of BNPP or the Group since 31 December 2016 (being the end of the last financial period for which audited financial statements have been published).

There has been no material adverse change in the prospects of BNPP B.V. since 31 December 2016 (being the end of the last financial period for which audited financial statements have been published).

6. Legal and Arbitration Proceedings

Save as disclosed on pages 161 and 213 of the BNPP 2016 Registration Document and on page 89 of the First Update to the BNPP 2016 Registration Document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNPP is aware), during the period covering at least the twelve (12) months prior to the date of this

Base Prospectus which may have, or have had in the recent past, significant effects on BNPP and/or the Group's financial position or profitability.

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNPP B.V. is aware) during a period covering twelve (12) months prior to the date of this Base Prospectus which may have, or have had in the recent past significant effects on BNPP B.V.'s financial position or profitability.

7. Significant Change

There has been no significant change in the financial or trading position of BNPP or the BNPP Group since 31 December 2016 (being the end of the last financial period for which audited financial statements have been published).

There has been no significant change in the financial or trading position of BNPP B.V. since 31 December 2016 (being the end of the last financial period for which interim financial statements have been published).

8. Material Contracts

Neither BNPP B.V nor BNPP has entered into contracts outside the ordinary course of its respective business, which could result in the Issuer being under an obligation or entitlement that is material to such Issuer's ability to meet its obligation to holders of Securities in respect of the Securities being issued.

9. Third Party Information

Information contained in this Base Prospectus which is sourced from a third party has been accurately reproduced and, as far as the relevant Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The relevant Issuer has also identified the source(s) of such information.

10. Board of Directors

The members of the Board of Directors of BNPP are displayed on pages 30 to 42 of BNPP 2016 Registration Document relating to BNPP which is incorporated by reference herein.

The "Description of BNPP B.V." above includes details of the Management Board of BNPP B.V.

11. Conflicts of Interests

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

The Management Board of BNPP B.V. does not have potential conflicts of interests, material to the issue of Securities, between any duties to BNPP B.V. and its interests or other duties.

12. Auditors

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

Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to

approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Damien Leurent.

Deputy:

BEAS, 195, avenue Charles de Gaulle, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

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

PricewaterhouseCoopers Audit is represented by Etienne Boris.

Deputy:

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

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

Mazars is represented by Hervé Hélias.

Deputy:

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

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

In June 2012 Mazars Paardekooper Hoffman Accountants N.V. were appointed as the auditors of BNPP B.V. Mazars Paardekooper Hoffman Accountants N.V. are independent public accountants in the Netherlands registered with NBA (*Nederlandse Beroepsorganisatie van Accountants*).

The address of Mazars Paardekooper Hoffman Accountants N.V. is Delflandlaan 1, 1062 EA Amsterdam, Netherlands.

The financial statements of BNPP B.V. for the year ending 31 December 2015 and 31 December 2016 have been audited without qualification by Mazars Paardekooper Hoffman Accountants N.V.

13. Clearing System

The Securities shall be accepted for clearance through Euroclear France, Euroclear Netherlands, Iberclear, Euroclear and/or Clearstream, Luxembourg.

Swedish Dematerialised Securities will be accepted for clearing and registration in the Euroclear Sweden System.

If the Securities of any series are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Clearstream, Luxembourg is 42 avenue JF Kennedy, L-1855 Luxembourg.

The address of Euroclear Bank is 1 Boulevard du Roi Albert II B-1210 Brussels.

The address of Euroclear France is 66 rue de la Victoire, 75009 Paris.

The address of Euroclear Netherlands is Herengracht 459-469, 1017 BS Amsterdam.

The address of Iberclear is Plaza de la Lealtad, 28014 Madrid.

The address of Euroclear Sweden is P.O. Box 191, SE-101 23 Stockholm.

14. Post-issuance information

Save as set out in the applicable Final Terms, the relevant Issuer will not provide post-issuance information in relation to any underlying in relation to any issue of Securities.

15. Dependence of BNPP upon other members of the BNPP Group

BNPP is not dependent upon other members of the BNPP Group.

16. Capitalization of BNPP and the BNP Paribas Group

BNP Paribas consolidated capitalization and medium and long term debt indebtedness over one year		
Group accounting method		
In Millions of Euros	BNP PARIBAS GROUP 31 December 2016	BNP PARIBAS GROUP 31 March 2017
Debt securities at fair value through profit or loss	36,053	38,107
Debt securities measured at amortised cost	58,205	57,261
Total Senior Preferred Debt.....	94,258	95,368
Debt Securities measured at amortised cost	0	4,535
Total Senior Non-Preferred Debt	0	4,535
Redeemable subordinated debt measured at amortised cost	12,341	13,231
Undated subordinated notes measured at amortised cost	1,627	1,623
Undated participating subordinated notes measured at amortised cost	222	222

Redeemable subordinated debt at fair value through profit or loss	162	146
Perpetual subordinated debt at fair value through profit or loss ²⁷	588	669
Preferred shares and equivalent instruments	8,430	8,467
Total Subordinated Debt	23,370	24,358
Issued capital	2,494	2,496
Additional paid-in capital	24,454	24,370
Retained earnings	55,754	56,979
Unrealised or deferred gains and losses attributable to shareholders	6,169	5,504
Total Shareholders' Equity and Equivalents with anticipation of dividends	88,871	89,349
Minority interests with anticipation of dividends.....	4,431	5,076
Total Capitalization and Medium-to-Long Term Indebtedness	210,930	218,686

17. Yield

In relation to any Tranche of Fixed Rate Certificates, an indication of the yield (or, gross yield) in respect of such Certificates will be specified in the applicable Final Terms. The yield is calculated at the Issue Date on the basis of the Issue Price and on the assumption that the Securities are not subject to early cancellation. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Certificates and will not be an indication of future yield.

18. Events impacting the solvency of BNPP

To the best of BNPP's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of BNPP's solvency since 31 December 2016.

²⁷ Carrying amount of the cashes, of which the amount eligible to Tier 1 is €162 million in 2016 and 2017.

INDEX OF DEFINED TERMS IN RESPECT OF THE SECURITIES

"**A**" is as defined in Warrant Condition 15.2, Share Condition 4.2(f) and ETI Security Condition 6.2(b).

"**Account Holder**" is as defined in Condition 2.2.

"**Accrual Period**" is as defined in Condition 28(c).

"**Actual/Actual (ICMA)**" is as defined in Condition 28(c).

"**Actual Exercise Date**" is as defined in Condition 18 and Condition 21.1(a).

"**Actual First Traded Price**" is as defined in Index Condition 9.1.

"**Additional Disruption Event**" is as defined in Condition 15.1.

"**Adjustment**" is as defined in ETI Security Condition 6.2(a).

"**ADR**" is as defined in Share Condition 8.

"**AER Knock-out**" is as defined in Conditions 22.8(b) and 29.6(b).

"**Affected Basket Company**" is as defined in Share Condition 4.2(f).

"**Affected Commodity**" is as defined in Commodity Condition 3(b).

"**Affected Custom Index**" is as defined in Index Condition 6.2.

"**Affected ETI**" is as defined in ETI Security Condition 6.2(b).

"**Affected ETI Interest**" is as defined in ETI Security Condition 6.2(b).

"**Affected Exchange-traded Contract**" is as defined in Debt Condition 9(c).

"**Affected Index Component**" is as defined in Commodity Condition 3(b).

"**Affected Item**" is as defined in Commodity Condition 1, in Condition 1 under the definition of Strike Date, in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates).

"**Affected Relevant Assets**" is as defined in Condition 15.1.

"**Affected Share**" is as defined in Share Condition 4.2(f) and in Condition 15.2(e).

"**Affiliate**" is as defined in Condition 1.

"**Agency Agreement**" is as defined in paragraph 5 of the Terms and Conditions of Securities.

"**Alternate Cash Amount**" is as defined in Condition 5.4.

"**American Style Warrants**" is as defined in Condition 20.

"**Annex**" and "**Annexes**" is as defined in paragraph 1 of the Terms and Conditions of Securities.

"**Asset Transfer Notice**" is as defined in Condition 30.2(a).

"**Automatic Early Expiration Date**" is as defined in Condition 22.8.

"**Automatic Early Expiration Event**" is as defined in Condition 22.8.

"**Automatic Early Expiration Level**" is as defined in Condition 22.8.

"**Automatic Early Expiration Payout Amount**" is as defined in Condition 22.8.

"**Automatic Early Expiration Settlement Date**" is as defined in Condition 22.8.

"**Automatic Early Expiration Valuation Date**" is as defined in Condition 22.8.

"**Automatic Early Expiration Valuation Time**" is as defined in Condition 22.8.

"**Automatic Early Redemption Amount**" is as defined in OET Certificate Condition 1 and in Condition 29.6(b).

"**Automatic Early Redemption Date**" is as defined in OET Certificate Condition 2 and in Condition 29.6(b).

"**Automatic Early Redemption Event**" is as defined in OET Certificate Condition 1 and in Condition 29.6(b).

"**Automatic Early Redemption Level**" is as defined in Condition 29.6(b).

"**Automatic Early Redemption Payout**" is as defined in Payout Condition 1.2.

"**Automatic Early Redemption Valuation Date**" is as defined in OET Certificate Condition 1 and in Condition 29.6(b).

"**Automatic Early Redemption Valuation Period**" is as defined in Condition 29.6(b).

"**Automatic Early Redemption Valuation Time**" is as defined in Condition 29.6(b).

"**Automatic Exercise**" is as defined in Condition 20.

"**Averaging**" is as defined in Condition 20 (in the case of Warrants) and Condition 27 (in the case of Certificates).

"**Averaging Date**" is as defined in Currency Condition 1, Index Condition 8 and in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates).

"**B**" is as defined in Share Condition 4.2 and ETI Security Condition 6.2(b).

"**Banking Day**" is as defined in Index Condition 8.

"**Barrier Level**" is as defined in Payout Condition 1.4.

"**Barrier Percentage**" is as defined in Payout Condition 1.4.

"**Basket Company**" is as defined in Share Condition 1 and Share Condition 4.2(f) and in Condition 15.2(e).

"**Basket Component**" is as defined in Commodity Condition 1.

"**Basket of Commodities**" is as defined in Commodity Condition 1.

"**Basket of Futures**" is as defined in Futures Condition 1.

"**Basket of Indices**" is as defined in Index Condition 1.

"**Basket of Shares**" is as defined in Share Condition 1.

"Basket of Underlying References" is as defined in Condition 22.8(b) and Condition 29.6(b).

"Basket Price" is as defined in Condition 22.8(b) and 29.6(b).

"Basket" and **"Basket of Custom Indices"** is as defined in Index Condition 8.

"Basket Trigger Event" is as defined in ETI Security Condition 1.

"Basket Trigger Level" is as defined in ETI Security Condition 1.

"Basket Value" is as defined in Payout Condition 2.5.

"Bear Cash Value" is as defined in Payout Condition 1.1(g).

"Bear Cash Value_t" is as defined in Payout Condition 1.1(g).

"Bear Cash Value_{t-1}" is as defined in Payout Condition 1.5.

"Bear Cash Value Initial" is as defined in Payout Condition 1.5.

"Best Intraday Value" is as defined in Payout Condition 2.5.

"Best Value" is as defined in Payout Condition 2.5.

"BNPP B.V." is as defined in paragraph 4 of the Terms and Conditions of Securities.

"BNPP" is as defined in paragraph 4 of the Terms and Conditions of Securities.

"Bonus Level" is as defined in Payout Condition 1.4.

"Bonus Percentage" is as defined in Payout Condition 1.4.

"Bull Cash Value" is as defined in Payout Condition 1.1(g).

"Bull Cash Value_t" is as defined in Payout Condition 1.1(g).

"Bull Cash Value_{t-1}" is as defined in Payout Condition 1.5.

"Bull Cash Value Initial" is as defined in Payout Condition 1.5.

"Business Day" is as defined in Condition 1.

"C" is as defined in the Share Condition 4.2 and ETI Security Condition 6.2(b).

"Calculated Additional Disruption Amount" is as defined in Condition 15.2(c)(ii).

"Calculated Additional Disruption Amount Determination Date" is as defined in Condition 15.2(c)(ii).

"Calculated Contract Adjustment Amount" is as defined in Index Condition 9.2(b)(ii).

"Calculated Contract Adjustment Amount Determination Date" is as defined in Index Condition 9.2(b)(ii).

"Calculated Currency Disruption Amount" is as defined in Currency Condition 3Error! Reference source not found..

"Calculated Currency Disruption Amount Determination Date" is as defined in Currency Condition 3Error! Reference source not found..

"**Calculated Custom Index Adjustment Event Amount**" is as defined in Index Condition 6.2(a)(ii)(E)II.

"**Calculated Custom Index Adjustment Event Amount Determination Date**" is as defined in Index Condition 6.2(a)(ii)(E)II.

"**Calculated Contract Adjustment Amount**" is as defined in Debt Condition 7(b)(ii).

"**Calculated Contract Adjustment Amount Determination Date**" is as defined in Debt Condition 7(b)(ii).

"**Calculated Extraordinary Event Amount**" is as defined in Share Condition 4.2(d)(ii).

"**Calculated Extraordinary Event Amount Determination Date**" is as defined in Share Condition 4.2(d)(ii).

"**Calculated Futures Adjustment Amount**" is as defined in Futures Condition 3.1(c)(ii).

"**Calculated Futures Adjustment Amount Determination Date**" is as defined in Futures Condition 3.1(c)(ii).

"**Calculated Index Adjustment Amount**" is as defined in Index Condition 3.2(d)(ii) and in Debt Condition 5(b)(ii).

"**Calculated Index Adjustment Amount Determination Date**" is as defined in Index Condition 3.2(d)(ii) and in Debt Condition 5(b)(ii).

"**Calculation Agent**" is as defined in paragraph 6 of the Terms and Conditions of Securities and Condition 28(b)(ii)28(b).

"**Calculation Date**" is as defined in ETI Security Condition 1.

"**Calculation Period**" is as defined in Condition 25.

"**Call Payout**" is as defined in Payout Condition 1.6.

"**Call Warrants**" is as defined in Condition 20.

"**Cancellation Event**" is as defined in Condition 15.1.

"**Cap Level**" is as defined in Payout Condition 1.4.

"**Cap Percentage**" is as defined in Payout Condition 1.4 and 2.4.

"**Capitalised Exercise Price**" or "**CEP_t**" is as defined in OET Certificate Condition 1.

"**Cash Dividend Amount**" is as defined in Share Condition 6.

"**Cash Dividend Notice**" is as defined in Share Condition 6(b).

"**Cash Dividend Payment Date**" is as defined in Share Condition 6.

"**Cash Dividend**" is as defined in Share Condition 6.

"**Cash Settled Certificates**" is as defined in Condition 27.

"**Cash Settled Securities**" is as defined in Condition 1.

"**Cash Settled Warrants**" is as defined in Condition 20.

"**Cash Settlement Amount**" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates).

"**Cash Value**_(t-1)" is as defined in Payout Condition 1.5.

"**Cash Value**_(t-1)^{Adjusted}" is as defined in Payout Condition 1.5.

"**CEP**_{t-1}" is as defined in OET Certificate Condition 1.

"**Certificates**" is as defined in paragraph 3 of the Terms and Conditions of Securities.

"**Change in Law**" is as defined in Condition 15.1.

"**Clearance System Days**" is defined in Share Condition 1, ETI Security Condition 1 and in Debt Condition 11.

"**Clearance System**" is as defined in Share Condition 1, ETI Security Condition 1 and in Debt Condition 11.

"**Clearing System**" is as defined in Condition 1.

"**Closing Level**" is as defined in Index Condition 1 and Condition 8.

"**Closing Price**" is as defined in Share Condition 1 and ETI Security Condition 1.

"**Commodity Business Day**" is as defined in Commodity Condition 1.

"**Commodity Disrupted Day**" is as defined in Commodity Condition 1.

"**Commodity Fallback Value**" is as defined in Commodity Condition 1.

"**Commodity Index Adjustment Event**" is as defined in Commodity Condition 4(b).

"**Commodity Index Cancellation**" is as defined in Commodity Condition 4(b).

"**Commodity Index Disruption**" is as defined in Commodity Condition 4(b).

"**Commodity Index Modification**" is as defined in Commodity Condition 4(b).

"**Commodity Index**" is as defined in Commodity Condition 1.

"**Commodity OET Certificate**" is as defined in Condition 1.

"**Commodity Reference Price**" is as defined in Commodity Condition 1.

"**Commodity Securities**" is as defined in Condition 2.1.

"**Commodity Conditions**" is as defined in Annex 6, paragraph 1.

"**Commodity**" is as defined in Commodity Condition 1 and Condition 3(b).

"**Component Security**" is as defined in Index Condition 1.

"**Component Security Index**" is as defined in Index Condition 1.

"**Composite Index**" is as defined in Index Condition 1.

"**Constant Leverage Financing Rate**_(t)" is as defined in Payout Condition 1.5.

"**Constant Percentage 1**" is as defined in Payout Condition 2.4.

"**Constant Percentage 2**" is as defined in Payout Condition 2.4.

"**control**" is as defined in Condition 1.

"**Conversion Event**" is as defined in Share Condition 8.

"**Conversion Rate**" is as defined in Payout Condition 1.4 and OET Certificate Condition 1.

"**Conversion Rate Early**" is as defined in Payout Condition 1.4.

"**Conversion Rate Final**" is as defined in Payout Condition 1.4.

"**Cumulative Coupon**" is as defined in Condition 29.6(b).

"**Currency Event**" is as defined in Condition 15.1.

"**Currency OET Certificate**" is as defined in Condition 1.

"**Currency Securities**" is as defined in Condition 2.1.

"**Currency Conditions**" is as defined in Annex 7, paragraph 1.

"**Current Exchange-traded Contract**" is as defined in Index Condition 9.1 and in Debt Condition 6.

"**Current Interest Period**" is as defined in Condition 29.6(b).

"**Custom Index Adjustment Event**" is as defined in Index Condition 6.2.

"**Custom Index Business Day (All Indices Basis)**" is as defined in Index Condition 8.

"**Custom Index Business Day (Per Index Basis)**" is as defined in Index Condition 8.

"**Custom Index Business Day (Single Index Basis)**" is as defined in Index Condition 8.

"**Custom Index Business Day**" is as defined in Index Condition 8.

"**Custom Index Cancellation**" is as defined in Index Condition 6.2.

"**Custom Index Correction Period**" is as defined in Index Condition 8.

"**Custom Index Disruption**" is as defined in Index Condition 6.2.

"**Custom Index Modification**" is as defined in Index Condition 6.2.

"**Custom Index Trading Day**" is as defined in Index Condition 8.

"**Custom Index**" or "**Custom Indices**" is as defined in Index Condition 8.

"**Cut-Off Date**" is as defined in Condition 25 (in the case of Certificates).

"**Cut-off Time**" is as defined in Payout Condition 1.5.

"**Day Count Fraction**" is as defined in Condition 28(c).

"**Daily Leverage**" is as defined in Payout Condition 1.5.

"Daily Settlement Price" is as defined in Debt Condition 6.

"Daily Settlement Price Correction Period" is as defined in Debt Condition 11.

"Debt Conditions" is as defined in Annex 5, paragraph 1.

"Debt Instrument Correction Period" is as defined in Debt Condition 11.

"Debt Instrument Issuer" is as defined in Debt Condition 11.

"Debt Instrument Redemption Event" is as defined in Debt Condition 5.

"Delayed Date" is as defined in Condition 30.1.

"De-Listing" is as defined in Share Condition 4.1.

"Delivery Date" is as defined in Commodity Condition 1 and in Condition 30.2(c).

"Designated Maturity" is as defined in Condition 28(b)(ii).

"Determination Date(s)" is as defined in Condition 28(c).

"Determination Period" is as defined in Condition 28(c).

"Disappearance of Commodity Reference Price" is as defined in Commodity Condition 1.

"Disrupted Day" is as defined in Index Condition 1, in Index Condition 8 and in Share Condition 1, ETI Security Condition 1, Currency Condition 1, Futures Condition 1 and in Debt Condition 11.

"Disruption Cash Settlement Price" is as defined in Condition 5.1.

"Disruption Fallback" is as defined in Commodity Condition 1 and Currency Condition 3.

"Dividend Adjustment Amount" is as defined in OET Certificate Condition 1 and in Payout Condition 1.5.

"Distributed Amount" is as defined in Share Condition 6.

"Dividend Date" is as defined in Share Condition 6.

"Dividend Event" is as defined in ETI Security Condition 1.

"Dividend Expenses" is as defined in Share Condition 6.

"Dividend Percentage" is as defined in OET Certificate Condition 1 and in Payout Condition 1.5.

"Documents" is as defined in Condition 13.2(b).

"Dual Exchange Rate" is as defined in Currency Condition 1.

"due exercise" is as defined in Condition 21.4.

"Early Closure" is as defined in Index Condition 1 and ETI Security Condition 1.

"Entitlement" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates).

"Entity" is as defined in ETI Security Condition 1

"**ETI**" is as defined in ETI Security Condition 1 and Condition 6.2(b).

"**ETI Basket**" is as defined in ETI Security Condition 1.

"**ETI Documents**" is as defined in ETI Security Condition 1.

"**ETI Interest(s)**" is as defined in ETI Security Condition 1 and Condition 6.2(b).

"**ETI Interest Correction Period**" is as defined in ETI Security Condition 1.

"**ETI Related Party**" is as defined in ETI Security Condition 1.

"**ETI Securities**" is as defined in Security Condition 2.1.

"**ETI Security Conditions**" is as defined in Annex 4, paragraph 1.

"**EURIBOR**" is as defined in Condition 28(b)(ii)(C).

"**Euroclear France Certificates**" is as defined in the Security Condition 30.1.

"**Euroclear France Securities**" is as defined in Condition 2.2.

"**Euroclear France Warrants**" is as defined in Condition 21.1.

"**Euroclear Netherlands**" is as defined in Condition 1.

"**Euroclear Netherlands Securities**" is as defined in Condition 2.2.

"**Euroclear Netherlands Warrants**" is as defined in Condition 21.1.

"**Euroclear Sweden**" is as defined in Security Condition 1.

"**Euroclear Sweden Register**" is as defined in Security Condition 1.

"**Euroclear Sweden System**" is as defined in Security Condition 1.

"**Euronext Paris**" is as defined in Condition 29.2.

"**European Style Warrants**" is as defined in Condition 20.

"**Exchange**" is as defined in Index Condition 1, in Share Condition 1, ETI Security Condition 1, Commodity Condition 1 and Futures Condition 1.

"**Exchange Business Day (All ETI Interests Basis)**" is as defined in ETI Security Condition 1

"**Exchange Business Day (All Futures Basis)**" is as defined in Futures Condition 1.

"**Exchange Business Day (All Indices Basis)**" is as defined in Index Condition 1.

"**Exchange Business Day (All Share Basis)**" is as defined in Share Condition 1.

"**Exchange Business Day (Per ETI Interest Basis)**" is as defined in ETI Security Condition 1.

"**Exchange Business Day (Per Future Basis)**" is as defined in Futures Condition 1.

"**Exchange Business Day (Per Index Basis)**" is as defined in Index Condition 1.

"Exchange Business Day (Per Share Basis)" is as defined in Share Condition 1.

"Exchange Business Day (Single ETI Interest Basis)" is as defined in ETI Security Condition 1.

"Exchange Business Day (Single Future Basis)" is as defined in Futures Condition 1.

"Exchange Business Day (Single Index Basis)" is as defined in Index Condition 1.

"Exchange Business Day (Single Share Basis)" is as defined in Share Condition 1.

"Exchange Business Day" is as defined in Index Condition 1, in Share Condition 1, ETI Security Condition 1 and in Debt Condition 2 and Futures Condition 1.

"Exchange Disruption" is as defined in Index Condition 1, in Share Condition 1, ETI Security Condition 1 and Futures Condition 1.

"Exchange Rate Final" is as defined in Payout Condition 1.4.

"Exchange Rate" is as defined in Payout Condition 1.4.

"Exchange-traded Contract" is as defined in Index Condition 9.1 and in Debt Condition 6.

"exchange traded instrument" is as defined in Security Condition 2.1

"Ex-Dividend Date" is as defined in OET Certificate Condition 1 and in Payout Condition 1.5.

"Exempt Securities" is as defined in paragraph 2 of the Terms and Conditions of Securities.

"Exercise" is as defined in Condition 21.4.

"Exercise Business Day" is as defined in Condition 18.

"Exercise Notice" is as defined in Condition 22.1.

"Exercise Price" is as defined in OET Certificate Condition 1 and in Condition 1.

"Expenses" is as defined in Condition 11.2.

"Expiration Date" is as defined in Condition 18.

"Extraordinary ETI Event" is as defined in ETI Security Condition 4.

"Extraordinary ETI Event Effective Date" is as defined in ETI Security Condition 1.

"Extraordinary ETI Event Notice" is as defined in ETI Security Condition 6.1.

"Extraordinary ETI Event Notification Date" is as defined in ETI Security Condition 6.1.

"Extraordinary Event Effective Date" is as defined in Share Condition 1.

"Extraordinary Event" is as defined in Share Condition 4.1

" Extraordinary External Event " is as defined in Condition 15.1.

"Failure to Deliver due to Illiquidity" is as defined in Condition 15.1.

"Failure to Deliver Settlement Price" is as defined in Condition 15.2(e).

"**FBF Agreement**" is as defined in Condition 28(b)(iii).

"**FBF Rate**" is as defined in Condition 28(b).

"**Fee**" is as defined in Payout Condition 1.5.

"**Final Calculation Date**" is as defined in ETI Security Condition 1.

"**Final Interest Pricing Date**" is as defined in Commodity Condition 1.

"**Final Payout**" is as defined in Payout Condition 1.1.

"**Final Price Early**" is as defined in OET Certificate Condition 1.

"**Final Pricing Date**" is as defined in Commodity Condition 1.

"**Final Underlying Reference Value**" is as defined in Payout Condition 2.4.

"**Financing Amount**_(t)" is as defined in Payout Condition 1.5.

"**Financing Rate Percentage**" is as defined in OET Certificate Condition 1.

"**Financing Rate Range**" is as defined in OET Certificate Condition 1.

"**Financing Rate**_{t-1}" is as defined in OET Certificate Condition 1.

"**First Entity**" is as defined in Condition 1.

"**First Traded Price**" is as defined in Index Condition 9.1.

"**Fixed Interest Margin**" is as defined in Payout Condition 1.5.

"**Fixed Rate Certificates**" is as defined in Condition 28.

"**Floating Rate**" is as defined in Condition 28(b)(ii).

"**Floating Rate Certificates**" is as defined in Condition 28.

"**Floating Rate Option**" is as defined in Condition 28(b)(ii).

"**Floor Percentage**" is as defined in Payout Condition 2.4.

"**freely tradable**" is as defined in Condition 5.4.

"**French Security Agent**" is as defined in paragraph 5 of the Terms and Conditions of Securities.

"**Future**" or "**Futures**" is as defined in Futures Condition 1.

"**Futures Adjustment Event**" is as defined in Futures Condition 1.

"**Futures Conditions**" is as defined in Annex 8, paragraph 1.

"**Futures Contract**" is as defined in Commodity Condition 1.

"**Futures Correction Period**" is as defined in Futures Condition 1.

"**Futures De-Listing**" is as defined in Futures Condition 1.

"Futures Modification" is as defined in Futures Condition 1.

"Futures OET Certificate" is as defined in Condition 1.

"Futures or Options Exchange" is as defined in Index Condition 9.1 and in Debt Condition 6.

"Futures Replacement" is as defined in Futures Condition 1.

"Futures Rollover Adjustment Amount" is as defined in OET Certificate Condition 1 and in Payout Condition 1.5.

"Futures Rollover Date" is as defined in Commodity Condition 1, in Index Condition 9.1 and in Debt Condition 6.

"Futures Rollover Period" is as defined in Index Condition 9.1, in Commodity Condition 1 and in Debt Condition 6.

"Futures Securities" is as defined in Condition 2.1.

"FX Value" is as defined in Payout Condition 2.5.

"GDR" is as defined in Share Condition 8.

"GDR/ADR" is as defined in Condition 2.1.

"Gearing" is as defined in Payout Condition 2.4.

"General Meeting" is as defined in Condition 9.4.

"Government Authority" is as defined in Condition 15.1.

"Guarantee" is as defined in Condition 1.

"Guaranteed Cash Settlement Amount" is as defined in Condition 4.

"Guarantor" is as defined in Condition 1.

"Hedge" is as defined in Condition 15.1.

"Hedge Provider" is as defined in ETI Security Condition 1.

"Hedging Cost" is as defined in Payout Condition 1.5.

"Hedging Date" is as defined in ETI Security Condition 1.

"Hedging Disruption" is as defined in Condition 15.1.

"Hedging Shares" is as defined in ETI Security Condition 1 in Condition 15.1.

"Holder" is as defined in Condition 2.2.

"Holder of Certificates" is as defined in Condition 2.2.

"Holder of Securities" is as defined in Condition 2.2.

"Hybrid Securities" is as defined in Condition 2.1.

"Hypothetical Investor" is as defined in ETI Security Condition 1

"Iberclear" is as defined in Security Condition 1.

"Iberclear Warrants" is as defined in Condition 21.1.

"Illiquidity Disruption" is as defined in Currency Condition 1.

"Illiquidity" is as defined in Share Condition 4.1.

"Implied Embedded Option Value" is as defined in ETI Security Condition 1

"Implied Embedded Option Value Determination Date" is as defined in ETI Security Condition 1

"Increased Cost of Hedging" is as defined in Condition 15.1.

"Increased Cost of Stock Borrow" is as defined in Condition 15.1.

"Index Adjustment Event" is as defined in Index Condition 3.2.

"Index Cancellation" is as defined in Index Condition 3.2.

"Index Component Disruption Event" is as defined in Commodity Condition 1.

"Index Component" is as defined in Commodity Condition 1 and Condition 3(b).

"Index Conditions" is as defined in Annex 2, paragraph 1.

"Index Correction Period" is as defined in Index Condition 1.

"Index Disruption" is as defined in Index Condition 3.2.

"Index Modification" is as defined in Index Condition 3.2.

"Index OET Certificate" is as defined in Condition 1.

"Index Securities" is as defined in Condition 2.1.

"Index Share" is as defined in OET Certificate Condition 1 and in Payout Condition 1.5.

"Index Sponsor" is as defined in Index Condition 1 and Condition 8.

"Index" and **"Indices"** is as defined in Index Condition 1.

"Initial Calculation Date" is as defined in ETI Security Condition 1.

"Initial Interest Pricing Date" is as defined in Commodity Condition 1.

"Initial Pricing Date" is as defined in Commodity Condition 1.

"Initial Stock Loan Rate" is as defined in Condition 15.1.

"Insolvency Filing" is as defined in Condition 15.1.

"Insolvency" is as defined in Share Condition 4.1.

"Interbank Rate 1 Screen Page" is as defined in OET Certificate Condition 1.

"Interbank Rate 1 Specified Time" is as defined in OET Certificate Condition 1.

"Interbank Rate 1" is as defined in OET Certificate Condition 1.

"Interbank Rate 2 Screen Page" is as defined in OET Certificate Condition 1.

"Interbank Rate 2 Specified Time" is as defined in OET Certificate Condition 1.

"Interbank Rate 2" is as defined in OET Certificate Condition 1.

"Interests" is as defined in ETI Security Condition 1.

"Interest Amount" is as defined in Condition 28(b)(v).

"Interest Determination Date" is as defined in Condition 28(b)(v).

"Interest Period End Date" is as defined in Condition 28(b)(i).

"Interest Period End Final Date" is as defined in Condition 28(a) and Condition 28(b)(i).

"Interest Pricing Date" is as defined in Commodity Condition 1.

"Intervening Period" is as defined in Condition 30.2(d).

"Intraday Level" is as defined in Index Condition 1, Index Condition 8 and Payout Condition 2.5.

"Intraday Price" is as defined in Share Condition 1, in ETI Security Condition 1, Commodity Condition 1 and Payout Condition 2.5.

"Investment/AUM Level" is as defined in ETI Security Condition 1

"ISDA Definitions" is as defined in Condition 28(b)(ii).

"Issuer" as defined in paragraph 3 of the Terms and Conditions of Securities.

"Jurisdiction Event" is as defined in Condition 15.1.

"Knock-in Averaging Date" is as defined in Currency Condition 1.

"Knock-in Determination Day" is as defined in Condition 16.6.

"Knock-in Determination Period" is as defined in Condition 16.6.

"Knock-in Event" is as defined in Condition 16.6.

"Knock-in Level" is as defined in Condition 16.6.

"Knock-in Observation Price Source" is as defined in Condition 16.6.

"Knock-in Period Beginning Date" is as defined in Condition 16.6.

"Knock-in Period Ending Date" is as defined in Condition 16.6.

"Knock-in Range Level " is as defined in Condition 16.6.

"Knock-in Valuation Time" is as defined in Condition 16.6.

"**Knock-out Determination Day**" is as defined in Condition 16.6.

"**Knock-out Determination Period**" is as defined in Condition 16.6.

"**Knock-out Event**" is as defined in Condition 16.6.

"**Knock-out Level**" is as defined in Condition 16.6.

"**Knock-out Observation Price Source**" is as defined in Condition 16.6.

"**Knock-out Period Beginning Date**" is as defined in Condition 16.6.

"**Knock-out Period Ending Date**" is as defined in Condition 16.6.

"**Knock-out Range Level**" is as defined in Condition 16.6.

"**Knock-out Valuation Time**" is as defined in Condition 16.6.

"**Level**" is as defined in Condition 16.6.

"**LIBOR**" is as defined in Condition 28(b)(ii)(C).

"**Limit Price Event**" is as defined in the Commodity Conditions, Condition 1.

"**Linked Interest Certificates**" is as defined in Condition 28.

"**Listing Change**" is as defined in Share Condition 4.1.

"**Listing Date**" is as defined in Payout Condition 1.4.

"**Listing Suspension**" is as defined in Share Condition 4.1.

"**Local Business Day**" is as defined in OET Certificate Condition 1.

"**Local Currency**" is as defined in Condition 15.1.

"**Local Time**" is as defined in Condition 1.

"**Loss of Stock Borrow**" is as defined in Condition 15.1 and in ETI Security Condition 1.

"**Luxembourg or Brussels time**" is as defined in Condition 21.4.

"**Madrid Security Agent**" is as defined in Terms and Conditions of Securities, paragraph 4.

"**Market Disruption Event**" is as defined in Index Condition 2, in Share Condition 2, in ETI Security Condition 2, Commodity Condition 1, in Debt Condition 3 and Futures Condition 1.

"**Masse**" is as defined in Condition 9.4.

"**Material Change in Content**" is as defined in Commodity Condition 1.

"**Material Change in Formula**" is as defined in Commodity Condition 1.

"**Maximum Hedging Cost**" is as defined in Payout Condition 1.5.

"**Maximum Stock Loan Rate**" is as defined in ETI Security Condition 1 and in Condition 15.1.

"**Merger Event**" is as defined in the Share Condition 4.1 and in ETI Security Condition 1.

"**MID**" is as defined in Share Condition 4.1.

"**Modified Postponement**" is as defined in Condition 18 and in Condition 25.

"**Moody's**" is as defined in ETI Security Condition 4.8.

"**Multi-Exchange Index**" is as defined in Index Condition 1.

"**n**" is as defined in Payout Condition 1.4.

"**NA**" is as defined in Payout Condition 2.4.

"**Nationalisation**" is as defined in Share Condition 4.1.

"**Nearby Month**" is as defined in Commodity Condition 1.

"**Non-Commencement or Discontinuance of the Exchange-traded Contract**" is as defined in Index Condition 9.1 and in Debt Condition 6.

"**Notice Period**" is as defined in Conditions 29.3.

"**Number of Value Publication Days**" is as defined in ETI Security Condition 1.

"**Observation Date**" is as defined in Index Condition 8 and in Condition 18 (in the case of Warrants) and 25 (in the case of Certificates).

"**Observation Period**" is as defined in Index Condition 8 and in Condition 18 (in the case of Warrants) and Security 25 (in the case of Certificates).

"**Observation Price Source**" is as defined in OET Certificate Condition 1, in Payout Condition 1.4, in Condition 22.8 and in Condition 29.6(b).

"**Observation Price**" is as defined in OET Certificate Condition 1.

"**Observation Time(s)**" is as defined in OET Certificate Condition 1.

"**OET Certificate**" is as defined in Condition 1.

"**OET Certificate Conditions**" is as defined in Annex 9, paragraph 1.

"**Official Settlement Price**" is as defined in Index Condition 9.1.

"**Omission**" is as defined in Condition 18 and in Condition 25.

"**Open End Certificate**" is as defined in Condition 25.

"**Optional Additional Disruption Event**" is as defined in Condition 15.1.

"**Optional Redemption Amount**" is as defined in Conditions 29.2 and 29.3.

"**Options Exchange**" is as defined in Share Condition 4.2(e) and in ETI Security Condition 6.2(a)(ii).

"**Paris Business Day**" is as defined in Condition 28(b)(vii).

"**Parity**" is as defined in OET Certificate Condition 1 and in Payout Condition 1.4.

"**Payout Conditions**" is as defined in Annex 1, paragraph 1.

"**Physical Delivery Certificates**" is as defined in Condition 27.

"**Physical Delivery Securities**" is as defined in Condition 1.

"**Physical Delivery Warrants**" is as defined in Condition 20.

"**Postponement**" is as defined in Condition 18 and in Condition 25.

"**Potential Adjustment Event**" is as defined in Share Condition 3 and in ETI Security Condition 3.

"**Potential Adjustment Event Effective Date**" is as defined in Share Condition 3 and in ETI Security Condition 3.

"**Premium Percentage**" is as defined in Payout Condition 1.4.

"**Price Source Disruption**" is as defined in Commodity Condition 1 and Currency Condition 1.

"**Price Source**" is as defined in Commodity Condition 1 and Currency Condition 1.

"**Pricing Date**" is as defined in Commodity Condition 1.

"**Principal Protected Termination Amount**" is as defined in ETI Security Condition 1.

"**Principal Security Agent**" is as defined in paragraph 5 of the Terms and Conditions of Securities.

"**Proceedings**" is as defined in Condition 14.

"**Protected Amount**" is as defined in ETI Security Condition 1.

"**Put Payout**" is as defined in Payout Condition 1.3.

"**Put Warrants**" is as defined in Condition 20.

"**Quota**" is as defined in Condition 23.1(b).

"**Rate_(i)**" is as defined in Payout Condition 2.4.

"**Rate Period**" is as defined in Payout Condition 1.5.

"**Redemption Date**" is as defined in Condition 29.1.

"**Reference Banks**" is as defined in Condition 25.

"**Reference Dealers**" is as defined in Commodity Condition 1.

"**Reference Interest Rate_(t-1)**" is as defined in Payout Condition 1.5.

"**Related Exchange**" is as defined in Share Condition 1 and in ETI Security Condition 1.

"**Related Expenses**" is as defined in Condition 11.2.

"**Relative Performance Basket**" is as defined in Share Condition 1.

"**Relevant Adjustment Provisions**" is as defined in Condition 16.6, 22.8(b) and 29.6(b).

"Relevant Automatic Early Expiration Valuation Date" is as defined in Condition 22.8.

"Relevant Business Day" is as defined in OET Certificate Condition 1 and in Payout Condition 1.5.

"Relevant Jurisdiction" is as defined in Condition 1.

"Relevant Period" is as defined in Share Condition 4.1.

"Relevant Price" is as defined in Commodity Condition 1.

"Reset Date" is as defined in OET Certificate Condition 1, and in Condition 28(b)(ii).

"Reset Event" is as defined in Payout Condition 1.5.

"Reset Percentage" is as defined in Payout Condition 1.5.

"Reset Price" is as defined in Payout Condition 1.5.

"Reset Threshold" is as defined in Payout Condition 1.5.

"Reset Threshold Percentage" is as defined in Payout Condition 1.5.

"Rolling Futures Contract Securities" is as defined in Condition 1.

"S&P" is as defined and in ETI Security Condition 4.8.

"Scheduled Averaging Date" is as defined in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates).

"Scheduled Closing Time" is as defined in Condition 1.

"Scheduled Custom Index Business Day (All Indices Basis)" is as defined in Index Condition 8.

"Scheduled Custom Index Business Day (Per Index Basis)" is as defined in Index Condition 8.

"Scheduled Custom Index Business Day (Single Index Basis)" is as defined in Index Condition 8.

"Scheduled Custom Index Business Day" is as defined in Index Condition 8.

"Scheduled Payment Date" is as defined in Condition 30.1.

"Scheduled Pricing Date" is as defined in Commodity Condition 1.

"Scheduled Strike Date" is as defined in Condition 1.

"Scheduled Trading Day (All ETI Interest Basis)" is as defined in ETI Security Condition 1

"Scheduled Trading Day (All Futures Basis)" is as defined in Futures Condition 1.

"Scheduled Trading Day (All Indices Basis)" is as defined in Index Condition 1.

"Scheduled Trading Day (All Share Basis)" is as defined in Share Condition 1.

"Scheduled Trading Day (Per ETI Interest Basis)" is as defined in ETI Security Condition 1

"Scheduled Trading Day (Per Future Basis)" is as defined in Futures Condition 1.

"Scheduled Trading Day (Per Index Basis)" is as defined in Index Condition 1.

"Scheduled Trading Day (Per Share Basis)" is as defined in Share Condition 1.

"Scheduled Trading Day (Single ETI Interest Basis)" is as defined in ETI Security Condition 1

"Scheduled Trading Day (Single Future Basis)" is as defined in Futures Condition 1.

"Scheduled Trading Day (Single Index Basis)" is as defined in Index Condition 1.

"Scheduled Trading Day (Single Share Basis)" is as defined in Share Condition 1.

"Scheduled Trading Day" is as defined in Index Condition 1, in Share Condition 1, in ETI Security Condition 1, in Currency Condition 1, in Debt Condition 11 and in Futures Condition 1.

"Scheduled Valuation Date" is as defined in Condition 1.

"Single Underlying Reference Value" is as defined in Payout Condition 2.5.

"Single Underlying Reference Intraday Value" is as defined in Payout Condition 2.5.

"Securities" is as defined in paragraph 3 of the Terms and Conditions of Securities.

"Security Agent" and **"Security Agents"** is as defined in paragraph 5 of the Terms and Conditions of Securities.

"Security Expenses" is as defined in Condition 11.1.

"Security Percentage" is as defined in OET Certificate Condition 1.

"Security Threshold" is as defined in OET Certificate Condition 1.

"Series" is as defined in paragraph 4 of the Terms and Conditions of the Securities.

"Settled Amount" is as defined in Share Condition 4.2(b).

"Settlement Business Day" is as defined in Condition 5.1.

"Settlement Currency" is as defined in the OET Certificate Condition 1.

"Settlement Cycle" is as defined in Index Condition 1, in Share Condition 1, in ETI Security Condition 1, in Debt Condition 11 and Futures Condition 1.

"Settlement Date" is as defined in Condition 18.

"Settlement Disruption Event" is as defined in Condition 5.1.

"Settlement Price" is as defined in Index Condition 1, in Index Condition 8, in Index Condition 9.1, in Share Condition 1, in ETI Security Condition 1, in Debt Condition 1, Commodity Condition 1 and Futures Condition 1.

"Settlement Price Date" is as defined in Index Condition 1, in Share Condition 1 and Currency Condition 1.

"Settlement Price Final" is as defined in Payout Condition 1.4.

"Share Company" is as defined in Share Condition 1.

"**Share Conditions**" is as defined in Annex 3, paragraph 1.

"**Share Correction Period**" is as defined in Share Condition 1.

"**Share Event**" is as defined in Share Condition 10.

"**Share OET Certificate**" is as defined in Condition 1.

"**Share Securities**" is as defined in Condition 2.1.

"**Share**" and "**Shares**" is as defined in Share Condition 1 and 4.2(f) and in Condition 15.2(e).

"**Significant Alteration Event**" is as defined in Condition 15.1.

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"**Specified Maximum Days of Disruption**" is as defined in ETI Security Condition 1, in Commodity Condition 1, in Currency Condition 1, in Index Condition 8 and in Condition 1.

"**Specified Price**" is as defined in Commodity Condition 1.

"**SPS Valuation Date**" is as defined in Payout Condition 2.4.

"**Stop-Loss Event**" is as defined in Condition 15.1.

"**Strike Date**" is as defined in Index Condition 8, in Currency Condition 1 and in Condition 1.

"**Strike Day**" is as defined in Currency Condition 1 and in Condition 1.

"**Strike Level**" is as defined in Payout Condition 1.4.

"**Strike Percentage**" is as defined in Payout Condition 1.5.

"**Strike Period**" is as defined in Currency Condition 1 and in Condition 1.

"**Strike Price**" is as defined in Index Condition 8, in Payout Condition 1.4.

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Condition 5.4.

"**Substitute Commodity**" is as defined in Commodity Condition 3(b).

"**Substitute ETI Interest**" is as defined in ETI Security Condition 6.2(b).

"**Substitute Exchange-traded Contract**" is as defined in Debt Condition 9(c).

"**Substitute Guarantee**" is as defined in Condition 13.2(b).

"**Substitute Guarantor**" is as defined in Condition 13.

"**Substitute Index Component**" is as defined in Commodity Condition 3(b).

"**Substitute Share**" is as defined in Share Condition 4.2(f) and in Condition 15.2(e).

"**Substitution**" is as defined in ETI Security Condition 1.

"**Substitution Date**" is as defined in Share Condition 4.2, in ETI Security Condition 6.2, in Commodity Condition 3(b) and in Condition 15.2(e).

"**sub-unit**" is as defined in Condition 28(a).

"**Successor Commodity Index**" is as defined in Commodity Condition 4(a).

"**Successor Custom Index**" is as defined in Index Condition 6.1.

"**Successor Index Sponsor**" is as defined in Commodity Condition 4(a) and in Index Condition 3.1.

"**Successor Index**" is as defined in Index Condition 3.1 and in Condition 15.2(d).

"**Swedish Agency Agreement**" defined in the Terms and Conditions of the Securities, paragraph 4.

"**Swedish Dematerialised Certificates**" is as defined in Security Condition 1 and Security Condition 25.

"**Swedish Dematerialised Warrants**" is as defined in Security Condition 1 and Security Condition 28.

"**Swedish Record Date**" is as defined in Security Condition 1 and in Security Condition 30.1 in respect of the Warrants and in Security Condition 22.3 in respect of the Warrants.

"**Swedish Security Agent**" is as defined in the Terms and Conditions of the Securities, paragraph 4.

"**TARGET2 Settlement Day**" is as defined in Condition 1.

"**Tax Disruption**" is as defined in Commodity Condition 1.

"**Tax Event**" is as defined in ETI Security Condition 4.6

"**Taxes**" is as defined in Condition 11.2.

"**Tender Offer**" is as defined in ETI Security Condition 1.

"**Termination**" is as defined in ETI Security Condition 6.2(c)

"**Termination Amount**" is as defined in ETI Security Condition 1

"**Termination Date**" is as defined in ETI Security Condition 1

"**Terms and Conditions**" is as defined in paragraph 1 of the Terms and Conditions of Securities.

"**Trade Date**" is as defined in ETI Security Condition 1

"**Trading Disruption**" is as defined in Index Condition 1 and in Share Condition 1, in ETI Security Condition 1, in Commodity Condition 1 and in Futures Condition 1.

"**Tranche**" is as defined in paragraph 4 of the Terms and Conditions of the Securities.

"**Underlying Performance_(t)**" is as defined in Payout Condition 1.5.

"**Underlying Price_(t)**" is as defined in Payout Condition 1.5.

"**Underlying Price_(t-1)**" is as defined in Payout Condition 1.5.

"**Underlying Reference**" is as defined in OET Certificate Condition 1, Payout Condition 1.4 and in Conditions 16.6, 22.8(b) and 29.6(b).

"**Underlying Reference Closing Price Value**" is as defined in Payout Condition 2.5.

"Underlying Reference Intraday Value" is as defined in Payout Condition 2.5.

"Underlying Reference Intraday Price Value" is as defined in Payout Condition 2.5.

"Underlying Reference Level" is as defined in Payout Condition 1.4, and in Conditions 22.8 and 29.6(b).

"Underlying Reference FX Level" is as defined in Payout Condition 2.5.

"Underlying Reference FX Strike Level" is as defined in Payout Condition 2.5.

"Underlying Reference Strike Price" is as defined in Payout Condition 2.5.

"Underlying Reference Value" is as defined in Payout Condition 2.4.

"Underlying Reference Weighting" is as defined in Payout Condition 2.5.

"Underlying Share" is as defined in Condition 2.1.

"Underlying Shares" is as defined in Share Condition 8.

"Units" is as defined in Condition 20.

"Valid Date" is as defined in Currency Condition 1, in Index Condition 8, in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates);

"Valuation Date" is as defined in the Payout Condition 1.1(g), in the Index Condition 8, in Currency Condition 1, in OET Certificate Condition 1 and in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates).

"Valuation Time" is as defined in the Currency Condition 1, in Index Condition 8, in ETI Security Condition 1 and in Condition 18 (in the case of Warrants) and Condition 25 (in the case of Certificates).

"Value Business Day" is as defined in ETI Security Condition 1

"Value per ETI Interest" is as defined in ETI Security Condition 1

"Value per ETI Interest Trading Price Barrier" is as defined in ETI Security Condition 1

"Value per ETI Interest Trading Price Differential" is as defined in ETI Security Condition 1

"Value per ETI Interest Trigger Event" is as defined in ETI Security Condition 1

"Value Trigger Percentage" is as defined in ETI Security Condition 1

"Value Trigger Period" is as defined in ETI Security Condition 1

"Warrants" is as defined in paragraph 3 of the Terms and Conditions of Securities.

"Worst Intraday Value" is as defined in Payout Condition 2.5.

"Worst Value" is as defined in Payout Condition 2.5.

ISSUER

BNP Paribas Issuance B.V.

Herengracht 595
1017 CE Amsterdam
The Netherlands

ISSUER AND GUARANTOR

BNP Paribas

16 boulevard des Italiens
75009 Paris
France

AGENTS

BNP Paribas Securities Services

Branch in Amsterdam

Herengracht 595
1017 CE
Amsterdam
The Netherlands

BNP Paribas Securities Services

3 rue d'Antin
75002 Paris
France

BNP Paribas Arbitrage S.N.C.

160-162 boulevard MacDonald
75019 Paris
France

BNP Paribas Securities Services,

Branch in Spain

Calle Emilio Vargas, 4,
28043 Madrid
Spain

Svenska Handelsbanken AB

(publ)

Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden

LEGAL ADVISER

To the Issuers and the Guarantor as to French Law

Allen & Overy LLP

52, avenue Hoche
CS 90005
75379 Paris
France

First Supplement dated 10 August 2017
to the Warrant and Certificate Programme Base Prospectus dated 4 July 2017



BNP PARIBAS

BNP Paribas Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Issuer and Guarantor)

Warrant and Certificate Programme

This first supplement (the "**First Supplement**") is supplemental to, and should be read in conjunction with the base prospectus dated 4 July 2017 (the "**Base Prospectus**") in relation to the Warrant and Certificate Programme (the "**Programme**") of BNP Paribas Issuance B.V. ("**BNPP B.V.**") and BNP Paribas ("**BNPP**").

The Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of 4 November 2003 (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area. The Authority for the Financial Markets ("**AFM**") in the Netherlands approved the Base Prospectus on 4 July 2017. Application has been made to the AFM for approval of this First Supplement in its capacity as competent authority. The AFM approved the First Supplement on 10 August 2017.

Each of BNPP (in respect of itself and BNPP B.V.) and BNPP B.V. (in respect of itself) accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of BNPP and BNPP B.V. (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meanings when used in this First Supplement.

To the extent that there is any inconsistency between (i) any statement in this First Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, the statement referred to in (i) above will prevail.

This First Supplement is available via BNPP's websites: (www.produitsdebourse.bnpparibas.fr; www.bnpparibasmarkets.be; www.bnpparibasmarkets.nl; www.educatedtrading.bnpparibas.se; <https://www.productoscotizados.com/home/>).

This First Supplement has been prepared in accordance with Article 16.1 of the Prospectus Directive, for the purposes of giving information which amends or is additional to the information already contained in the Base Prospectus.

This First Supplement has been prepared for the purposes of:

- (A) incorporating by reference the *Actualisation du Document de référence 2016 et rapport financier semestriel déposée auprès de l'AMF le 31 juillet 2017* (in English) in the section "Documents incorporated by reference";
- (B) amending the "Summary in relation to this Base Prospectus"; and
- (C) amending the "General Information" section.

The incorporation by reference referred to in (A) above has been made to update the BNPP disclosure. The amendments referred to in (B) and (C) above have also been made to reflect the updated disclosure referred to in (A) above.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Securities to the public, investors who, before this First Supplement is published, have already agreed to purchase or subscribe for Securities issued under the Programme by BNPP or BNPP B.V. have the right, exercisable before the end of the period of two (2) working days beginning with the working day after the date of publication of this First Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 14 August 2017.

TABLE OF CONTENTS

	Page
AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS	4
AMENDMENTS TO DOCUMENTS INCORPORATED BY REFERENCE	8
AMENDMENTS TO THE GENERAL INFORMATION SECTION.....	13
RESPONSIBILITY STATEMENT	15

AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS

The section "**SUMMARY IN RELATION TO THIS BASE PROSPECTUS**" on pages 8 to 62 of the Base Prospectus is amended as follows:

- (a) In Element B.5 the paragraph under the heading "**In respect of BNPP**" is amended as follows:
 - (i) by the deletion of the number "192,000" and its replacement with the number "190,000"; and
 - (ii) by the deletion of the number "146,000" and its replacement with the number "145,000".
- (b) Element B.12 is amended by the deletion of the table entitled "**Comparative Interim Financial Data for the three-month period ended 31 March 2017 – In millions of EUR**" under the heading "***In relation to BNPP:***" and immediately above the heading "***Statements of no significant or material adverse change***" and its replacement with the following:

Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR		
	1H17 (unaudited)	1H16 (unaudited)
Revenues	22,235	22,166
Cost of risk	(1,254)	(1,548)
Net income, Group share	4,290	4,374
	30/06/2017	31/12/2016
Common Equity Tier 1 ratio (Basel 3 fully loaded, CRD4)	11.7%	11.5%
	30/06/2017 (unaudited)	31/12/2016 (audited)
Total consolidated balance sheet	2,142,961	2,076,959
Consolidated loans and receivables due from customers	715,466	712,233
Consolidated items due to customers	793,384	765,953
Shareholders' equity (Group share)	99,318	100,665

- (c) In Element B.12, the first sentence of the paragraph under the sub-heading "***In relation to BNPP:***" under the heading "***Statements of no significant or material adverse change***" is deleted and replaced with the following:

"There has been no significant change in the financial or trading position of the BNPP Group since 30 June 2017 (being the end of the last financial period for which interim financial statements have been published)."
- (d) Element B.13 is deleted in its entirety and replaced with the following:

B.13	Events impacting the Issuer's solvency	<p>Not applicable, as at the date of this Base Prospectus (in the case of BNPP B.V.) and as at 10 August 2017 (in the case of BNPP) and to the best of the Issuers' knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 31 December 2016 (in the case of BNPP B.V.) or 30 June 2017 (in the case of BNPP).</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, as at [insert in the case of BNPP B.V.: the date of this Base Prospectus]/[insert in the case of BNPP: 10 August 2017] and to the best of the Issuer's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since [insert in the case of BNPP B.V.: 31 December 2016]/[insert in the case of BNPP: 30 June 2017]].[specify any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency].</p>
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- (e) In Element B.16, the two paragraphs under the heading "***In relation to BNPP***" are deleted in their entirety and replaced with the following:

"None of the existing shareholders controls, either directly or indirectly, BNPP. As at 30 June 2017, the main shareholders were Société Fédérale de Participations et d'Investissement ("**SFPI**") a *public-interest société anonyme* (public limited company) acting on behalf of the Belgian government holding 7.7% of the share capital, BlackRock Inc. holding 5.1% of the share capital and Grand Duchy of Luxembourg holding 1.0% of the share capital. To BNPP's knowledge, no shareholder other than SFPI and BlackRock Inc. owns more than 5% of its capital or voting rights."

- (f) Element B.19/B.5 is amended as follows:

- (i) by the deletion of the number "192,000" and its replacement with the number "190,000"; and
- (ii) by the deletion of the number "146,000" and its replacement with the number "145,000".

- (g) Element B.19/B.12 is amended by the deletion of the table entitled "**Comparative Interim Financial Data for the three-month period ended 31 March 2017 – In millions of EUR**" immediately above the heading "***Statements of no significant or material adverse change***" and its replacement with the following:

Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR		
	1H17 (unaudited)	1H16 (unaudited)
Revenues	22,235	22,166
Cost of risk	(1,254)	(1,548)
Net income, Group share	4,290	4,374

	30/06/2017	31/12/2016
Common Equity Tier 1 ratio (Basel 3 fully loaded, CRD4)	11.7%	11.5%
	30/06/2017 (unaudited)	31/12/2016 (audited)
Total consolidated balance sheet	2,142,961	2,076,959
Consolidated loans and receivables due from customers	715,466	712,233
Consolidated items due to customers	793,384	765,953
Shareholders' equity (Group share)	99,318	100,665

- (h) Element B.19/B.12 is amended by the deletion of the paragraphs under the heading "***Statements of no significant or material adverse change***" immediately above Element B.19/B.13 and their replacement with the following paragraphs:

"There has been no significant change in the financial or trading position of the BNPP Group since 30 June 2017 (being the end of the last financial period for which interim financial statements have been published). There has been no material adverse change in the prospects of BNPP or the BNPP Group since 31 December 2016 (being the end of the last financial period for which audited financial statements have been published).

Issue Specific Summary

There has been no significant change in the financial or trading position of the BNPP Group since [30 June 2017 (being the end of the last financial period for which interim financial statements have been published)]. There has been no material adverse change in the prospects of BNPP or the BNPP Group since [31 December 2016 (being the end of the last financial period for which audited financial statements have been published)]."

- (i) Element B.19/B.13 is deleted in its entirety and replaced with the following:

B.19/B.13	Events impacting the Guarantor's solvency	<p>Not applicable, as at 10 August 2017 and to the best of the Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since 30 June 2017.</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, as at 10 August 2017 and to the best of the Guarantor's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since [30 June 2017]].</p> <p>[specify any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency.]</p>
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- (j) Element B.19/B.16 is deleted in its entirety and replaced with the following:

B.19/ B.16	Controlling shareholders	None of the existing shareholders controls, either directly or indirectly, BNPP. As at 30 June 2017, the main shareholders were Société Fédérale de Participations et d'Investissement (" SFPI ") a <i>public-interest société anonyme</i> (public limited company) acting on behalf of the Belgian government holding 7.7% of the share capital, BlackRock Inc. holding 5.1% of the share capital and Grand Duchy of Luxembourg holding 1.0% of the share capital. To BNPP's knowledge, no shareholder other than SFPI and BlackRock Inc. owns more than 5% of its capital or voting rights.
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AMENDMENTS TO DOCUMENTS INCORPORATED BY REFERENCE

On 31 July 2017, BNPP filed with the *Autorité des marchés financiers* ("AMF") the *Actualisation du Document de référence 2016 et rapport financier semestriel déposée auprès de l'AMF le 31 juillet 2017* (the "**Second Update to the BNPP 2016 Registration Document**") including (i) the half year management report of BNPP and (ii) the unaudited financial information of BNPP as at and for the six-month period ended 30 June 2017 and the review report thereon.

A free English translation of the Second Update to the BNPP 2016 Registration Document has been filed with the AMF on 31 July 2017 for the purposes of the Prospectus Directive and, by virtue of this First Supplement, other than the sections entitled "Person Responsible for the Update to the Registration Document" and the "Table of Concordance", is incorporated in, and forms part of, the Base Prospectus.

The section "**DOCUMENTS INCORPORATED BY REFERENCE**" in the Base Prospectus is updated as follows:

- (a) the word "and" at the end of paragraph (d) is deleted;
- (b) the ";" at the end of paragraph (e) is deleted and replaced with "; and";
- (c) the following new paragraph (f) is added under paragraph (e):
 - "(f) the English translation of BNP Paribas' *Actualisation du Document de référence 2016 et rapport financier semestriel déposée auprès de l'AMF le 31 juillet 2017* (other than the sections entitled "Person responsible for the update of the Registration Document" and "Table of Concordance") (the "**Second Update to the BNPP 2016 Registration Document**");"
- (d) The table entitled "**BNP PARIBAS - Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004**" is deleted in its entirety and replaced with the following:

BNP PARIBAS	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
3. Risk Factors	
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".	<p>Pages 244 to 253 of the BNPP 2016 Registration Document</p> <p>Pages 68 to 73 of the First Update to the BNPP 2016 Registration Document</p> <p>Pages 159 to 165 of the Second Update to the BNPP 2016 Registration Document</p>
4. Information about the Issuer	
4.1. History and development of the Issuer:	<p>Page 5 of the BNPP 2016 Registration Document</p> <p>Page 3 of the Second Update to the BNPP 2016 Registration Document</p>
4.1.1. The legal and commercial name of the Issuer;	Page 539 of the BNPP 2016 Registration Document
4.1.2. The place of registration of the Issuer and its	Pages 539 and 558 (back cover) of the BNPP

registration number;	2016 Registration Document
4.1.3. The date of incorporation and the length of life of the Issuer, except where indefinite;	Page 539 of the BNPP 2016 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 539 and 558 (back cover) of the BNPP 2016 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 126 of the BNPP 2016 Registration Document Pages 4 to 14 of the Second Update to the BNPP 2016 Registration Document
5. Business Overview	
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, 162 to 164 and 532 to 538 of the BNPP 2016 Registration Document Page 3 of the Second Update to the BNPP 2016 Registration Document
5.1.2. An indication of any significant new products and/or activities.	Pages 6 to 15, 162 to 164 and 532 to 538 of the BNPP 2016 Registration Document
5.1.3. A brief description of the principal markets in which the Issuer competes.	Pages 6 to 15, 162 to 164 and 532 to 538 of the BNPP 2016 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 and 104 to 115 of the BNPP 2016 Registration Document
6. Organisational Structure	
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 2016 Registration Document Page 3 of the Second Update to the BNPP 2016 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 222 to 230, 448 to 450 and 532 to 537 of the BNPP 2016 Registration Document
7. Trend Information	
7.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	Pages 127 to 128 and 241 to 243 of the BNPP 2016 Registration Document Page 193 of the Second Update to the BNPP 2016 Registration Document

8. Profit Forecasts or Estimates	
<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>	NA
<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>	NA
<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>	
<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>	
<p>8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.</p>	NA
9. Administrative, Management, and Supervisory Bodies	
<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>	<p>Pages 30 to 42 and 102 of the BNPP 2016 Registration Document</p> <p>Page 72 of the Second Update to the BNPP 2016 Registration Document</p>

<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>	<p>Pages 30 to 60, 65 to 66 and 78 to 79 of the BNPP 2016 Registration Document</p>
10. Major Shareholders	
<p>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.</p>	<p>Pages 16 and 17 of the BNPP 2016 Registration Document</p> <p>Page 183 of the Second Update to the BNPP 2016 Registration Document</p>
<p>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.</p>	<p>Page 17 of the BNPP 2016 Registration Document</p>
11. Financial Information concerning the Issuer's assets and liabilities, financial position and profits and losses	
<p>11.1. Historical Financial Information</p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year.</p>	<p>Pages 4, 21, 103 to 128 , 132 to 232, 400 to 438 of the BNPP 2015 Registration Document</p> <p>Pages 4, 21, 103 to 130, 131 to 233 and 414 to 453 of the BNPP 2016 Registration Document</p>
<p>11.2. Financial statements</p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	<p>Pages 132 to 230, 400 to 431 of the BNPP 2015 Registration Document</p> <p>Pages 131 to 231, 413 to 451 of the BNPP 2016 Registration Document</p> <p>Pages 73 to 79 of the Second Update to the BNPP 2016 Registration Document</p>
11.3. Auditing of historical annual financial information	
<p>11.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.</p>	<p>Pages 231 to 232 and 437 to 438 of the BNPP 2015 Registration Document</p> <p>Pages 232 to 233 and 452 to 453 of the BNPP 2016 Registration Document</p>
<p>11.3.2. An indication of other information in the registration document which has been audited by the auditors.</p>	<p>Pages 99 to 100 and 524 to 526 of the BNPP 2015 Registration Document</p> <p>Pages 100 to 101 and 544 to 545 of the BNPP 2016 Registration Document</p>
11.4. Age of latest financial information	
<p>11.4.1. The last year of audited financial information may not be older than 18 months from the date of the registration document.</p>	<p>Pages 132 and 399 of the BNPP 2015 Registration Document</p> <p>Pages 134 and 413 of the BNPP 2016</p>

	Registration Document
11.5. Interim and other financial information	
11.5.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.	<p>Pages 4 to 64 of the First Update to the BNPP 2016 Registration Document</p> <p>Pages 4 to 155 of the Second Update to the BNPP 2016 Registration Document</p>
11.6. Legal and arbitration proceedings	<p>Pages 161 and 213 of the BNPP 2016 Registration Document</p> <p>Page 89 of the First Update to the BNPP 2016 Registration Document</p> <p>Pages 145 to 146 of the Second Update to the BNPP 2016 Registration Document</p>

- (e) The first sentence of the second paragraph below the table entitled "**BNP PARIBAS ISSUANCE B.V.** - *Extract of the Annex IV of the European Regulation 809/2004/EC*" is deleted in its entirety and replaced with the following:

"Each of the documents incorporated by reference in (b) to (f) above will only be made available by the relevant Issuer or the Guarantor (if applicable) to which such document relates."

AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "**GENERAL INFORMATION**" on pages 493 to 498 of the Base Prospectus is amended as follows:

- (a) The paragraphs under the heading "**4. Documents Available**" on pages 493 to 494 of the Base Prospectus are amended as follows:
 - (i) the word "and" at the end of sub-paragraph (x) is deleted;
 - (ii) the "." at the end of sub-paragraph (xi) is deleted and replaced with "; and";
 - (iii) the following new sub-paragraph (xii) is added under sub-paragraph (xi):
 "(xii) the Second Update to the BNPP 2016 Registration Document."; and
 - (iv) the first sentence in the penultimate paragraph is deleted in its entirety and replaced with the following:
 "In the case of (i), (ii), (iv), (vi) to (viii) and (xii), the documents are also available via BNPP's website: www.invest.bnppparibas.com";
- (b) The first paragraph under the heading "**6. Legal and Arbitration Proceedings**" on pages 494 to 495 of the Base Prospectus is deleted and replaced with the following:
 "Save as disclosed on pages 161 and 213 of the BNPP 2016 Registration Document, page 89 of the First Update to the BNPP 2016 Registration Document and pages 145 to 146 of the Second Update to the BNPP 2016 Registration Document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNPP is aware), during the period covering at least the twelve (12) months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on BNPP and/or the Group's financial position or profitability.";
- (c) The first paragraph under the heading "**7. Significant Change**" on page 495 of the Base Prospectus is deleted and replaced with the following:
 "There has been no significant change in the financial or trading position of BNPP or the BNPP Group since 30 June 2017 (being the end of the last financial period for which interim financial statements have been published).";
- (d) The table under the heading "**16. Capitalization of BNPP and the BNP Paribas Group**" on pages 497 to 498 of the Base Prospectus is deleted and replaced with the following:

BNP Paribas consolidated capitalization and medium and long term debt indebtedness over one year		
Group accounting method		
In Millions of Euros	BNP PARIBAS GROUP 31 December 2016	BNP PARIBAS GROUP 30 June 2017
Senior Preferred Debt at fair value through profit or loss	36,053	37,754
Senior Preferred Debt at amortised cost	58,205	52,951

Total Senior Preferred Debt.....	94,258	90,705
Senior Non-Preferred Debt at amortised cost	0	8,718
Total Senior Non-Preferred Debt	0	8,718
Redeemable subordinated debt measured at amortised cost	12,341	12,585
Undated subordinated notes measured at amortised cost	1,627	1,605
Undated participating subordinated notes measured at amortised cost	222	222
Redeemable subordinated debt at fair value through profit or loss	162	117
Perpetual subordinated debt at fair value through profit or loss ¹	588	669
Preferred shares and equivalent instruments	8,430	7,825
Total Subordinated Debt	23,370	23,023
Issued capital	2,494	2,497
Additional paid-in capital	24,454	24,479
Retained earnings	55,754	58,230
Unrealised or deferred gains and losses attributable to shareholders	6,169	4,236
Total Shareholders' Equity and Equivalents with anticipation of dividends	88,871	89,442
Minority interests with anticipation of dividends.....	4,431	5,044
Total Capitalization and Medium-to-Long Term Indebtedness	210,930	216,932

- (e) The paragraph under the heading "**18. Events impacting the solvency of BNPP**" on page 498 of the Base Prospectus is amended by the deletion of the words "31 December 2016" and their replacement with the words "30 June 2017".

¹ Carrying amount of cash, of which the amount eligible for Tier 1 is EUR162 million in 2016 and 2017.

RESPONSIBILITY STATEMENT

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information contained in this First Supplement which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

Second Supplement dated 20 September 2017
to the Warrant and Certificate Programme Base Prospectus dated 4 July 2017



BNP PARIBAS

BNP Paribas Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Issuer and Guarantor)

Warrant and Certificate Programme

This second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with the base prospectus dated 4 July 2017 (the "**Base Prospectus**") and the first supplement to the Base Prospectus dated 10 August 2017 (the "**First Supplement**") in relation to the Warrant and Certificate Programme (the "**Programme**") of BNP Paribas Issuance B.V. ("**BNPP B.V.**") and BNP Paribas ("**BNPP**").

The Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of 4 November 2003 (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area. The Authority for the Financial Markets ("**AFM**") in the Netherlands approved the Base Prospectus on 4 July 2017 and the First Supplement on 10 August 2017. Application has been made to the AFM for approval of this Second Supplement in its capacity as competent authority. The AFM approved the Second Supplement on 20 September 2017.

Each of BNPP (in respect of itself and BNPP B.V.) and BNPP B.V. (in respect of itself) accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of BNPP and BNPP B.V. (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus, as amended by the First Supplement, shall have the same meanings when used in this Second Supplement.

To the extent that there is any inconsistency between (i) any statement in this Second Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, as amended by the First Supplement, the statement referred to in (i) above will prevail.

References in this Second Supplement to paragraphs of the Base Prospectus are to the Base Prospectus as amended by the First Supplement. References in this Second Supplement to page numbers in the Base Prospectus are to the page numbers in the Base Prospectus without taking into account any amendments made in the First Supplement.

This Second Supplement is available via BNPP's websites: (www.produitsdebourse.bnpparibas.fr; www.bnpparibasmarkets.be; www.bnpparibasmarkets.nl; www.educatedtrading.bnpparibas.se; <https://www.productoscotizados.com/home/>).

This Second Supplement has been prepared in accordance with Article 16.1 of the Prospectus Directive, for the purposes of giving information which amends or is additional to the information already contained in the Base Prospectus.

This Second Supplement has been prepared for the purposes of:

- (A) incorporating by reference BNPP B.V.'s interim financial statements for the six-month period ended 30 June 2017;
- (B) amending the "Summary in relation to this Base Prospectus";
- (C) amending the "Description of BNPP B.V."; and
- (D) amending the "General Information" section.

The incorporation by reference referred to in (A) above has been made to update the BNPP B.V. disclosure. The amendments referred to in (B), (C) and (D) above have also been made to reflect the updated disclosure referred to in (A) above.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Securities to the public, investors who, before this Second Supplement is published, have already agreed to purchase or subscribe for Securities issued under the Programme by BNPP or BNPP B.V. have the right, exercisable before the end of the period of two (2) working days beginning with the working day after the date of publication of this Second Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 22 September 2017.

TABLE OF CONTENTS

	Page
AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS	4
AMENDMENTS TO DOCUMENTS INCORPORATED BY REFERENCE	5
AMENDMENTS TO THE DESCRIPTION OF BNPP B.V.	7
AMENDMENTS TO THE GENERAL INFORMATION SECTION.....	9
RESPONSIBILITY STATEMENT	10

AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS

The section "**SUMMARY IN RELATION TO THIS BASE PROSPECTUS**" on pages 8 to 62 of the Base Prospectus is amended as follows:

- (a) In Element B.12, the following new table in relation to BNPP B.V. is inserted immediately above the heading "***In relation to BNPP:***" and immediately below the table in relation to BNPP B.V. entitled "**Comparative Annual Financial Data – In EUR**":

Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In EUR		
	30/06/2017 (unaudited)	30/06/2016 (unaudited)
Revenues	180,264	183,330
Net Income, Group Share	11,053	12,506
	30/06/2017 (unaudited)	31/12/2016 (audited)
Total balance sheet	50,298,295,452	48,320,273,908
Shareholders' equity (Group share)	499,352	488,299

- (b) In Element B.12, the first sentence of the paragraph under the sub-heading "***In relation to BNPP B.V.:***" under the heading "***Statements of no significant or material adverse change***" is deleted and replaced with the following:

"There has been no significant change in the financial or trading position of BNPP B.V. since 30 June 2017."

- (c) Element B.13 is deleted in its entirety and replaced with the following:

B.13	Events impacting the Issuer's solvency	<p>Not applicable, as at 20 September 2017 (in the case of BNPP B.V.) and as at 10 August 2017 (in the case of BNPP) and to the best of the Issuers' knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 30 June 2017.</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, as at [insert in the case of BNPP B.V.: 20 September 2017]/[insert in the case of BNPP: 10 August 2017] and to the best of the Issuer's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 30 June 2017].<i>[specify any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency]</i>.</p>
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AMENDMENTS TO DOCUMENTS INCORPORATED BY REFERENCE

BNPP B.V.'s unaudited interim financial statements for the six-month period ended 30 June 2017 (including the review report thereon issued by Mazars Paardekooper Hoffman Accountants N.V. represented by J.C. van Oldenbeek) have been filed with the AFM on 28 August 2017 for the purposes of the Prospectus Directive and, by virtue of this Second Supplement are incorporated in, and form part of, the Base Prospectus.

The section "**DOCUMENTS INCORPORATED BY REFERENCE**" in the Base Prospectus is updated as follows:

- (a) the word "and" at the end of paragraph (e) is deleted;
- (b) the ";" at the end of paragraph (f) is deleted and replaced with "; and";
- (c) the following new paragraph (g) is added under paragraph (e):
 - "(g) the unaudited interim financial statements for the six-month period ended 30 June 2017 of BNPP B.V. (including the review report thereon issued by Mazars Paardekooper Hoffman Accountants N.V. represented by J.C. van Oldenbeek) (the "**BNPP B.V. 2017 Interim Financial Statements**"),";
- (d) The table entitled "**BNP PARIBAS ISSUANCE B.V.** - Extracts of Annex IV of the European Regulation 809/2004/EC of 29 April 2004" is deleted in its entirety and replaced with the following:

BNP PARIBAS ISSUANCE B.V.		
	Extract of the Annex IV of the European Regulation 809/2004/EC	
13.	Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses	
13.1	Historical Financial Information	Pages 5-16 of the 2015 BNPP B.V. Annual Report Pages 5-17 of the 2016 BNPP B.V. Annual Report
13.3	Auditing of historical annual financial information	
13.3.1	A statement that the historical financial information has been audited.	Pages 18-21 of the 2015 BNPP B.V. Annual Report Pages 19-21 of the 2016 BNPP B.V. Annual Report
13.3.2	An indication of other information in the registration document which has been audited by the auditors.	N/A
13.3.3	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is un-	N/A

	audited.	
13.4	Age of latest financial information	
13.4.1	The last year of audited financial information may not be older than 18 months from the date of the registration document.	Pages 3-17 of the 2016 BNPP B.V. Annual Report
13.5	Interim and other financial information	
13.5.1	If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document.	Pages 3 to 17 of the BNPP B.V. 2017 Interim Financial Statements
13.5.2	If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is un-audited state that fact.	N/A

- (e) The first sentence of the second paragraph below the table entitled "**BNP PARIBAS ISSUANCE B.V.** - Extract of the Annex IV of the European Regulation 809/2004/EC" is deleted in its entirety and replaced with the following:

"Each of the documents incorporated by reference in (b) to (g) above will only be made available by the relevant Issuer or the Guarantor (if applicable) to which such document relates."

AMENDMENTS TO THE DESCRIPTION OF BNPP B.V.

The section "Description of BNPP B.V." on pages 450 to 453 of the Base Prospectus is amended by the insertion of the following new information at the end of the information under the heading "**11. Historical Financial Information Concerning BNPP B.V.'s Assets and Liabilities, Financial Position and Profits and Losses**" on page 452 of the Base Prospectus:

Selected interim financial information

BALANCE SHEET IN SUMMARY (before appropriation of the net result)

	30.06.2017	31.12.2016
	(unaudited)	(audited)
	EUR	EUR
Financial fixed assets	39,169,990,007	34,970,331,780
Current assets	11,128,305,445	13,349,942,128
TOTAL ASSETS	50,298,295,452	48,320,273,908
 Shareholder's equity	 499,352	 488,299
Long term liabilities	39,169,990,007	34,970,331,780
Current liabilities	11,127,806,093	13,349,453,829
TOTAL EQUITY AND LIABILITIES	50,298,295,452	48,320,273,908

PROFIT AND LOSS ACCOUNT in summary

	01.01.2017 to 30.06.2017 (unaudited)	01.01.2016 to 30.06.2016 (unaudited)
	EUR	EUR
Income including interest received	180,264	183,341
Costs, including interest paid and the tax charge	(169,211)	(170,835)
Profit after taxation	11,053	12,506

CASH FLOW STATEMENT in summary

	01.01.2017 to 30.06.2017 (unaudited)	01.01.2016 to 30.06.2016 (unaudited)
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	EUR	EUR
Cash flow from operating activities	(310,021)	(4,819)
Cash flow from financing activities	0	0
Increase/Decrease cash at banks	(310,021)	(4,819)
Cash at bank at 30 June	42,041	71,193

AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "**GENERAL INFORMATION**" on pages 493 to 498 of the Base Prospectus is amended as follows:

- (a) The paragraphs under the heading "**4. Documents Available**" on pages 493 to 494 of the Base Prospectus are amended as follows:
 - (i) the word "and" at the end of sub-paragraph (xi) is deleted;
 - (ii) the "." at the end of sub-paragraph (xii) is deleted and replaced with "; and";
 - (iii) the following new sub-paragraph (xiii) is added under sub-paragraph (xii):

"(xiii) the BNPP B.V. 2017 Interim Financial Statements."; and
 - (iv) the last sentence in the penultimate paragraph is deleted in its entirety and replaced with the following:

"In addition, the constitutional documents of BNPP B.V., the Guarantee and the documents listed at (iii), (v), (x), (xi) and (xiii) above are available at the registered office of BNPP B.V. "
- (b) The second paragraph under the heading "**7. Significant Change**" on page 495 of the Base Prospectus is deleted and replaced with the following:

"There has been no significant change in the financial or trading position of BNPP B.V. since 30 June 2017 (being the end of the last financial period for which interim financial statements have been published).";

RESPONSIBILITY STATEMENT

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information contained in this Second Supplement which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

Third Supplement dated 22 November 2017
to the Warrant and Certificate Programme Base Prospectus dated 4 July 2017



BNP PARIBAS

BNP Paribas Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Issuer and Guarantor)

Warrant and Certificate Programme

This third supplement (the "**Third Supplement**") is supplemental to, and should be read in conjunction with the base prospectus dated 4 July 2017 (the "**Base Prospectus**"), the first supplement to the Base Prospectus dated 10 August 2017 (the "**First Supplement**") and the second supplement to the Base Prospectus dated 20 September 2017 (the "**Second Supplement**") in relation to the Warrant and Certificate Programme (the "**Programme**") of BNP Paribas Issuance B.V. ("**BNPP B.V.**") and BNP Paribas ("**BNPP**").

The Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of 4 November 2003 (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area. The Authority for the Financial Markets ("**AFM**") in the Netherlands approved the Base Prospectus on 4 July 2017, the First Supplement on 10 August 2017 and the Second Supplement on 20 September 2017. Application has been made to the AFM for approval of this Third Supplement in its capacity as competent authority. The AFM approved the Third Supplement on 22 November 2017.

Each of BNPP (in respect of itself and BNPP B.V.) and BNPP B.V. (in respect of itself) accepts responsibility for the information contained in this Third Supplement. To the best of the knowledge of BNPP and BNPP B.V. (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus, as amended by the First Supplement and the Second Supplement, shall have the same meanings when used in this Third Supplement.

To the extent that there is any inconsistency between (i) any statement in this Third Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, as amended by the First Supplement and the Second Supplement, the statement referred to in (i) above will prevail.

References in this Third Supplement to paragraphs of the Base Prospectus are to the Base Prospectus as amended by the First Supplement and the Second Supplement. References in this Third Supplement to page numbers in the Base Prospectus are to the page numbers in the Base Prospectus without taking into account any amendments made in the First Supplement and the Second Supplement.

This Third Supplement is available via BNPP's websites: (www.produitsdebourse.bnpparibas.fr; www.bnpparibasmarkets.be; www.bnpparibasmarkets.nl; www.educatedtrading.bnpparibas.se; <https://www.productoscotizados.com/home/>).

This Third Supplement has been prepared in accordance with Article 16.1 of the Prospectus Directive, for the purposes of giving information which amends or is additional to the information already contained in the Base Prospectus.

This Third Supplement has been prepared for the purposes of:

- (A) incorporating by reference the English translation of BNP Paribas' third *Actualisation du Document de référence 2016* in the section "Documents incorporated by reference ;
- (B) amending BNP Paribas's long-term credit ratings rating assigned by Moody's Investors Service Ltd.;
- (C) amending the "Summary in relation to this Base Prospectus";
- (D) amending the "Risk Factors" section;
- (E) amending the "French Taxation" section;
- (F) amending the "General Information" section; and
- (G) amending the "Index of Defined Terms in respect of the Securities".

The incorporation by reference referred to in (A) and (B) above has been made to update the BNPP disclosure. The amendments referred to in (C), (D) and (F) above have also been made to reflect the updated disclosure referred to in (A) and (B) above. The amendments referred to in (E) above have been made to update tax disclosure in respect of French withholding tax. The amendments referred to in (G) above have also been made to delete cross references of defined terms which are no longer relevant.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Securities to the public, investors who, before this Third Supplement is published, have already agreed to purchase or subscribe for Securities issued under the Programme by BNPP or BNPP B.V. have the right, exercisable before the end of the period of two (2) working days beginning with the working day after the date of publication of this Third Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 24 November 2017.

TABLE OF CONTENTS

	Page
AMENDMENTS TO THE COVER PAGES OF THE BASE PROSPECTUS	4
AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS	5
AMENDMENTS TO THE RISK FACTORS.....	9
AMENDMENTS TO DOCUMENTS INCORPORATED BY REFERENCE	10
AMENDMENTS TO THE FRENCH TAXATION SECTION.....	15
AMENDMENTS TO THE GENERAL INFORMATION SECTION.....	19
AMENDMENTS TO THE INDEX OF DEFINED TERMS OF THE SECURITIES SECTION	21
RESPONSIBILITY STATEMENT	22

AMENDMENTS TO THE COVER PAGES OF THE BASE PROSPECTUS

The cover pages on pages 1 to 2 of the Base Prospectus are amended as follows:

The last paragraph one page 2 is deleted and replaced with the following:

"BNPP's long-term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**")), Aa3 with a stable outlook (Moody's Investors Service Ltd. ("**Moody's**")), A+ with a stable outlook (Fitch France S.A.S. ("**Fitch France**")) and AA (low) with a stable outlook (DBRS Limited ("**DBRS**")) and BNPP's short-term credit ratings are A-1 (Standard & Poor's), P-1 (Moody's), F1 (Fitch France) and R-1 (middle) (DBRS). BNPP B.V.'s long-term credit ratings are A with a stable outlook (Standard & Poor's) and BNPP B.V.'s short term credit ratings are A-1 (Standard & Poor's). Each of Standard & Poor's, Moody's, Fitch France and DBRS is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of Standard & Poor's, Moody's, Fitch France and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Securities issued under the Programme may be rated or unrated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "*Credit Ratings may not Reflect all Risks*" in the Risk Factors section of this Base Prospectus."

AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS

The section "**SUMMARY IN RELATION TO THIS BASE PROSPECTUS**" on pages 8 to 62 of the Base Prospectus is amended as follows:

- (a) In Element B.12, the following new table in relation to BNPP is inserted immediately below the table entitled "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and immediately above the heading "**Statements of no significant or material adverse change**":

Comparative Interim Financial Data for the nine-month period ended 30 September 2017 – In millions of EUR		
	9M17 (unaudited)	9M16 (unaudited)
Revenues	32,629	32,755
Cost of risk	(1,922)	(2,312)
Net income, Group share	6,333	6,260
	30/09/17	31/12/2016
Common equity Tier 1 Ratio (Basel 3 fully loaded, CRD 4)	11.8%	11.5%
	30/09/2017 (unaudited)	31/12/2016 (audited)
Total consolidated balance sheet	2,158,500	2,076,959
Consolidated loans and receivables due from customers	711,589	712,233
Consolidated items due to customers	793,163	765,953
Shareholders' equity (Group share)	100,544	100,665

- (b) Element B.13 is deleted in its entirety and replaced with the following:

B.13	Events impacting the Issuer's solvency	<p>Not applicable, as at 20 September 2017 (in the case of BNPP B.V.) and as at 22 November 2017 (in the case of BNPP) and to the best of the Issuers' knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 30 June 2017 (in the case of BNPP B.V.) and 30 September 2017 (in the case of BNPP).</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, as at [insert in the case of BNPP B.V.: 20 September 2017]/[insert in the case of BNPP: 22 November 2017] and to the best of the Issuer's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since [Insert in the case of BNPP B.V.: 30 June 2017]/[Insert in the case of BNPP :</p>
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		30 September 2017]]. <i>[specify any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency].</i>
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- (c) Element B.17 is deleted in its entirety and replaced with the following:

B.17	Solicited credit ratings	<p>BNPP B.V.'s long term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS) and BNPP B.V.'s short term credit ratings are A-1 (Standard & Poor's Credit Market Services France SAS).</p> <p>BNPP's long-term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS), Aa3 with a stable outlook (Moody's Investors Service Ltd.), A+ with a stable outlook (Fitch France S.A.S.) and AA (low) with a stable outlook (DBRS Limited) and BNPP's short-term credit ratings are A-1 (Standard & Poor's Credit Market Services France SAS), P-1 (Moody's Investors Service Ltd.), F1 (Fitch France S.A.S.) and R-1 (middle) (DBRS Limited).</p> <p>Securities issued under the Programme may be rated or unrated.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p><i>Issue Specific Summary</i></p> <p><i>[Insert where BNPP B.V. is the Issuer:</i></p> <p>BNPP B.V.'s long term credit ratings are [A with a stable outlook (Standard & Poor's Credit Market Services France SAS)] and BNPP B.V.'s short term credit ratings are [A-1 (Standard & Poor's Credit Market Services France SAS)].</p> <p><i>[Insert where BNPP is the Issuer:</i></p> <p>BNPP's long term credit ratings are [A with a stable outlook (Standard & Poor's Credit Market Services France SAS)], [Aa3 with a stable outlook (Moody's Investors Service Ltd.)], [A+ with a stable outlook (Fitch France S.A.S.)] and [AA (low) with a stable outlook (DBRS Limited)] and BNPP's short-term credit ratings are [A-1 (Standard & Poor's Credit Market Services France SAS)], [P-1 (Moody's Investors Service Ltd.)], [F1 (Fitch France S.A.S.)] and [R-1 (middle) (DBRS Limited)].</p> <p>[The Securities [have [not] been/are expected to be] rated [[●] by [●]].</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]</p>
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- (d) In Element B.19/B.12, the following new table is inserted immediately below the table entitled "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and immediately above the heading "**Statements of no significant or material adverse change**":

Comparative Interim Financial Data for the nine-month period ended 30 September 2017 – In millions of EUR		
	9M17 (unaudited)	9M16 (unaudited)
Revenues	32,629	32,755
Cost of risk	(1,922)	(2,312)
Net income, Group share	6,333	6,260
	30/09/17	31/12/2016
Common equity Tier 1 Ratio (Basel 3 fully loaded, CRD 4)	11.8%	11.5%
	30/09/2017 (unaudited)	31/12/2016 (audited)
Total consolidated balance sheet	2,158,500	2,076,959
Consolidated loans and receivables due from customers	711,589	712,233
Consolidated items due to customers	793,163	765,953
Shareholders' equity (Group share)	100,544	100,665

- (e) Element B.19/B.13 is deleted in its entirety and replaced with the following:

B.19/B.13	Events impacting the Guarantor's solvency	<p>Not applicable, as at 22 November 2017 and to the best of the Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since 30 September 2017.</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, as at 22 November 2017 and to the best of the Guarantor's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since [30 September 2017]].</p> <p><i>[specify any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency.]</i></p>
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- (f) In Element B.19/B.17 is deleted in its entirety and replaced with the following:

B.19/B.17	Solicited credit ratings	BNPP's long term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS), Aa3 with a stable outlook (Moody's Investors Service Ltd.), A+ with a stable
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		<p>outlook (Fitch France S.A.S.) and AA (low) with a stable outlook (DBRS Limited) and BNPP's short-term credit ratings are A-1 (Standard & Poor's Credit Market Services France SAS), P-1 (Moody's Investors Service Ltd.), F1 (Fitch France S.A.S.) and R-1 (middle) (DBRS Limited).</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p><i>Issue Specific Summary</i></p> <p>BNPP's long term credit ratings are [A with a stable outlook (Standard & Poor's Credit Market Services France SAS)], [Aa3 with a stable outlook (Moody's Investors Service Ltd.)], [A+ with a stable outlook (Fitch France S.A.S.)] and [AA (low) with a stable outlook (DBRS Limited)] and BNPP's short-term credit ratings are [A-1 (Standard & Poor's Credit Market Services France SAS)], [P-1 (Moody's Investors Service Ltd.)], [F1 (Fitch France S.A.S.)] and [R-1 (middle) (DBRS Limited)].</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
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AMENDMENTS TO THE RISK FACTORS

The section " **RISK FACTORS**" on pages 63 to 97 of the Base Prospectus is amended as follows:

The paragraph entitled "Risks Relating to BNPP and its Industry" is deleted in its entirety and replaced with the following:

"Risks Relating to BNPP and its Industry

See the "Risk Factors" section on pages 244 to 253 of the BNPP 2016 Registration Document, pages 68 to 73 of the First Update to the BNPP 2016 Registration Document, pages 159 to 167 of the Second Update to the BNPP 2016 Registration Document and pages 79 to 89 of the Third Update to the BNPP 2016 Registration Document which are incorporated by reference in this Base Prospectus and which disclose all material risks relating to BNPP's ability to fulfil its obligations under the Securities."

AMENDMENTS TO DOCUMENTS INCORPORATED BY REFERENCE

On 31 October 2017, BNPP filed with the *Autorité des marchés financiers* ("**AMF**") the *Troisième actualisation du Document de référence 2016* (in English) including the unaudited financial information of BNPP as at and for the nine-month period ended 30 September 2017.

A free English translation of BNPP's *Troisième actualisation du Document de référence 2016* has been filed with the AMF on 31 October 2017 for the purposes of the Prospectus Directive and, by virtue of this Third Supplement and other than the sections entitled "Persons Responsible for the Update to the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein, is incorporated in, and forms part of, the Base Prospectus.

The section "**DOCUMENTS INCORPORATED BY REFERENCE**" in the Base Prospectus is updated as follows:

- (a) the word "and" at the end of paragraph (f) is deleted;
- (b) the ";" at the end of paragraph (g) is deleted and replaced with "; and";
- (c) the following new paragraph (h) is added under paragraph (g):
 - "(h) the English translation of BNP Paribas' third *Actualisation du Document de référence 2016* (other than the sections entitled "Persons Responsible for the Update to the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein) (the "**Third Update to the BNPP 2016 Registration Document**");
- (d) The table entitled "**BNP PARIBAS - Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004**" is deleted in its entirety and replaced with the following:

BNP PARIBAS	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
3. Risk Factors	
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 244 to 253 of the BNPP 2016 Registration Document Pages 68 to 73 of the First Update to the BNPP 2016 Registration Document Pages 159 to 165 of the Second Update to the BNPP 2016 Registration Document Pages 79 to 89 of the Third Update to the BNPP 2016 Registration Document
4. Information about the Issuer	
4.1. History and development of the Issuer:	Page 5 of the BNPP 2016 Registration Document Page 3 of the Second Update to the BNPP 2016 Registration Document
4.1.1. The legal and commercial name of the Issuer;	Page 539 of the BNPP 2016 Registration

	Document
4.1.2. The place of registration of the Issuer and its registration number;	Pages 539 and 558 (back cover) of the BNPP 2016 Registration Document
4.1.3. The date of incorporation and the length of life of the Issuer, except where indefinite;	Page 539 of the BNPP 2016 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 539 and 558 (back cover) of the BNPP 2016 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 126 of the BNPP 2016 Registration Document Pages 4 to 14 of the Second Update to the BNPP 2016 Registration Document
5. Business Overview	
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, 162 to 164 and 532 to 538 of the BNPP 2016 Registration Document Page 3 of the Second Update to the BNPP 2016 Registration Document
5.1.2. An indication of any significant new products and/or activities.	Pages 6 to 15, 162 to 164 and 532 to 538 of the BNPP 2016 Registration Document
5.1.3. A brief description of the principal markets in which the Issuer competes.	Pages 6 to 15, 162 to 164 and 532 to 538 of the BNPP 2016 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 and 104 to 115 of the BNPP 2016 Registration Document
6. Organisational Structure	
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 2016 Registration Document Page 3 of the Second Update to the BNPP 2016 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 222 to 230, 448 to 450 and 532 to 537 of the BNPP 2016 Registration Document
7. Trend Information	
7.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely	Pages 127 to 128 and 241 to 243 of the BNPP 2016 Registration Document

to have a material effect on the issuer's prospects for at least the current financial year.	Page 193 of the Second Update to the BNPP 2016 Registration Document
8. Profit Forecasts or Estimates	
<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>	NA
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.	NA
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:	
(a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;	
(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;	
(c) this financial information has not been audited.	
8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	NA
9. Administrative, Management, and Supervisory Bodies	
<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>	<p>Pages 30 to 42 and 102 of the BNPP 2016 Registration Document</p> <p>Page 72 of the Second Update to the BNPP 2016 Registration Document</p> <p>Page 78 of the Third Update to the BNPP 2016 Registration Document</p>

<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>	<p>Pages 30 to 60, 65 to 66 and 78 to 79 of the BNPP 2016 Registration Document</p>
10. Major Shareholders	
<p>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.</p>	<p>Pages 16 and 17 of the BNPP 2016 Registration Document</p> <p>Page 183 of the Second Update to the BNPP 2016 Registration Document</p>
<p>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.</p>	<p>Page 17 of the BNPP 2016 Registration Document</p>
11. Financial Information concerning the Issuer's assets and liabilities, financial position and profits and losses	
<p>11.1. Historical Financial Information</p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year.</p>	<p>Pages 4, 21, 103 to 128 , 132 to 232, 400 to 438 of the BNPP 2015 Registration Document</p> <p>Pages 4, 21, 103 to 130, 131 to 233 and 414 to 453 of the BNPP 2016 Registration Document</p>
<p>11.2. Financial statements</p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	<p>Pages 132 to 230, 400 to 431 of the BNPP 2015 Registration Document</p> <p>Pages 131 to 231, 413 to 451 of the BNPP 2016 Registration Document</p> <p>Pages 73 to 79 of the Second Update to the BNPP 2016 Registration Document</p>
11.3. Auditing of historical annual financial information	
<p>11.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.</p>	<p>Pages 231 to 232 and 437 to 438 of the BNPP 2015 Registration Document</p> <p>Pages 232 to 233 and 452 to 453 of the BNPP 2016 Registration Document</p>
<p>11.3.2. An indication of other information in the registration document which has been audited by the auditors.</p>	<p>Pages 99 to 100 and 524 to 526 of the BNPP 2015 Registration Document</p> <p>Pages 100 to 101 and 544 to 545 of the BNPP 2016 Registration Document</p>
11.4. Age of latest financial information	
<p>11.4.1. The last year of audited financial information may not be older than 18 months from the date of the registration document.</p>	<p>Pages 132 and 399 of the BNPP 2015 Registration Document</p> <p>Pages 134 and 413 of the BNPP 2016</p>

	Registration Document
11.5. Interim and other financial information	
11.5.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.	<p>Pages 4 to 64 of the First Update to the BNPP 2016 Registration Document</p> <p>Pages 4 to 155 of the Second Update to the BNPP 2016 Registration Document</p> <p>Pages 3 to 76 of the Third Update to the BNPP 2016 Registration Document</p>
11.6. Legal and arbitration proceedings	<p>Pages 161 and 213 of the BNPP 2016 Registration Document</p> <p>Page 89 of the First Update to the BNPP 2016 Registration Document</p> <p>Pages 145 to 146 of the Second Update to the BNPP 2016 Registration Document</p> <p>Pages 94 to 95 of the Third Update to the BNPP 2016 Registration Document</p>

- (e) The first sentence of the second paragraph below the table entitled "**BNP PARIBAS ISSUANCE B.V.** - Extract of the Annex IV of the European Regulation 809/2004/EC" and immediately above the section "**GENERAL DESCRIPTION OF THE PROGRAMME AND PAYOUT METHODOLOGY UNDER THIS BASE PROSPECTUS**" is deleted in its entirety and replaced with the following:

"Each of the documents incorporated by reference in (b) to (h) above will only be made available by the relevant Issuer or the Guarantor (if applicable) to which such document relates."

AMENDMENTS TO THE FRENCH TAXATION SECTION

The section "**FRENCH TAXATION**" on pages 468 to 470 of the Base Prospectus is deleted in its entirety and replaced with the following:

"This overview is based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisers so as to determine, in the light of their individual situation, the tax consequences of the subscription, purchase, holding, redemption or disposal of the Securities."

Withholding tax on Securities issued by BNPP

The treatment regarding withholding tax on payments in relation to Securities issued by BNPP will depend on the nature and characterisation of the relevant Securities.

Securities constituting debt instruments for French tax purposes

The following may be relevant to holders of Securities issued by BNPP who do not concurrently hold shares of BNPP.

Securities which are not consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes (other than Securities which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Securities are made outside France in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues with respect to such Securities will not be deductible from BNPP's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account established with a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. (provided, however, that the Finance Bill for 2018 currently being discussed before the French Parliament provides for the implementation of a 12.8 per cent. withholding tax for individuals who are not French tax residents for payments of interest and other revenues recharacterised as constructive dividends as mentioned above made as of January 1, 2018, while maintaining the above mentioned 30 per cent. withholding tax for legal persons who are not French tax residents) or 75 per cent. (subject to certain exceptions described below and the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of an issue of Securities

if BNPP can prove that the principal purpose and effect of such issue of Securities was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320 n°10, an issue of Securities will benefit from the Exception without BNPP having to provide any proof of the purpose and effect of such issue of Securities, if such Securities are:

- (a) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (b) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (c) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Securities which are consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes and which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts* will be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Securities issued before 1 March 2010, whether denominated in Euro or in any other currency, constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the *Bulletin Officiel des Finances Publiques-Impôts* BOI-RPPM-RCM-30-10-30-30-20140211, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the above mentioned *Bulletin Officiel des Finances Publiques-Impôts*.

In addition, interest and other revenues paid by BNPP on Securities which constitute debt instruments for French tax purposes, which are issued from 1 March 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 will not be subject to the Deductibility Exclusion, and hence will not be subject to the withholding tax set out in Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Securities held by individuals who are fiscally domiciled in France

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code général des impôts*, subject to certain exceptions, interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax (pursuant to the Finance Bill for 2018, this rate could be reduced to 12.8 per cent. as of 2018), 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 at an aggregate rate of 15.5 per cent. (pursuant to the Social Security Financing Bill for 2018, this rate could be increased to 17.2 per cent. as of 2018) on such interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

Securities issued by BNPP not constituting debt instruments for French tax purposes

Payments with respect to Securities issued by BNPP which do not constitute debt instruments for French tax purposes should not be subject to, or should be exempt from, withholding tax provided that the beneficial owner of such Securities and the payments thereunder is resident or domiciled in a country which has entered into an appropriate double tax treaty with France, fulfils the relevant requirements provided in such treaty and payments under the relevant Securities are not paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-cooperative State.

In addition, payments in respect of such Securities may, in certain circumstances, be non-deductible (in whole or in part) for French tax purposes if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, and subject to the more favourable provisions of an applicable double tax treaty, such non-deductible payments may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts* subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* at a rate of up to 75 per cent..

Potential purchasers of Securities who are resident or domiciled in a country which has not entered into an appropriate double tax treaty with France or who are domiciled or established in a Non-Cooperative State are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, ownership of, or transactions involving the Securities.

Transfer tax and other taxes

The following may be relevant in connection with Securities which may be settled or redeemed by way of physical delivery of certain French listed shares (or assimilated securities) or other securities representing such listed shares or assimilated securities.

Pursuant to Article 235 *ter* ZD of the French *Code général des impôts*, a financial transaction tax (the "**Financial Transaction Tax**") is applicable to any acquisition for consideration of an equity security (*titre de capital*) as defined by Article L.212-1 A of the French *Code monétaire et financier* or of an assimilated equity security (*titre de capital assimilé*) as defined by Article L.211-41 of the French *Code monétaire et financier*, admitted to trading on a recognised stock exchange where such acquisition results in a transfer of ownership and the said security is issued by a company whose registered office is located in France and whose market capitalisation exceeds 1 billion Euros on 1 December of the year preceding the year in which the imposition occurs (the "**French Shares**"). The FTT also applies to the acquisition of securities representing the French Shares. The Financial Transaction Tax could apply in certain circumstances to the acquisition of French Shares (or securities representing the French Shares) in connection with the exercise, settlement or redemption of any Securities.

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

The rate of the Financial Transaction Tax is 0.3 per cent. of the acquisition value of the securities.

If the Financial Transaction Tax applies to an acquisition of shares, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1 per cent. to the sale of shares issued by a company whose registered office is located in France, provided that in case of shares listed on a

recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement."

AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "**GENERAL INFORMATION**" on pages 493 to 498 of the Base Prospectus is amended as follows:

- (a) The paragraphs under the heading "**4. Documents Available**" on pages 493 to 494 of the Base Prospectus are amended as follows:
- (i) the word "and" at the end of sub-paragraph (xii) is deleted;
 - (ii) the "." at the end of sub-paragraph (xiii) is deleted and replaced with "; and";
 - (iii) the following new sub-paragraph (xiv) is added under sub-paragraph (xiii):
 "(xiv) the Third Update to the BNPP 2016 Registration Document."; and
 - (iv) the first sentence in the penultimate paragraph is deleted in its entirety and replaced with the following:
 "In the case of (i), (ii), (iv), (vi), (vii), (viii), (xii) and (xiv), the documents are also available via BNPP's website: www.invest.bnpparibas.com."
- (b) The paragraph under the heading "**6. Legal and Arbitration Proceedings**" on pages 494 to 495 of the Base Prospectus is deleted and replaced with the following:
- "Save as disclosed on pages 161 and 213 of the BNPP 2016 Registration Document, page 89 of the First Update to the BNPP 2016 Registration Document, pages 145 to 146 of the Second Update to the BNPP 2016 Registration Document and pages 94 to 95 of the Third Update to the BNPP 2016 Registration Document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNPP is aware), during the period covering at least the twelve (12) months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on BNPP and/or the Group's financial position or profitability.";
- (c) the table under the heading "**16. Capitalization and Medium and Long Term Debt Indebtedness Over One Year of BNPP and the BNP Paribas Group**" on pages 497 to 498 of the Base Prospectus is deleted and replaced with the following:

BNP Paribas consolidated capitalization and medium and long term debt indebtedness over one year		
Group accounting method		
In Millions of Euros	BNP PARIBAS GROUP 31 December 2016 (audited)	BNP PARIBAS GROUP 30 September 2017 (unaudited)
Senior preferred debt at fair value through profit or loss	36,053	37,139
Senior preferred debt at amortised cost	58,205	50,440
Total Senior Preferred Debt	94,258	87,579

Senior non-preferred debt at amortised cost	0	8,593
Total Senior Non-Preferred Debt	0	8,593
Redeemable subordinated debt at amortised cost	12,341	12,399
Undated subordinated notes at amortised cost	1,627	1,597
Undated participating subordinated notes at amortised cost	222	222
Redeemable subordinated notes at fair value through profit or loss	162	121
Perpetual subordinated debt at fair value through profit or loss ¹	588	669
Preferred shares and equivalent instruments	8,430	7,820
Total Subordinated Debt	23,370	22,828
Issued capital	2,494	2,497
Additional paid-in capital	24,454	24,439
Retained earnings	55,754	59,130
Unrealised or deferred gains and losses attributable to Shareholders	6,169	3,631
Total Shareholders' Equity and Equivalents (net of proposed dividends)	88,871	89,697
Minority interests (net of proposed dividends)	4,431	4,587
Total Capitalization and Medium-to-Long Term Indebtedness	210,930	213,283

- (d) the paragraph under the heading "**18. Events impacting the solvency of BNPP**" is amended by the deletion of the words "30 June 2017" and their replacement with the words "30 September 2017".

¹ Carrying amount of cash, of which the amount eligible for Tier 1 is EUR162 million in 2016 and 2017.

AMENDMENTS TO THE INDEX OF DEFINED TERMS OF THE SECURITIES SECTION

The section "**INDEX OF DEFINED TERMS OF THE SECURITIES**" on pages 499 to 519 of the Base Prospectus is amended as follows:

The following defined terms are deleted:

""**Calculated Currency Disruption Amount**" is as defined in Currency Condition 3Error! Reference source not found..

"**Calculated Currency Disruption Amount Determination Date**" is as defined in Currency Condition 3Error! Reference source not found.. "

RESPONSIBILITY STATEMENT

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this Third Supplement. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information contained in this Third Supplement which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

Fourth Supplement dated 15 March 2018
to the Warrant and Certificate Programme Base Prospectus dated 4 July 2017



BNP PARIBAS

BNP Paribas Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Issuer and Guarantor)

Warrant and Certificate Programme

This fourth supplement (the "**Fourth Supplement**") is supplemental to, and should be read in conjunction with the base prospectus dated 4 July 2017 (the "**Base Prospectus**"), the first supplement to the Base Prospectus dated 10 August 2017 (the "**First Supplement**"), the second supplement to the Base Prospectus dated 20 September 2017 (the "**Second Supplement**") and the third supplement to the Base Prospectus dated 22 November 2017 (the "**Third Supplement**") in relation to the Warrant and Certificate Programme (the "**Programme**") of BNP Paribas Issuance B.V. ("**BNPP B.V.**") and BNP Paribas ("**BNPP**").

The Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of 4 November 2003 (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area. The Authority for the Financial Markets ("**AFM**") in the Netherlands approved the Base Prospectus on 4 July 2017, the First Supplement on 10 August 2017, the Second Supplement on 20 September 2017 and the Third Supplement on 22 November 2017. Application has been made to the AFM for approval of this Fourth Supplement in its capacity as competent authority. The AFM approved the Fourth Supplement on 15 March 2018.

Each of BNPP (in respect of itself and BNPP B.V.) and BNPP B.V. (in respect of itself) accepts responsibility for the information contained in this Fourth Supplement. To the best of the knowledge of BNPP and BNPP B.V. (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus, as amended by the First Supplement, the Second Supplement and the Third Supplement, shall have the same meanings when used in this Fourth Supplement.

To the extent that there is any inconsistency between (i) any statement in this Fourth Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, as amended by the First Supplement, the Second Supplement and the Third Supplement, the statement referred to in (i) above will prevail.

References in this Fourth Supplement to paragraphs of the Base Prospectus are to the Base Prospectus as amended by the First Supplement, the Second Supplement and the Third Supplement. References in this Fourth Supplement to page numbers in the Base Prospectus are to the page numbers in the Base Prospectus

without taking into account any amendments made in the First Supplement, the Second Supplement and the Third Supplement.

This Fourth Supplement is available via BNPP's websites: (www.produitsdebourse.bnpparibas.fr; www.bnpparibasmarkets.be; www.bnpparibasmarkets.nl; www.educatedtrading.bnpparibas.se; <https://www.productoscotizados.com/home/>).

This Fourth Supplement has been prepared in accordance with Article 16.1 of the Prospectus Directive, for the purposes of giving information which amends or is additional to the information already contained in the Base Prospectus.

This Fourth Supplement has been prepared for the purposes of:

- (A) giving disclosure in respect of a press release and related presentation dated 6 February 2018 issued by BNP Paribas;
- (B) giving disclosure in respect of the audited Consolidated Financial Statements of BNPP for the year ended 31 December 2017 released on 6 March 2018;
- (C) amending the "Summary in relation to this Base Prospectus";
- (D) amending the "Risk Factors" section;
- (E) amending the "French Taxation" section; and
- (F) amending the "General Information" section.

The incorporation by reference referred to in (A) and (B) above has been made to update the BNPP disclosure. The amendments referred to in (C) and (D) above have also been made to reflect the updated disclosure referred to in (A) and (B) above. The amendments referred to in (E) above have been made to update tax disclosure in respect of French withholding tax. The amendments referred to in (F) above have been made to update the table of Capitalization and Medium and Long Term Debt Indebtedness Over One Year of BNPP and the BNP Paribas Group.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Securities to the public, investors who, before this Fourth Supplement is published, have already agreed to purchase or subscribe for Securities issued under the Programme by BNPP or BNPP B.V. have the right, exercisable before the end of the period of two (2) working days beginning with the working day after the date of publication of this Fourth Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 19 March 2018.

TABLE OF CONTENTS

Page

PRESS RELEASE AND RELATED PRESENTATION DATED 6 FEBRUARY 2018	4
PUBLICATION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BNP PARIBAS FOR THE YEAR ENDED 31 DECEMBER 2017	146
AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS	287
AMENDMENTS TO THE RISK FACTORS SECTION	291
AMENDMENTS TO THE FRENCH TAXATION SECTION.....	306
AMENDMENTS TO THE GENERAL INFORMATION SECTION.....	310
RESPONSIBILITY STATEMENT	312

PRESS RELEASE AND RELATED PRESENTATION DATED 6 FEBRUARY 2018

BNP Paribas have released the following press release and presentation dated 6 February 2018 relating to the unaudited financial information of BNP Paribas for the fourth quarter ended 31 December 2017 and the unaudited figures for the year ended 31 December 2017.

2017 FULL YEAR RESULTS

PRESS RELEASE

Paris, 6 February 2018



RISE IN REVENUES OF THE OPERATING DIVISIONS:

- GOOD BUSINESS DEVELOPMENT IN ALL THE BUSINESSES
- INTEREST RATE AND MARKET ENVIRONMENT STILL LACKLUSTRE

REVENUES OF THE OPERATING DIVISIONS: +1.5% vs. 2016

GOOD COST CONTAINMENT OF THE OPERATING DIVISIONS

OPERATING EXPENSES OF THE OPERATING DIVISIONS: +0.5% vs. 2016

ACTIVE IMPLEMENTATION OF THE 2020 TRANSFORMATION PLAN

TRANSFORMATION COSTS: €0.9bn

SIGNIFICANT DECREASE IN THE COST OF RISK

-10.9% vs. 2016 (39 bp*)

INCREASE IN NET INCOME GROUP SHARE

NET INCOME GROUP SHARE: €7.8bn
(+4.4% excluding exceptional items)

DIVIDEND PER SHARE

€3.02** (+11.9% vs. 2016)

CONTINUED INCREASE IN THE CET1 RATIO***

11.8% (+30bp vs. 31.12.16)



GOOD START OF THE 2020 PLAN

* COST OF RISK/CUSTOMER LOANS AT THE BEGINNING OF THE PERIOD (IN BP); ** SUBJECT TO THE APPROVAL OF THE ANNUAL GENERAL MEETING ON 24 MAY 2018;
*** AS AT 31 DECEMBER 2017, CRD4 ("FULLY LOADED" RATIO)



BNP PARIBAS

The bank
for a changing
world



The Board of Directors of BNP Paribas met on 5 February 2018. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the fourth quarter and endorsed the 2017 financial statements.

GOOD PERFORMANCE OF THE GROUP IN 2017 AND PROMISING START OF THE 2020 BUSINESS DEVELOPMENT PLAN

In 2017, BNP Paribas got off to a good start of its 2020 plan. In a lacklustre interest rate and market environment, the business activity of the Group developed vigorously sustained by a gradually stronger European growth.

Revenues totalled 43,161 million euros, down by 0.6% compared to 2016, which included an exceptional impact of +597 million euros in capital gains from the sale of Visa Europe shares while it only included this year +233 million euros in capital gains from the sale of Shinan and Euronext shares. Separately, the Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) totalled -175 million euros (compared to -59 million euros in 2016). Excluding these exceptional items, revenues were up by 0.5%.

Revenues were up by 1.5% in the operating divisions despite an unfavourable foreign exchange effect (+2.6% at constant scope and exchange rates): they were stable in Domestic Markets¹ (-0.6% at constant scope and exchange rates) due to the low interest rate environment, despite good business development; they were up by 2.7% at International Financial Services (+4.8% at constant scope and exchange rates), driven by the development of the businesses; they rose by 2.1% at CIB (+3.8% at constant scope and exchange rates) thanks to good business growth and despite the lacklustre market environment in the second half of the year.

The Group's operating expenses, which amounted to 29,944 million euros, were up by 1.9% compared to 2016. They included the exceptional impact of 101 million euros in the acquisitions' restructuring costs² (158 million euros in 2016) and 856 million euros in transformation costs (539 million euros in 2016). They included in 2016 a 52 million euro compulsory contribution to the resolution process of four Italian banks.

The operating expenses of the operating divisions rose by only 0.5% compared to 2016 thanks to the effects of the cost saving measures: they were down by 0.4% for CIB³ where the transformation plan was launched as early as 2016, declined by 0.1%⁴ for Domestic Markets¹ thanks in particular to the decrease in the retail banking networks and rose by 1.9%⁵ for International Financial Services as a result of increased business. The jaws effect was positive in all the operating divisions.

The Group's gross operating income was thus down by 5.8%, at 13,217 million euros. It was up by 3.8% for the operating divisions (+4.9% at constant scope and exchange rates).

The cost of risk was down again (-10.9%) at 2,907 million euros (3,262 million euros in 2016) or 39 basis points of outstanding customer loans. This low level is due in particular to the good control of risk at loan origination, the low interest rate environment and the continued improvement in Italy thanks to the repositioning on better corporate clients.

¹ Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)

² In particular, LaSer, Bank BGZ, DAB Bank and GE LLD

³ +1.8% at constant scope and exchange rates

⁴ -0.8% at constant scope and exchange rates

⁵ +3.7% at constant scope and exchange rates



The Group's operating income, which totalled 10,310 million euros (10,771 million euros in 2016), was thus down by 4.3% but up by 9.0% for the operating divisions.

Non-operating items totalled 1,000 million euros (439 million euros in 2016). They included this year, in addition to a higher income contribution from the associated companies, the exceptional impact of the +326 million euro capital gain resulting from the initial public offering of SBI Life¹ as well as the full impairment of TEB's goodwill for -172 million euros. They included in 2016 -127 million euros for BGZ's full goodwill impairment.

Pre-tax income, which came to 11,310 million (11,210 million euros in 2016), was thus up by 0.9%. It was up by 13.4% for the operating divisions: +4.7% at Domestic Markets², +18.2% at International Financial Services and at +14.6% at CIB.

Net income attributable to equity holders was 7,759 million euros, up by 0.7% compared to 2016. Excluding exceptional items³, it came to 8,149 million euros (+4.4%). The return on equity was 8.9% (9.4% excluding exceptional items). The return on tangible equity came to 10.5% (11.0% excluding exceptional items). The net earnings per share was at €6.05.

As at 31 December 2017, the fully loaded Basel 3 common equity Tier 1 ratio⁴ was 11.8% (11.5% as at 31 December 2017). The fully loaded Basel 3 leverage ratio⁵ came to 4.6%. The Liquidity Coverage Ratio was 121% as at 31 December 2017. Lastly, the Group's immediately available liquidity reserve was 285 billion euros, equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 75.1 euros, equivalent to a compounded annual growth rate of 5.7% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Board of Directors will propose at the Shareholders' Meeting the payment of a dividend of €3.02 per share (+11.9% compared to 2016) to be paid in cash, equivalent to a 50% pay-out ratio which is in line with the plan.

The Group is actively implementing the 2020 transformation plan, an ambitious programme of new customer experiences, digital transformation and operating efficiency.

The good overall performance of the operating divisions this year illustrates the promising start to the plan. The Group thus confirms its 2020 targets and aims at a return on equity above 10% at that time.

The Group continues to strengthen its internal control and compliance systems. It also pursues an ambitious corporate social and environmental responsibility policy designed to have a positive impact on society: it thus created this year a Company Engagement Department in order to reinforce its actions in this field.

*

* *

¹ Sale of a 4% stake in SBI Life at a price of 700 rupees per share

² Including 2/3 of Private Banking in the domestic networks (excluding PEL/CEL effects)

³ Effect of exceptional items after tax: -390 million euros (-100 million euros in 2016)

⁴ Ratio taking into account all the CRD4 rules with no transitory provisions

⁵ Ratio taking into account all the CRD4 rules at 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014



In the fourth quarter 2017, revenues totalled 10,532 million euros, down by 1.2% compared to the fourth quarter 2016 due to an unfavourable foreign exchange effect but up by 0.4% at constant scope and exchange rates. They included the exceptional impact of +11 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (-18 million euros in the fourth quarter 2016).

Revenues of the operating divisions were down by 0.6% (+1.0% at constant scope and exchange rates): they were up by 0.8% (-0.3% at constant scope and exchange rates) at Domestic Markets¹ with good business development but still a persistently low interest rate environment, rose by 2.5% (+5.7% at constant scope and exchange rates) in International Financial Services and were 6.9% lower at CIB (-3.7% at constant scope and exchange rates) in connection with an unfavourable market context this quarter.

Operating expenses, at 7,621 million euros, were up by 2.4% compared to the fourth quarter 2016 (+3.7% at constant scope and exchange rates). They included the exceptional 48 million euro impact (48 million euros in the fourth quarter 2016) of the acquisitions' restructuring costs² and 408 million euros in the transformation costs of the businesses (242 million euros in the fourth quarter 2016) above the average level of 250 million euros per quarter due to specific IT costs. Operating expenses included in 2016 a 52 million euro contribution to the resolution process of four Italian banks.

Operating expenses of the operating divisions were down by 1.8% compared to the fourth quarter 2016 (-0.6% at constant scope and exchange rates): -5.1% for Domestic Markets³ (-6.3% at constant scope and exchange rates), +1.5% for International Financial Services (+3.4% at constant scope and exchange rates) and -1.6% for CIB (+2.9% at constant scope and exchange rates).

The gross operating income of the Group thus decreased by 9.4%, to 2,911 million euros (-7.5% at constant scope and exchange rates) but was up by 1.9% for the operating divisions (+4.2% at constant scope and exchange rates) reflecting the good operating performance.

The cost of risk was still at a low level, at 985 million euros (950 million euros in the fourth quarter 2016), or 54 basis points of outstanding customer loans, thanks to the good control of risk at loan origination, the low interest rate environment and the continued improvement in Italy. It records however this quarter the impact of two specific files.

The operating income of the Group, at 1,926 million euros (2,262 million euros in the fourth quarter 2016), was down by 14.9% (-14.0% at constant scope and exchange rates). It was down 1.1% for the operating divisions (+0.3% at constant scope and exchange rates).

Non-operating items totalled 196 million euros (5 million euros in the fourth quarter 2016 which included the full impairment of BGZ's goodwill).

Pre-tax income thus came to 2,122 million euros compared to 2,267 million euros in the fourth quarter 2016, down thus by 6.4% (-8.4% at constant scope and exchange rates). It was up by 2.1% for operating divisions (+2.2% at constant scope and exchange rates).

BNP Paribas posted 1,426 million euros⁴ in net income attributable to equity holders, down by 1.1% compared to the fourth quarter 2016.

¹ Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)

² In particular Laser, Bank BGZ, DAB Bank and GE LLD

³ Including 100% of Private Banking in the domestic networks

⁴ 1,720 million euros excluding the effect of exceptional items (-5.2%). Effect of exceptional items after tax: -294 million euros (-372 million euros in 2016)



RETAIL BANKING & SERVICES

DOMESTIC MARKETS

For the whole of 2017, Domestic Markets reported a good business drive. Outstanding loans rose by 5.9% compared to 2016 due to a good rise in loans in the retail banking network and the specialised businesses (Arval, Leasing Solutions). Deposits were up by 8.6% with strong growth across all countries. Private Banking reported a rise in its assets under management of 4.2% compared to its level as at 31 December 2016. *Hello bank!* continued its growth with 2.9 million clients at the end of 2017 and now accounts for 11.0% of revenues from individual clients¹.

The operating division is actively implementing the 2020 plan: it is adapting its offering to different banking uses with the acquisition this year of *Compte-Nickel*² in France which already has 800,000 accounts opened and completes the set up alongside *Hello bank!*, the integrated digital offering of retail banking and the branch network; it is reinventing customer journeys with, for example, the launch in France of *Welcome* (corporate onboarding) or *Finsy* (factoring); it is developing data use for the benefit of customers and of commercial performance; it is speeding up customer use of mobile banking services with the launch of new apps and expanding existing features, recording 51 million app visits in December 2017 (+38% compared to December 2016); it is launching innovative products to anticipate new needs such as *LyfPay*, a universal mobile payment solution or *Kintessia*, a Leasing Solutions' B-to-B marketplace; it is transforming the operating model to enhance efficiency by in particular simplifying and right-sizing the branch networks.

At 15,718 million euros, revenues³ were stable compared to 2016, the effect of the higher business being offset by the impact of low interest rates. The operating division reported higher fees in all its networks.

Operating expenses³ (10,620 million euros) were down slightly by 0.1% compared to 2016, the average 1.4% decrease for FRB, BNL bc and BRB being offset by the impact of the development of the specialised businesses.

Gross operating income³ thus rose by 0.2%, at 5,098 million euros, compared to last year.

The cost of risk was down by 10.5% compared to 2016, in particular due to the continued decrease at BNL bc.

Thus, after allocating one-third of Domestic Markets Private Banking's net income to the Wealth Management business (International Financial Services division), the division reported pre-tax income⁴ that was up 4.7% compared to 2016, at 3,541 million euros.

In the fourth quarter 2017, revenues³, which totalled 3,897 million euros, were up by 0.8% compared to the fourth quarter 2016, the effect of increased business being partly offset by the impact of low interest rates. The operating division reported a rise in fees in all its networks. Operating expenses³ (2,653 million euros) were down by 5.1% compared the same quarter last year. Excluding the impact of non-recurring items, they were up by 0.6%, reflecting good cost containment. Gross operating income³ rose by 16.0% compared to the fourth quarter 2016, to 1,244 million euros. The cost of risk was down significantly (-7.1% compared to the fourth quarter 2016). Thus, after allocating one-third of Domestic Markets Private Banking's net income to the

¹ FRB, BNL bc, BRB and Personal Investors, excluding private banking

² Transaction finalised on 12 July 2017

³ Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg

⁴ Excluding PEL/CEL effects (+19 million euros in 2016 vs -2 million euros in 2016)



Wealth Management business (International Financial Services division), the division reported sharply higher pre-tax income¹, up by 30.5% compared to the fourth quarter 2016 (+4.2% excluding non-recurring items), at 812 million euros.

French Retail Banking (FRB)

For the whole of 2017, FRB's reported a strong rebound in its business activity in the context of economic recovery in France. Outstanding loans rose by 8.0% compared to the low level in 2016 with sustained growth in loans to individual and corporate customers. Deposits rose by 12.0% compared to 2016, driven by strong growth in current account deposits. Life insurance reported good growth (rise of 4.2% in outstandings compared to 31 December 2016). The assets under management of Private Banking were up sharply (+7.6% compared to 31 December 2016) thanks to asset inflows drive.

The business pursued its digital transformation and the development of new customer journeys, launching this year the new apps *Mes Comptes* and *Hello bank!* with new services and *Welcome* for corporate onboarding. It actively developed new mobile uses with 23 million contacts via mobile apps in December 2017 (+34% compared to December 2016).

FRB is also preparing the layering of the network organisation with the gradual move from four to three management levels in the branch network in 2018 in order to decrease costs and optimise decision-making processes and customer satisfaction.

Revenues² totalled 6,352 million euros, down by 0.8% compared to 2016. Net interest income² was down by 2.9%, the effect of persistently low interest rates being only partly offset by increased business. Fees² rose for their part by 2.1% with an increase in financial fees.

Operating expenses², at 4,657 million euros, were down by 0.3% compared to 2016, reflecting good cost containment.

Gross operating income² thus came to 1,695 million euros, down by 1.9% compared to last year.

The cost of risk² was still low, at 331 million euros (342 million euros in 2016). It was 21 basis points of outstanding customer loans.

Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 1,213 million euros in pre-tax income³, down by 3.1% compared to 2016.

In the fourth quarter 2017, revenues² totalled 1,541 million euros, down by 0.4% compared to the fourth quarter 2016. Net interest income² was down by 2.6% due to the impact of persistently low interest rates partly offset by increased business. Fees² rose for their part by 2.6% with a rise in financial fees as a result of a strong performance of private banking. Operating expenses², at 1,175 million euros, were down by 3.4% compared to the fourth quarter 2016. Gross operating income² thus totalled 366 million euros, up by 10.3% compared to the same period last year. The cost of risk² was still low at 107 million euros (124 million euros in the fourth quarter 2016 which recorded the impact of a specific file). It totalled 27 basis points of outstanding customer loans.

¹ Excluding PEL/CEL effects of +13 million euros compared to +8 million euros in the fourth quarter 2016

² Including 100% of Private Banking in France (excluding PEL/CEL effects)

³ Excluding PEL/CEL effects of +19 million euros compared to -2 million euros in 2016



Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 221 million euros in pre-tax income¹, up 25.3% compared to the fourth quarter 2016.

BNL banca commerciale (BNL bc)

For the whole of 2017, BNL bc's business activity has been growing. Outstanding loans were up by 0.6% compared to 2016. Excluding the impact of the sale of a portfolio of non-performing loans in the first quarter 2017², they were up by 1.8%, driven by individual clients. Deposits rose by 9.5% with a sharp rise in current accounts. BNL bc delivered a good performance in off balance sheet savings: thanks in particular to good asset inflows, life insurance outstandings were up by 6.8% and mutual fund outstandings by 13.6% compared to 31 December 2016.

BNL bc also continued to develop new customer journeys and digital transformation, launching this year *MyAccounts@OneBank*, a new application for account opening of corporate clients' subsidiaries. The business is developing *chatbots*, automated services that respond to clients' frequent requests. BNL bc is also developing new mobile uses with already over 313,000 active users of its mobile apps.

Revenues³ were down by 2.2% compared to 2016, to 2,907 million euros. Net interest income³ was down by 5.9% due to the persistently low interest rate environment. Fees³ were up by 4.7% as a result of sustained growth in off balance sheet savings and private banking.

Operating expenses³, at 1,801 million euros, were down by 4.5%. Excluding the impact of non-recurring items in 2016⁴, they were up by 0.7%, reflecting good cost control.

Gross operating income³ thus totalled 1,106 million euros, up by 1.8% compared to last year.

The cost of risk³, at 111 basis points of outstanding customer loans, continued its downward move (-88 million euros compared to 2016) as a result of the improvement of the quality of the loan portfolio.

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc confirmed the gradual recovery of its profitability and generated 192 million euros in pre-tax income, or a two-fold increase over the 2016 level (90 million euros).

In the fourth quarter 2017, revenues³ were down by 1.7% compared to the fourth quarter 2016, at 732 million euros. Net interest income³ was down by 6.2% due to the persistently low interest rate environment. Fees³ were up by 6.4% in connection with the development of off balance sheet savings and private banking. Operating expenses³, at 457 million euros, were down by 15.9% compared to the fourth quarter 2016 which had recorded non-recurring items⁴. Gross operating income³ thus totalled 275 million euros, up by 36.5% compared to the same period a year earlier. The cost of risk³, at 113 basis points of outstanding customer loans, was down by 10 million euros compared to the fourth quarter 2016. Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial

¹ Excluding PEL/CEL effects of +13 million euros compared to +8 million euros in the fourth quarter 2016

² Sale of a portfolio of non-performing loans comprising corporates and mortgages loans for a total of 1 billion euros

³ With 100% of Private Banking in Italy

⁴ Restructuring costs (50 million euros) and compulsory contribution to the resolution process of 4 Italian banks (47 million euros)



Services division), BNL bc posted +46 million euros of pre-tax income (-36 million euros in the fourth quarter 2016).

Belgian Retail Banking (BRB)

For the whole of 2017, BRB reported sustained business activity. Loans were up by 6.1% compared to 2016 with good growth in loans to corporate customers and an increase in mortgages. Deposits rose by 3.2% thanks in particular to growth in current accounts. Off balance sheet savings outstandings grew by 3.4% compared to 31 December 2016.

The business also continued its digital transformation and to develop new customer journeys, launching this year *Itsme*¹, an app that gives customers a single digital ID which provides secure access to a very large number of mobile services. It also continued developing mobile uses with 1.3 million users of *Easy Banking App* and 24 million mobile app contacts in December 2017 (+49% compared to December 2016).

BRB's revenues² were up by 0.4% compared to 2016, at 3,677 million euros: net interest income² was down by 1.6%, the growing impact of the low interest rate environment being only partly offset by growing volumes. Fees² were up by 6.7% due in particular to an increase in financial fees.

Operating expenses² were down by 1.1% compared to 2016, to 2,554 million euros thanks to the effect of cost saving measures.

At 1,123 million euros, gross operating income² was up by 4.0% compared to last year.

The cost of risk² was again very low this year, at 6 basis points of outstanding customer loans (65 million euros). It was 98 million euros in 2016.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 1,013 million euros in pre-tax income, up by 10.3% compared to 2016.

In the fourth quarter 2017, revenues² were down by 1.6% compared to the fourth quarter 2016, at 894 million euros: net interest income² was down by 4.8%, the impact of the persistently low interest rate environment being only partly offset by volume growth. Fees² were up by 8.4% as a result of the rise in financial fees. Operating expenses² were down by 9.2% compared to the fourth quarter 2016, at 601 million euros. They were stable excluding non-recurring items³ thanks to the effect of cost saving measures. Gross operating income², at 293 million euros, was up by 18.8% compared to the same period last year. The cost of risk² totalled 15 million euros (9 million euros in the fourth quarter 2016). After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 262 million euros in pre-tax income, up by 17.8% compared to the fourth quarter 2016.

¹ Developed within the Belgian Mobile ID consortium which comprises several telecoms operators and banks

² With 100% of Private Banking in Belgium

³ Restructuring costs: 20 million euros in the 4th quarter 2017 (80 million euros in the 4th quarter 2016)

**Other Domestic Markets business units (Arval, Leasing Solutions, Personal Investors, Compte Nickel and Luxembourg Retail Banking)**

For the whole of 2017, the specialised businesses of Domestic Markets continued their business development: the growth of Arval was sustained and the financed fleet (1.1 million vehicles) increased sharply (+7.7% compared to 2016); the financing outstandings of Leasing Solutions showed solid growth (+5.8%¹ compared to 2016); Personal Investors saw a good level of new client acquisition (+3.2% in Germany compared to 2016) and, lastly, Comptes-Nickel, the acquisition of which was finalised on 12 July 2017, recorded 323,500 accounts opened, up 29% compared to last year.

Luxembourg Retail Banking's outstanding loans rose by 7.4% compared to 2016, with robust growth in mortgages and corporate loans, and deposits were up by 15.4% with strong inflows in particular in the corporate segment.

Overall, revenues² of the five businesses were up by 3.8% compared to 2016, at 2,782 million euros, driven in particular by Personal Investors and Arval.

Operating expenses² rose by 8.1% compared to 2016, at 1,608 million euros, as a result of the development of these five growing businesses and the costs to launch new digital services, in particular at Leasing Solutions (*Kintessia*, a B-to-B marketplace; *So Easy*, online credit application) and Arval (*Integral Fleet*, online reporting; *Arval for me*, an online platform geared to individual customers).

The cost of risk² was down by 26 million euros compared to 2016, at 89 million euros.

Thus, the contribution of these five businesses units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 1,124 million euros (+0.1% compared to 2016).

In the fourth quarter 2017, revenues² were on the whole up by 9.7% compared to the fourth quarter 2016, at 730 million euros, due to scope effects and good business development. Operating expenses² rose by 12.5% compared to the fourth quarter 2016, at 420 million euros, as a result of scope effects, the development of businesses and the costs to launch new digital services at Arval and Leasing Solutions. The cost of risk² was down by 7 million euros compared to the fourth quarter 2016, at 30 million euros. Thus, the contribution of these five businesses, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 283 million euros, up by 9.0% compared to the fourth quarter 2016.

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¹ At constant scope and exchange rate

² With 100% of Private Banking in Luxembourg

INTERNATIONAL FINANCIAL SERVICES

For the whole of 2017, the International Financial Services' businesses reported a good business development: Personal Finance maintained a strong business drive and acquired, together with PSA, General Motors Europe's financing activities¹; Europe-Mediterranean and BancWest continued their growth and the assets under management of the Wealth & Asset Management businesses were up by +4.0% compared to 31 December 2016, reaching 1,051 billion euros thanks to good asset inflows in all the businesses.

The operating division actively implemented the 2020 plan: it is developing new partnerships generating growth at Personal Finance (Hyundai and Masmovil in Spain, TUI in France, XXXLutz in Austria) and in Insurance (extension of the partnership with Volkswagen Financial Services); it is optimising the customer experience with new features for Wealth Management's customer app and roll-out of electronic signature at Personal Finance; it is continuing to develop new technologies and new businesses with the acquisition by Asset Management of Gambit, a provider of digital investment advisory solutions (robo-advisory) and the launch by Personal Finance of new digital banks in Europe (*Hello bank! by Cetelem*); it is industrialising and enhancing operating efficiency with, for example, the implementation at Asset Management of *Aladdin*, an IT outsourcing solution developed by BlackRock.

The operating division also made several growth-enhancing acquisitions this year. In addition to the financing activities of General Motors Europe¹ in partnership with PSA (Personal Finance), it acquired Sevenday Finans AB in Sweden (Personal Finance), the remaining 50% stake in Cargeas in Italy (Insurance) and Strutt & Parker in the United Kingdom (Real Estate Services). These acquisitions are expected to contribute to the Group over 700 million euros in revenues and roughly 280 million euros in additional pre-tax income by 2020.

At 15,899 million euros, revenues were up by 2.7% compared to 2016. At constant scope and exchange rates, they were up by 4.8% (unfavourable foreign exchange rate effects this year).

Operating expenses (9,722 million euros) were up by 1.9% compared to last year (+3.7% at constant scope and exchange rates) as a result of the development of businesses. The operating division thus generated a positive 1.1 point jaws effect².

Gross operating income thus totalled 6,177 million euros, up by 4.1% compared to 2016 (+6.7% at constant scope and exchange rates).

The cost of risk was at a low level, at 1,351 million euros, down by 145 million compared to 2016.

The other non-operating items totalled 433 million euros (8 million euros in 2016) and included the exceptional impact of the 326 million euros capital gain resulting from the initial public offering of SBI Life, a major life-insurance player in India³.

International Financial Services' pre-tax income thus increased significantly to 5,820 million euros: +18.2% compared to 2016 (+12.2% at constant scope and exchange rates), reflecting the operating division's strong growth.

¹ Acquisition finalised on 31 October 2017

² At constant scope and exchange rates

³ Sale of a 4% stake (IPO price of 700 rupees per share); 22% equity investment in SBI Life after the IPO



In the fourth quarter 2017, International Financial Services delivered an excellent performance. Revenues, at 4,126 million euros, were up by 2.5% compared to the fourth quarter 2016 despite an unfavourable foreign exchange effect. They were up by 5.7% at constant scope and exchange rates with growth in all the businesses. Operating expenses (2,519 million euros) were up by 1.5% compared to the same period last year (+3.4% at constant scope and exchange rates), generating a largely positive jaws effect. Gross operating income thus totalled 1,608 million euros, up by 4.1% compared to the same period last year (+9.5% at constant scope and exchange rates). The cost of risk was 353 million euros, down by 72 million compared to the fourth quarter 2016. International Financial Services' pre-tax income was thus up sharply, at 1,449 million euros (+17.2% compared to the fourth quarter 2016 and +17.4% at constant scope and exchange rates).

Personal Finance

For the whole of 2017, Personal Finance continued its strong growth. Outstanding loans grew by +12.2% compared to 2016, driven by a rise in demand in a favourable context in Europe and the effect of new partnerships. The business continued to develop partnerships, signing new agreements in the automotive sector with Kia and Hyundai in Spain, in new sectors (tourism with TUI in France, telecoms with Masmovil in Spain) and new countries (XXXLutz in Austria).

The business acquired in partnership with PSA the financing activities of General Motors Europe¹ which meet the financing needs of close to 1,800 dealers in 11 countries in Europe (outstandings of about 9.4 billion euros at the end of 2017). Pursuant to the partnership agreement, BNP Paribas fully consolidates the entity.

Personal Finance continued to develop digital banking with the launch of an online bank in the Czech Republic, *Hello bank! by Cetelem*, which leverages its brand recognition as well as its large client base. The business continued innovating with the roll-out in several countries of electronic signature and new credit card features with more flexible renewable accounts.

Personal Finance's revenues were up by 5.2% compared to 2016, at 4,923 million euros (+5.0% at constant scope and exchange rates), as a result of a rise in volumes and the positioning on products with a better risk profile. They were driven in particular by a strong drive in Italy, Spain and Belgium.

Operating expenses were up by 5.6% compared to 2016, at 2,427 million euros. They were up by 4.4% at constant scope and exchange rates, in connection with business development, producing a positive 0.6 point² jaws effect.

Gross operating income thus totalled 2,496 million euros, up by 4.8% compared to 2016 (+5.6% at constant scope and exchange rates).

At 1,009 million euros (979 million euros in 2016), the cost of risk was up by 30 million euros due to the rise in outstanding customer loans. As a proportion of the loan portfolio, it continued to decline, at 147 basis points of outstandings (159 basis points in 2016) due to the low interest rate environment and the growing positioning on products with a better risk profile.

Personal Finance's pre-tax income was thus 1,607 million euros, up by 11.4% compared to 2016 (+10.5% at constant scope and exchange rates), reflecting the strong growth of the business.

¹ Acquisition finalised on 31 October 2017

² At constant scope and exchange rates



In the fourth quarter 2017, revenues were up by 8.0% compared to the fourth quarter 2016, at 1,280 million euros. They included for November and December the revenues from the financing activities of General Motors Europe acquired in partnership with PSA on 31 October 2017. At constant scope and exchange rates, they were up by 6.3% as a result of the rise in volumes and the growing positioning on products with a better risk profile. Operating expenses were up by 6.8% compared to the fourth quarter 2016, at 639 million euros. At constant scope and exchange rates, they were up by 1.4%, generating a positive jaws effect. Gross operating income thus totalled 641 million euros, up by 9.2% compared to the same quarter a year earlier (+11.4% at constant scope and exchange rates). The cost of risk totalled 271 million euros (269 million euros in the fourth quarter 2016). At 157 basis points of outstanding customer loans, it was at a low level due to the low interest rate environment and the growing positioning on products with a better risk profile. Personal Finance's pre-tax income thus totalled 389 million euros, up by 16.4% compared to the fourth quarter 2016 (+16.3% at constant scope and exchange rates).

Europe-Mediterranean

For the whole of 2017, Europe-Mediterranean continued to grow. Outstanding loans rose by 5.2%¹ compared to 2016 with a rise in all regions and deposits grew by 7.2%¹. There was a good development of the digital offering with already over 475,000 clients for *Cepteteb* in Turkey and 210,000 clients for *BGZ OPTIMA* in Poland. The business also continued its innovations with the launch by BGZ BNP Paribas in Poland of contactless payment via mobile and of *Gomobile*, an app to manage accounts on mobile.

At 2,337 million euros, revenues² were up by 2.3%¹ compared to 2016, up in all regions in connection with higher volumes. It includes however the impact in Turkey of the rise in deposit rates not yet offset by the gradual repricing of loans.

Operating expenses², at 1,661 million euros, rose by 4.6%¹ compared to last year, due to business development.

The cost of risk² totalled 259 million euros (437 million euros in 2016), or 68 basis points of outstanding customer loans. It benefited from the positive impact of provision write-backs and improved risk, in particular in Turkey.

After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 616 million euros in pre-tax income, up by 23.6%³ compared to last year.

In the fourth quarter 2017, revenues², at 581 million euros, were up by 3.2%¹ compared to the fourth quarter 2016, as a result of higher volumes. It included the impact in Turkey of the rise in deposit rates not yet offset by the gradual repricing of loans. At 414 million euros, operating expenses² rose by 4.4%¹ compared to the same period last year, due to business development. The cost of risk² totalled 62 million euros, or 66 basis points of outstanding customer loans (127 million euros in the fourth quarter 2016 which had recorded an increase in the cost of risk in Turkey). After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 157 million euros, sharply higher (+57.0%⁴) compared to the same period last year.

¹ At constant scope and exchange rates

² With 100% of Private Banking in Turkey

³ At constant scope and exchange rates (+8.9% at historical scope and exchange rates given an unfavourable foreign exchange effect)

⁴ At constant scope and exchange rates (+31.2% at historical scope and exchange rates given an unfavourable foreign exchange effect)

**BancWest**

For the whole of 2017, BancWest continued its good business drive. Loans were up by 6.1%¹ compared to 2016, with sustained growth in individual and corporate loans. Deposits were up by 9.9%¹ with a sharp growth in current and savings accounts. The assets under management of private banking (13.1 billion U.S. dollars as at 31 December 2017) were up by 11.4%¹ compared to 31 December 2016.

BancWest also continued to develop new usages with already 415,000 users of its banking services on mobile. The business also expanded its cooperations with the Group through the implementation of the *One Bank for Corporates*² approach and the centralisation at BancWest of the Group's cash management operations in the United States.

The year was also marked by the successful placement of 20.6% in First Hawaiian Bank in the market. Now 61.9% owned, it will continue to be fully consolidated so long as the Group maintains its control.

Revenues², at 2,994 million euros, rose by 2.4%¹ compared to 2016. Excluding the effect of capital gains from the sale of securities and loans, which were significant in 2016, they rose by 5.1%¹ as a result of volume growth.

At 2,035 million euros, operating expenses² rose by 1.8%¹ compared to 2016, reflecting good cost containment and generating a positive 0.6 point jaws effect.

The cost of risk² (111 million euros) was still low, at 17 basis points of outstanding customer loans (85 million euros in 2016).

Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest generated 830 million euros in pre-tax income, down by 1.5%³ compared to 2016 but up by 8.5%⁴ excluding the effect of capital gains from sales, reflecting the business's solid operating performance.

In the fourth quarter 2017, revenues², totalling 738 million euros, were up by 1.5%¹ compared to the fourth quarter 2016. Operating expenses², at 483 million euros, rose by 1.2%¹ compared to the fourth quarter 2016, generating a positive 0.3 point jaws effect. The cost of risk² (20 million euros) was still low, at 13 basis points of outstanding customer loans (23 million euros in the fourth quarter 2016). Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest generated 230 million euros in pre-tax income (+0.6%⁵ compared to the fourth quarter 2016).

¹ At constant scope and exchange rates

² With 100% of Private Banking in the United States

³ At constant scope and exchange rates (-3.7% at historical scope and exchange rates)

⁴ At constant scope and exchange rates (+5.5% at historical scope and exchange rates)

⁵ At constant scope and exchange rates (-8.4% at historical scope and exchange rates given an unfavourable foreign exchange effect)

**Insurance and Wealth and Asset Management**

For the whole of 2017, the Insurance and Wealth & Asset Management businesses continued their growth. As at 31 December 2017, their assets under management¹ reached 1,051 billion euros (+4.0% compared to 31 December 2016). They rose by 41 billion euros compared to 31 December 2016 due in particular to 22.6 billion euros in net asset inflows (strong asset inflows at Wealth Management in particular in France and in Asia; positive net asset inflows in Asset Management, in particular into diversified and bond funds despite asset outflows from money market funds; good asset inflows in Insurance concentrated on unit-linked accounts) and a strong 44.7 billion euro performance effect due to the favourable evolution of the equity markets, partly offset by an unfavourable -25.6 billion euro foreign exchange effect.

As at 31 December 2017, assets under management¹ were split as follows: Asset Management (424 billion euros), Wealth Management (364 billion euros), Insurance (237 billion euros) and Real Estate Services (26 billion euros).

Insurance continued to develop its business, both in savings and protection insurance, with good growth in Europe and a strong drive in Asia and Latin America. The business developed and reinforced its partnerships by signing agreements with Sumitomo Mitsui in Japan, Volkswagen in Europe and Itau in Chile. It also carried out this year the initial public offering on excellent terms of SBI Life², a major player in life-insurance in India, thus valuing 2 billion euros³ the remaining 22% stake (which continues to be consolidated under the equity method).

Insurance's revenues, at 2,514 million euros, were up by 5.6% compared to 2016, due to business development and the favourable evolution of financial markets. Operating expenses, at 1,251 million euros, rose by 4.2%, as a result of business development. The other non-operating items totalled 375 million euros (negligible in 2016) due to the exceptional impact of the capital gain from the sale of 4% of SBI Life. After taking into account the good performance of the associated companies, pre-tax income was thus up by 36.4% compared to 2016, at 1,867 million euros (+9.0% at constant scope and exchange rates).

The business activity of Wealth and Asset Management was strong. The business continued to develop digital and new customer experiences with the purchase of Gambit, a provider of digital investment advisory solutions (robo-advisory) geared to retail banks and private banks in Europe. The quality of Wealth and Asset Management's offering was rewarded with the *Best Private Bank in Europe and in Asia*⁴ prize. For its part, the Asset Management business adopted the single BNP Paribas Asset Management brand and continued its transformation. The Real Estate Services business added the acquisition of Strutt and Parker to its sustained organic growth.

Wealth and Asset Management's revenues (3,193 million euros) grew by 7.3% compared to 2016 as a result of the development of the businesses and very good performances of Wealth Management and Real Estate Services. Operating expenses were under good control, at 2,387 million euros (+2.0% compared to 2016), generating a largely positive jaws effect. At 899 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was up by 31.2% compared to 2016, reflecting the very good overall performance of the Wealth and Asset Management businesses.

¹ Including distributed assets

² Sale of a 4% stake based on the IPO price of 700 rupees per share

³ Based on the IPO price.

⁴ *Wealth Briefing Awards 2017*



In the fourth quarter 2017, Insurance's revenues, at 636 million euros, were stable compared to the fourth quarter 2016, with good performance of the business but a less favourable evolution of the financial markets than in the fourth quarter 2016. Operating expenses, at 317 million euros, were under control and rose by only 0.5%. Non-operating items totalled 102 million euros (36 million in the fourth quarter 2016) due to the good performance of the associated companies and the booking of a capital gain related to the acquisition of full control of Cargeas in Italy. Pre-tax income was thus up by 19.6% compared to the same period last year, at 425 million euros (+6.5% at constant scope and exchange rates).

Wealth and Asset Management's revenues (907 million euros) were up by 14.3% compared to the fourth quarter 2016, driven by the very good performance of Wealth Management and Real Estate Services. Operating expenses were up by 7.9%, at 675 million euros as a result of the growth in activity, generating a largely positive jaws effect. After receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, Wealth and Asset Management's pre-tax income was up sharply (+40.8%) compared to the fourth quarter 2016.

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CORPORATE AND INSTITUTIONAL BANKING (CIB)

For the whole of 2017, CIB reported solid business growth. The operating division operated though in a challenging market environment in the second half of the year.

CIB actively implemented the 2020 plan. The operating division is developing its base of corporate clients (with good revenue growth in targeted countries, +5.6% in Germany compared to 2016, and a gain of over 125 new client groups this year in Europe) and institutional clients (through the bolstering of the coordinated offering of the businesses), leveraging on the Group's global presence. It is implementing targeted growth initiatives, signing new partnerships (GTS in the United States to enhance the Global Markets offering to clients and Symphony, a secure communication platform including workflow automation tools for institutional clients which already has over 200,000 users), strengthening the integrated model between the businesses (developing joint Securities Services and Global Markets offerings) and rolling out new offerings. It is accelerating digital transformation with 150 digital projects identified and the development of digital client interfaces like Centric, the online platform for businesses that is already used by close to 8,200 clients.

The operating division reduced its cost income ratio by 1.7 points on the back of the implementation of cost saving programmes launched since 2016 (0.6 billion euros in savings in 2 years) including the development of shared platforms, the implementation of new end-to-end processes and the automation of certain tasks (250 cases of robotics uses identified). It optimised its financial resources by right-sizing sub-profitable portfolios and actively managing its outstandings (allocated equity down by 4.9% compared to 2016), with a gradual reallocation into growth of the resources thereby freed up. CIB thus made significant progress in achieving its 2020 objectives and increased its return on equity by 2.8 points compared to last year, at 16.1%¹.

Revenues of the operating division, at 11,704 million euros, were up by 2.1% compared to 2016 despite an unfavourable foreign exchange effect (+3.8% at constant scope and exchange rates).

¹ Pre-tax Return on Notional Equity



At 5,584 million euros, Global Markets' revenues were down by 1.2% compared to 2016 but up by 0.8% at constant scope and exchange rates thanks to the continued strengthening of commercial positions partly offset by an unfavourable context for FICC¹ in the second half of the year. VaR, which measures market risks, was still very low (26 million euros). The revenues of FICC², at 3,450 million euros, were down by 8.6%² compared to 2016 with low volatility and limited client volumes in all segments. The business confirmed however its leading position in bond issues where it ranked number 1 for all bond issues in euros and number 9 for all international bond issues. At 2,135 million euros, Equity and Prime Services' revenues rose for their part sharply (+20.9%²), driven by good development of Prime Services and a pick-up in the equity derivatives business.

The success of Exane BNP Paribas³ was illustrated by its move into the number one position in Europe in the Extel 2017 ranking for equity research, brokerage and equity sales.

Securities Services' revenues, at 1,955 million euros, were up by 7.2% compared to 2016 (+8.3% at constant scope and exchange rates), due to the very good drive of the business and the positive effect of the new mandates. Assets under custody and under management were thus up by 11.0% compared to 31 December 2016 and the number of transactions by 6.4% compared to last year. The business also continued to gain new significant mandates and announced a major strategic partnership in the United States with Janus Henderson Investors (138 billion U.S. dollars of assets under custody)⁴.

Corporate Banking's revenues, at 4,165 million euros, were up by 4.3% compared to 2016. They rose by 6.1% at constant scope and exchange rates and were up in the three regions with good growth in Europe, strong rise in Asia Pacific and a good level of business in the Americas region. The business reported solid growth in the transaction businesses: it ranked number 1 for the third year in a row in Trade Finance in Europe and number 3 for the first time in Asia⁵. At 131 billion euros, loans were up by 1.3% compared to 2016. Deposits continued to grow, at 130 billion euros (+11.1% compared to 2016), as a result of the good development of cash management. The business ranked number 2 for syndicated loans and number 3 for equity linked issues in the EMEA region⁶. The good growth of the business and the strengthening of its commercial positions were thus illustrated this year by the *World Best Bank for Corporates* prize awarded by the Euromoney magazine.

At 8,273 million euros, CIB's operating expenses were down by 0.4% (+1.8% at constant scope and exchange rates) compared to 2016, generating a positive 2 point² jaws effect. The effect of increased business is largely offset by cost saving measures launched as early as the beginning of 2016.

CIB's gross operating income was thus up significantly by 8.6%, at 3,431 million euros (+9.2% at constant scope and exchange rates).

CIB's cost of risk was at a very low level, at 81 million euros, down by 136 million euros compared to 2016. Corporate Banking's cost of risk was 70 million euros (292 million euros in 2016), or only 6 basis points of outstanding customer loans due to provision write-backs. Global Markets' cost of risk was 15 million euros (72 million euros in net write-back in 2016).

¹ Fixed Income, Currencies, and Commodities

² At constant scope and exchange rates

³ Consolidated under the equity method

⁴ Closing of the transaction expected in the first quarter 2018

⁵ *Greenwich Share Leader Survey*

⁶ Europe, Middle East, Africa



CIB thus generated 3,395 million euros in pre-tax income, up sharply by 14.6% compared to 2016 (+15.7% at constant scope and exchange rates), reflecting solid business growth combined with cost saving measures.

In the fourth quarter 2017, CIB's revenues, at 2,626 million euros, were down by 6.9% compared to the fourth quarter 2016 but only 3.7% at constant scope and exchange rates given an unfavourable foreign exchange effect. Global Markets' revenues, at 1,073 million euros, were down by 13.7%¹ compared to the fourth quarter 2016: the revenues of FICC², at 592 million euros, were down by 27.4%¹ due to the very challenging environment this quarter for rates, forex and credit (low volatility and limited client activity) while Equity and Prime Services' revenues, at 482 million euros were up by 12.1%¹ driven by the rise in volumes at Prime Services. Securities Services' revenues, at 503 million euros, rose by 9.7%¹ compared to the fourth quarter 2016, as a result of increased volumes and the effect of new mandates. At 1,050 million euros, Corporate Banking's revenues were up by 2.5%¹ compared to the fourth quarter 2016 thanks to the solid performance of the regions and the rise in the transaction businesses in Europe.

At 1,883 million euros, CIB operating expenses were down by 1.6% compared to the fourth quarter 2016 (+2.9% at constant scope and exchange rates). They recorded this quarter the impact in Corporate Banking of a specific project for 25 million euros and of costs linked to targeted developments, in particular in Europe. CIB's gross operating income was thus down by 18.0%, at 744 million euros. CIB' cost of risk totalled 264 million euros, 194 million euros higher than in the fourth quarter 2016 due to the impact of two specific files this quarter but was still low excluding this impact. It was 209 million euros at Corporate Banking (115 million euros in the fourth quarter 2016), or 70 basis points of outstanding customer loans. It was 57 million euros at Global Markets (44 million euros in net write-back in the fourth quarter 2016). CIB thus posted 491 million euros in pre-tax income, down by 41.6% compared to the same period last year.

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CORPORATE CENTRE

For the whole of 2017, Corporate Centre revenues totalled 394 million euros compared to 1,294 million euros in 2016. They included the exceptional impact in 2016 of +597 million euros in capital gains from the sale of Visa Europe shares while it included this year only +233 million euros in capital gains from the sale of Shinhan and Euronext shares. The Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) totalled -175 million euros (compared to -59 million euros in 2016). As in 2016, Principal Investments made a very good contribution to revenues.

Operating expenses totalled 1,627 million euros compared to 1,189 million euros in 2016. They included the exceptional impact of 101 million euros in the acquisitions' restructuring costs³ (158 million euros in 2016) and 856 million euros in transformation costs (they included in 2016 395 million in CIB adaptation costs).

The cost of risk totalled 121 million euros (39 million euros in 2016).

¹ At constant scope and exchange rates

² Fixed Income, Currencies, and Commodities

³ In particular, LaSer, Bank BGZ, DAB Bank and GE LLD

Non-operating items totalled -177 million euros (-204 million euros in 2016). They included the exceptional impact of the impairment of the full amount of TEB's goodwill for -172 million euros (they included in 2016 -127 million euros in BGZ's goodwill impairment).

The Corporate Centre's pre-tax income was thus -1,464 million euros (-55 million euros in 2016).

In the fourth quarter 2017, Corporate Centre revenues were 12 million euros compared to 70 million euros in the fourth quarter 2016. They included in particular +11 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (-18 million euros in the fourth quarter 2016). They included this quarter the impact of a specific item and a lesser contribution from Principal Investments than during the same period a year earlier. Operating expenses came to 637 million euros compared to 330 million euros in the fourth quarter 2016. They included the exceptional impact of 48 million euros in the acquisitions' restructuring costs¹ (48 million euros in the fourth quarter 2016) and 408 million euros in transformation costs (they included 98 million euros in CIB adaptation costs in the fourth quarter 2016). The cost of risk was negligible (56 million euros in the fourth quarter 2016). Non-operating items totalled -33 million euros (-136 million euros in the fourth quarter 2016 which included BGZ's full goodwill impairment). The Corporate Centre's pre-tax losses were thus -642 million euros compared to -440 million euros in the fourth quarter 2016.

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FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

The fully loaded Basel 3 common equity Tier 1 ratio² was 11.8% as at 31 December 2017, up by 30 basis points compared to 31 December 2016, primarily due to the year's net income after taking into account the 50% dividend pay-out ratio (+60bp) and the rise in risk-weighted assets excluding the scope and foreign exchange effect (-30bp). The foreign exchange is, on the whole, limited on the ratio along with the effect of main acquisitions and sales, the effect in particular of the acquisition in the fourth quarter 2017 of the financing activities of General Motors Europe (-10 bp) offsetting the effect of the sale in the first quarter 2017 of First Hawaiian Bank (+10 bp).

The Basel 3 fully loaded leverage ratio³, calculated on total Tier 1 capital, totalled 4.6% as at 31 December 2017.

The Liquidity Coverage Ratio stood at 121% as at 31 December 2017.

The Group's liquid and asset reserve immediately available totalled 285 billion euros, which is equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

The evolution of these ratios illustrates the Group's ability to manage its balance sheet in a disciplined manner within the regulatory framework.

¹ In particular, LaSer, Bank BGZ, DAB Bank and GE LLD

² Taking into account all the rules of the CRD4 directives with no transitory provisions. Subject to the provisions of Article 26.2 of Regulation (EU) No 575/2013

³ Taking into account all the rules of the CRD4 directives in 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014



The estimated impact of the first-time application of the new IFRS 9 accounting standard on 1st January 2018 are expected to be limited for the Group: roughly -1.1 billion euros for shareholders' equity not revaluated¹ (-2.5 billion euros for shareholders' equity revaluated²) and -10bp roughly on the fully loaded Basel 3 common equity Tier 1 ratio³.

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GOOD START OF THE 2017-2020 PLAN

In the gradually more favourable macroeconomic context (robust economic growth forecasts in Europe and an improving interest rate environment starting next year), the Group is actively implementing the 2017-2020 business development plan.

Leveraging on the Group's integrated and diversified model, this plan is based on an ambitious transformation programme in all the operating divisions as well as differentiated business development strategies between Domestic Markets, IFS and CIB in compliance with a strict corporate social and environmental policy.

Good start of the ambitious programme of new customer experiences, digital transformation and savings

The Group is implementing in all the operating divisions an ambitious transformation programme that aims at the same time to implement new customer experiences, speed up digital transformation and improve the operating efficiency.

Five levers are thereby implemented throughout the Group to reinvent the customer experience and build a more effective and digital bank: (1) implement new customer journeys (new digitalised, value-added and personalised customer services and journeys that were illustrated in particular this year by the launch of *LyffPay*, a universal mobile payment solution, the acquisition of *Compte-Nickel* and the development of the online platform *Centric* at CIB); (2) upgrade the operational model by streamlining processes, simplifying organisations and developing shared platforms with, for example, the announcement this year of the roll-out of the BlackRock's *Aladdin* platform at Asset Management; (3) adapt information systems by incorporating in particular new technologies in order to speed up the digital transformation and by promoting agile work practices, which entails the development of Data Hubs to interface between banking and digital platforms; (4) make better use of data to serve clients all the whilst bolstering data storage and data analysis capacities: the acquisition this year of Gambit in the robo-advisory field will contribute to this objective; (5) develop more digital, collaborative and agile work practices, which translated this year in particular in an equity investment in Symphony, a secure and automated communication platform at Global Markets.

The Group plans to invest 3 billion euros between 2017 and 2019 in this programme that will generate 3.4 billion euros in savings during the same period and 2.7 billion euros in annual recurring savings starting from 2020 with a balanced contribution of all the divisions.

¹ Excluding valuation reserves (Group share)

² Including valuation reserves (Group share)

³ Taking into account all the rules of the CRD4 directives with no transitory provisions. Subject to the provisions of Article 26.2 of Regulation (EU) No 575/2013



In 2017, transformation costs totalled 856 million euros (with a gradual ramping up) and savings generated amounted to 533 million euros, in line with the plan.

Differentiated business development strategies successfully implemented by the divisions

In an interest rate environment that is expected to improve only gradually and given new client expectations influenced by digital usages, Domestic Markets reinforces its sales and marketing drive with new customer experiences, enhanced attractiveness of the offering and new services.

As a growth engine for the Group, International Financial Services strengthens its leading positions in its specialised businesses, accelerates their development (new offerings, new partnerships, new regions) and continues the selective expansion of retail banks.

Lastly, CIB optimises the use of its resources and revenue growth by expanding its corporate and institutional client base, targeting particularly certain countries in Europe, and growing fee-generating businesses, all the while reducing its costs.

These differentiated strategies are successfully implemented in all three operating divisions. The sharp rise in their pre-tax income compared to 2016 illustrates the good evolution of their operating performance (Domestic Markets: +4.7%, IFS: +18.2%, CIB: +14.6%).

Commitment for a positive impact on society

The Group is pursuing an ambitious corporate social and environmental responsibility policy and is committed to making a positive impact on society. It thus created this year a Company Engagement Department, whose head is a member of the Group Executive Committee, in order to reinforce its action in this field. This new Department defines the Group's commitments to civil society, strengthens CSR practices and makes all the company's levers converge to meet key challenges in society.

The Group aims at financing the economy in an ethical way, promoting the development of its employees, supporting initiatives that have a social impact and playing a major role in the transition toward a low carbon economy. It announced that it will stop funding companies whose principal business activity is gas/oil from shale, oil from tar sands or oil/gas production located in the Arctic region. It also announced that it will stop the financings to tobacco companies. It originated and placed sustainable bonds for an equivalent of 6 billion U.S. dollars (+116% compared to 2016).

This policy committed for a positive impact on society is recognised by very good rankings in major specialised indices (named for example first bank in Europe in terms of CSR by *Global Banking & Finance Review*).

The Group is moreover a very significant tax payer, with a total amount of taxes and levies of 5.3 billion euros in 2017.

Confirmed 2020 objectives

Based on conservative macroeconomic assumptions, the plan takes into account regulatory constraints expected by 2020.

The Group confirms its 2020 targets with revenue growth above or equal to 2.5% per year and 2.7 billion euros in recurring cost savings starting in 2020, bringing the cost income ratio down to 63%.

It aims at a return on equity above 10% in 2020 with a 12%¹ CET1 ratio. The dividend pay-out ratio was increased this year to 50%, in line with the plan.

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Commenting on these results, Chief Executive Officer Jean-Laurent Bonnafé stated:

“With 7.8 billion euros in net income, BNP Paribas delivered a good performance in 2017, thanks to its integrated and diversified model in service of clients. There was sustained development in the business activities of the operating divisions supported by a stronger economic growth in Europe, costs are under control and the cost of risk is significantly lower.

The start of the 2020 plan is promising with businesses strengthening their commercial positions, an acceleration of digital transformation and the Group’s commitment for a positive impact on society.

I would like to thank all BNP Paribas’s employees whose hard work made this good start of the 2020 plan possible.”

¹ At a constant regulatory framework

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	10,532	10,656	-1.2%	10,394	+1.3%	43,161	43,411	-0.6%
Operating Expenses and Dep.	-7,621	-7,444	+2.4%	-7,133	+6.8%	-29,944	-29,378	+1.9%
Gross Operating Income	2,911	3,212	-9.4%	3,261	-10.7%	13,217	14,033	-5.8%
Cost of Risk	-985	-950	+3.7%	-668	+47.5%	-2,907	-3,262	-10.9%
Operating Income	1,926	2,262	-14.9%	2,593	-25.7%	10,310	10,771	-4.3%
Share of Earnings of Equity-Method Entities	175	151	+15.9%	150	+16.7%	713	633	+12.6%
Other Non Operating Items	21	-146	n.s.	230	-90.9%	287	-194	n.s.
Non Operating Items	196	5	n.s.	380	-48.4%	1,000	439	n.s.
Pre-Tax Income	2,122	2,267	-6.4%	2,973	-28.6%	11,310	11,210	+0.9%
Corporate Income Tax	-580	-721	-19.6%	-828	-30.0%	-3,103	-3,095	+0.3%
Net Income Attributable to Minority Interests	-116	-104	+11.5%	-102	+13.7%	-448	-413	+8.5%
Net Income Attributable to Equity Holders	1,426	1,442	-1.1%	2,043	-30.2%	7,759	7,702	+0.7%
Cost/Income	72.4%	69.9%	+2.5 pt	68.6%	+3.8 pt	69.4%	67.7%	+1.7 pt

BNP Paribas' financial disclosures for the fourth quarter 2017 and for the year 2017 are contained in this press release and in the presentation attached herewith.

All legally required disclosures, including the Registration document, are available online at <http://invest.bnpparibas.com> in the "Results" section and are made public by BNP Paribas pursuant to the requirements under Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the Autorité des Marchés Financiers' general rules.



4Q17 – RESULTS BY CORE BUSINESSES

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
€m							
Revenues		3,768	4,126	2,626	10,520	12	10,532
	%Change/4Q16	+0.7%	+2.5%	-6.9%	-0.6%	-83.4%	-12%
	%Change/3Q17	-0.5%	+5.0%	-12%	+14%	-46.3%	+13%
Operating Expenses and Dep.		-2,582	-2,519	-1,883	-6,984	-637	-7,621
	%Change/4Q16	-5.0%	+15%	-16%	-18%	+92.8%	+2.4%
	%Change/3Q17	+2.3%	+8.1%	-0.7%	+3.5%	+66.6%	+6.8%
Gross Operating Income		1,185	1,608	744	3,536	-625	2,911
	%Change/4Q16	+16.0%	+4.1%	-18.0%	+19%	n.s.	-9.4%
	%Change/3Q17	-6.1%	+0.6%	-2.3%	-2.4%	+73.4%	-10.7%
Cost of Risk		-369	-353	-264	-986	1	-985
	%Change/4Q16	-7.6%	-16.9%	n.s.	+10.3%	n.s.	+3.7%
	%Change/3Q17	+18.8%	+0.3%	n.s.	+512%	n.s.	+47.5%
Operating Income		817	1,254	480	2,551	-625	1,926
	%Change/4Q16	+312%	+12.1%	-42.7%	-1.1%	+97.5%	-14.9%
	%Change/3Q17	-14.2%	+0.7%	-37.8%	-14.1%	+65.8%	-25.7%
Share of Earnings of Equity-Method Entities		7	141	13	160	15	175
Other Non Operating Items		1	54	-1	54	-33	21
Pre-Tax Income		825	1,449	491	2,764	-642	2,122
	%Change/4Q16	+310%	+17.2%	-416%	+2.1%	+46.1%	-6.4%
	%Change/3Q17	-15.6%	-16.9%	-36.9%	-210%	+22.2%	-28.6%

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
€m							
Revenues		3,768	4,126	2,626	10,520	12	10,532
	4Q16	3,740	4,025	2,821	10,586	70	10,656
	3Q17	3,786	3,928	2,658	10,372	22	10,394
Operating Expenses and Dep.		-2,582	-2,519	-1,883	-6,984	-637	-7,621
	4Q16	-2,719	-2,481	-1,914	-7,114	-330	-7,444
	3Q17	-2,524	-2,330	-1,897	-6,751	-382	-7,133
Gross Operating Income		1,185	1,608	744	3,536	-625	2,911
	4Q16	1,022	1,544	907	3,472	-260	3,212
	3Q17	1,262	1,598	761	3,622	-361	3,261
Cost of Risk		-369	-353	-264	-986	1	-985
	4Q16	-399	-425	-70	-894	-56	-950
	3Q17	-310	-352	10	-652	-16	-668
Operating Income		817	1,254	480	2,551	-625	1,926
	4Q16	623	1,118	837	2,578	-316	2,262
	3Q17	952	1,246	772	2,970	-377	2,593
Share of Earnings of Equity-Method Entities		7	141	13	160	15	175
	4Q16	13	116	9	138	13	151
	3Q17	22	140	-2	160	-10	150
Other Non Operating Items		1	54	-1	54	-33	21
	4Q16	-6	1	-5	-10	-136	-146
	3Q17	3	358	8	369	-139	230
Pre-Tax Income		825	1,449	491	2,764	-642	2,122
	4Q16	630	1,236	841	2,707	-440	2,267
	3Q17	977	1,744	778	3,498	-525	2,973
Corporate Income Tax							-580
Net Income Attributable to Minority Interests							-116
Net Income Attributable to Equity Holders							1,426



2017 – RESULTS BY CORE BUSINESSES

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
€m							
Revenues		15,164	15,899	11,704	42,767	394	43,161
	%Change/2016	-0.0%	+2.7%	+2.1%	+15%	-69.6%	-0.6%
Operating Expenses and Dep.		-10,322	-9,722	-8,273	-28,317	-1,627	-29,944
	%Change/2016	-0.1%	+19%	-0.4%	+0.5%	+36.9%	+19%
Gross Operating Income		4,842	6,177	3,431	14,451	-1,234	13,217
	%Change/2016	+0.2%	+4.1%	+8.6%	+3.8%	n.s.	-5.8%
Cost of Risk		-1,353	-1,351	-81	-2,786	-121	-2,907
	%Change/2016	-10.3%	-9.7%	-62.5%	-13.5%	n.s.	-10.9%
Operating Income		3,489	4,826	3,350	11,665	-1,355	10,310
	%Change/2016	+5.0%	+8.7%	+13.8%	+9.0%	n.s.	-4.3%
Share of Earnings of Equity-Method Entities		61	561	24	645	68	713
Other Non Operating Items		10	433	22	464	-177	287
Pre-Tax Income		3,560	5,820	3,395	12,774	-1,464	11,310
	%Change/2016	+5.3%	+18.2%	+14.6%	+13.4%	n.s.	+0.9%
Corporate Income Tax							-3,103
Net Income Attributable to Minority Interests							-448
Net Income Attributable to Equity Holders							7,759



QUARTERLY SERIES

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
GROUP								
Revenues	10,532	10,394	10,938	11,297	10,656	10,589	11,322	10,844
Operating Expenses and Dep.	-7,621	-7,133	-7,071	-8,119	-7,444	-7,217	-7,090	-7,627
Gross Operating Income	2,911	3,261	3,867	3,178	3,212	3,372	4,232	3,217
Cost of Risk	-985	-668	-662	-592	-950	-764	-791	-757
Operating Income	1,926	2,593	3,205	2,586	2,262	2,608	3,441	2,460
Share of Earnings of Equity-Method Entities	175	150	223	165	151	163	165	154
Other Non Operating Items	21	230	33	3	-146	9	-81	24
Pre-Tax Income	2,122	2,973	3,461	2,754	2,267	2,780	3,525	2,638
Corporate Income Tax	-580	-828	-943	-752	-721	-790	-864	-720
Net Income Attributable to Minority Interests	-116	-102	-122	-108	-104	-104	-101	-104
Net Income Attributable to Equity Holders	1,426	2,043	2,396	1,894	1,442	1,886	2,560	1,814
Cost/Income	72.4%	68.6%	64.6%	71.9%	69.9%	68.2%	62.6%	70.3%



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
RETAIL BANKING & SERVICES Excluding PEL/CEL Effects								
Revenues	7,881	7,707	7,737	7,719	7,758	7,735	7,636	7,522
Operating Expenses and Dep.	-5,101	-4,854	-4,784	-5,305	-5,200	-4,813	-4,681	-5,187
Gross Operating Income	2,780	2,853	2,953	2,414	2,558	2,922	2,956	2,335
Cost of Risk	-722	-662	-686	-634	-824	-704	-740	-738
Operating Income	2,058	2,191	2,267	1,780	1,733	2,218	2,216	1,598
Share of Earnings of Equity-Method Entities	147	162	174	139	130	140	124	136
Other Non Operating Items	55	361	16	11	-5	9	-2	8
Pre-Tax Income	2,261	2,714	2,457	1,930	1,858	2,367	2,339	1,742
Allocated Equity (€bn, year to date)	51.4	50.9	50.7	50.6	49.0	48.8	48.6	48.7
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
RETAIL BANKING & SERVICES								
Revenues	7,894	7,714	7,738	7,717	7,765	7,728	7,615	7,540
Operating Expenses and Dep.	-5,101	-4,854	-4,784	-5,305	-5,200	-4,813	-4,681	-5,187
Gross Operating Income	2,793	2,860	2,955	2,412	2,565	2,915	2,935	2,353
Cost of Risk	-722	-662	-686	-634	-824	-704	-740	-738
Operating Income	2,071	2,198	2,269	1,778	1,741	2,212	2,195	1,616
Share of Earnings of Equity-Method Entities	147	162	174	139	130	140	124	136
Other Non Operating Items	55	361	16	11	-5	9	-2	8
Pre-Tax Income	2,273	2,721	2,458	1,927	1,866	2,360	2,318	1,760
Allocated Equity (€bn, year to date)	51.4	50.9	50.7	50.6	49.0	48.8	48.6	48.7
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
DOMESTIC MARKETS (including 100% of Private Banking in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects								
Revenues	3,897	3,918	3,951	3,952	3,866	3,923	3,962	3,963
Operating Expenses and Dep.	-2,653	-2,599	-2,488	-2,880	-2,794	-2,567	-2,449	-2,818
Gross Operating Income	1,244	1,319	1,463	1,072	1,072	1,356	1,513	1,145
Cost of Risk	-370	-311	-355	-319	-399	-329	-388	-399
Operating Income	874	1,008	1,108	753	674	1,028	1,124	746
Share of Earnings of Equity-Method Entities	7	23	21	11	14	18	13	9
Other Non Operating Items	1	3	1	5	-6	8	2	-2
Pre-Tax Income	882	1,034	1,130	769	681	1,054	1,140	753
Income Attributable to Wealth and Asset Management	-70	-64	-78	-61	-59	-61	-63	-63
Pre-Tax Income of Domestic Markets	812	970	1,052	707	622	993	1,076	690
Allocated Equity (€bn, year to date)	24.6	24.3	24.1	23.8	23.0	22.9	22.9	22.9
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)								
Revenues	3,768	3,786	3,803	3,807	3,740	3,782	3,803	3,844
Operating Expenses and Dep.	-2,582	-2,524	-2,417	-2,799	-2,719	-2,494	-2,378	-2,745
Gross Operating Income	1,185	1,262	1,387	1,008	1,022	1,288	1,425	1,099
Cost of Risk	-369	-310	-356	-319	-399	-327	-385	-398
Operating Income	817	952	1,031	689	623	961	1,040	701
Share of Earnings of Equity-Method Entities	7	22	21	11	13	18	13	9
Other Non Operating Items	1	3	1	5	-6	8	2	-2
Pre-Tax Income	825	977	1,053	705	630	987	1,055	708
Allocated Equity (€bn, year to date)	24.6	24.3	24.1	23.8	23.0	22.9	22.9	22.9

* Including 100% of Private Banking for the Revenues to Pre-tax income items



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*								
Revenues	1,554	1,592	1,607	1,618	1,556	1,594	1,587	1,661
<i>Incl. Net Interest Income</i>	888	904	886	909	907	916	879	972
<i>Incl. Commissions</i>	665	688	721	708	649	678	709	689
Operating Expenses and Dep.	-1,175	-1,183	-1,116	-1,184	-1,216	-1,178	-1,106	-1,173
Gross Operating Income	379	409	492	434	340	416	481	488
Cost of Risk	-107	-65	-80	-79	-124	-72	-72	-73
Operating Income	272	344	412	355	215	345	408	415
Non Operating Items	0	1	0	0	1	0	1	1
Pre-Tax Income	272	344	412	356	217	345	409	416
Income Attributable to Wealth and Asset Management	-38	-36	-40	-39	-32	-34	-32	-39
Pre-Tax Income of French Retail Banking	234	309	372	316	184	310	377	377
Allocated Equity (€bn, year to date)	9.4	9.4	9.3	9.2	8.7	8.6	8.5	8.6
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects								
Revenues	1,541	1,585	1,606	1,620	1,548	1,601	1,608	1,643
<i>Incl. Net Interest Income</i>	876	897	885	912	899	923	900	954
<i>Incl. Commissions</i>	665	688	721	708	649	678	709	689
Operating Expenses and Dep.	-1,175	-1,183	-1,116	-1,184	-1,216	-1,178	-1,106	-1,173
Gross Operating Income	366	402	490	436	332	423	502	470
Cost of Risk	-107	-65	-80	-79	-124	-72	-72	-73
Operating Income	259	337	411	358	208	351	430	397
Non Operating Items	0	1	0	0	1	0	1	1
Pre-Tax Income	259	337	411	358	209	351	430	398
Income Attributable to Wealth and Asset Management	-38	-36	-40	-39	-32	-34	-32	-39
Pre-Tax Income of French Retail Banking	221	302	371	319	177	317	398	359
Allocated Equity (€bn, year to date)	9.4	9.4	9.3	9.2	8.7	8.6	8.5	8.6
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)								
Revenues	1,481	1,518	1,531	1,541	1,485	1,523	1,516	1,588
Operating Expenses and Dep.	-1,140	-1,145	-1,079	-1,146	-1,178	-1,141	-1,068	-1,139
Gross Operating Income	341	374	452	395	307	382	448	450
Cost of Risk	-107	-65	-80	-79	-124	-71	-72	-73
Operating Income	234	308	372	316	183	311	376	377
Non Operating Items	0	0	0	0	1	0	1	1
Pre-Tax Income	234	309	372	316	184	310	377	377
Allocated Equity (€bn, year to date)	9.4	9.4	9.3	9.2	8.7	8.6	8.5	8.6

* Including 100% of Private Banking for the Revenues to Pre-tax income items

** Reminder on PEL/CEL provision: this provision, accounted in the French Retail Banking's revenues, takes into account the risk generated by Plans Epargne Logement (PEL) and Comptes Epargne Logement (CEL) during their whole lifetime.

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
PEL/CEL effects	13	7	1	-2	8	-7	-21	18



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BNL banca commerciale (Including 100% of Private Banking in Italy)*								
Revenues	732	719	729	727	745	741	749	737
Operating Expenses and Dep.	-457	-445	-430	-469	-543	-448	-433	-462
Gross Operating Income	275	274	299	258	202	293	317	275
Cost of Risk	-218	-203	-222	-228	-229	-215	-242	-274
Operating Income	57	71	77	30	-27	78	74	1
Non Operating Items	0	0	0	0	0	0	0	0
Pre-Tax Income	57	71	77	30	-27	78	74	1
Income Attributable to Wealth and Asset Management	-11	-9	-12	-12	-10	-9	-9	-10
Pre-Tax Income of BNL bc	46	63	65	18	-36	70	65	-8
Allocated Equity (€bn, year to date)	5.8	5.8	5.7	5.7	5.7	5.8	5.9	6.0
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BNL banca commerciale (Including 2/3 of Private Banking in Italy)								
Revenues	710	699	707	706	725	721	730	718
Operating Expenses and Dep.	-447	-434	-420	-460	-533	-438	-423	-453
Gross Operating Income	263	265	287	247	192	284	307	265
Cost of Risk	-217	-203	-222	-228	-229	-214	-242	-274
Operating Income	46	62	65	18	-36	70	65	-8
Non Operating Items	0	0	0	0	0	0	0	0
Pre-Tax Income	46	63	65	18	-36	70	65	-8
Allocated Equity (€bn, year to date)	5.8	5.8	5.7	5.7	5.7	5.8	5.9	6.0
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*								
Revenues	894	921	930	931	908	914	923	917
Operating Expenses and Dep.	-601	-570	-560	-823	-661	-575	-555	-791
Gross Operating Income	293	351	370	108	247	339	367	126
Cost of Risk	-15	-23	-28	1	-9	-19	-49	-21
Operating Income	278	328	343	109	237	320	318	106
Share of Earnings of Equity-Method Entities	2	17	6	-4	2	5	5	-4
Other Non Operating Items	1	3	2	0	-1	-2	0	0
Pre-Tax Income	281	347	351	106	239	323	323	102
Income Attributable to Wealth and Asset Management	-19	-18	-25	-10	-17	-18	-21	-14
Pre-Tax Income of Belgian Retail Banking	262	329	325	96	222	305	302	88
Allocated Equity (€bn, year to date)	5.3	5.2	5.2	5.1	4.7	4.7	4.7	4.6
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)								
Revenues	849	879	882	889	867	871	878	875
Operating Expenses and Dep.	-577	-547	-537	-790	-636	-550	-534	-763
Gross Operating Income	272	332	346	99	230	321	344	112
Cost of Risk	-14	-23	-28	1	-10	-19	-46	-20
Operating Income	259	309	317	99	221	302	297	92
Share of Earnings of Equity-Method Entities	2	17	6	-4	2	5	5	-4
Other Non Operating Items	1	3	2	0	-1	-2	0	0
Pre-Tax Income	262	329	325	96	222	305	302	88
Allocated Equity (€bn, year to date)	5.3	5.2	5.2	5.1	4.7	4.7	4.7	4.6

* Including 100% of Private Banking for the Revenues to Pre-tax income items



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*								
Revenues	730	692	686	674	666	669	681	666
Operating Expenses and Dep.	-420	-400	-382	-405	-374	-367	-355	-393
Gross Operating Income	310	292	304	269	292	302	327	273
Cost of Risk	-30	-19	-26	-14	-37	-23	-25	-31
Operating Income	279	273	278	256	255	279	302	242
Share of Earnings of Equity-Method Entities	5	5	14	14	10	13	8	12
Other Non Operating Items	0	0	0	5	-6	10	3	-2
Pre-Tax Income	284	277	292	274	260	301	312	252
Income Attributable to Wealth and Asset Management	-1	-1	-1	-1	0	0	-1	-1
Pre-Tax Income of Other Domestic Markets	283	277	291	274	259	301	311	251
Allocated Equity (€bn, year to date)	4.0	3.9	3.9	3.9	3.8	3.8	3.8	3.8
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)								
Revenues	727	690	683	671	663	666	679	663
Operating Expenses and Dep.	-419	-399	-381	-403	-372	-365	-353	-391
Gross Operating Income	309	291	303	269	291	301	326	272
Cost of Risk	-30	-19	-26	-14	-36	-23	-25	-31
Operating Income	278	272	277	255	255	278	301	241
Share of Earnings of Equity-Method Entities	5	5	14	14	10	13	8	12
Other Non Operating Items	0	0	0	5	-6	10	3	-2
Pre-Tax Income	283	277	291	274	259	301	311	251
Allocated Equity (€bn, year to date)	4.0	3.9	3.9	3.9	3.8	3.8	3.8	3.8

* Including 100% of Private Banking for the Revenues to Pre-tax income items



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
INTERNATIONAL FINANCIAL SERVICES								
Revenues	4,126	3,928	3,935	3,909	4,025	3,946	3,813	3,696
Operating Expenses and Dep.	-2,519	-2,330	-2,367	-2,506	-2,481	-2,319	-2,303	-2,442
Gross Operating Income	1,608	1,598	1,568	1,404	1,544	1,627	1,510	1,254
Cost of Risk	-353	-352	-331	-315	-425	-376	-355	-339
Operating Income	1,254	1,246	1,237	1,089	1,118	1,251	1,155	915
Share of Earnings of Equity-Method Entities	141	140	153	128	116	122	111	127
Other Non Operating Items	54	358	14	6	1	1	-4	10
Pre-Tax Income	1,449	1,744	1,405	1,222	1,236	1,373	1,262	1,052
Allocated Equity (€bn, year to date)	26.8	26.5	26.6	26.7	26.1	25.9	25.7	25.8
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
PERSONAL FINANCE								
Revenues	1,280	1,222	1,220	1,201	1,185	1,177	1,168	1,149
Operating Expenses and Dep.	-639	-575	-579	-634	-598	-544	-547	-609
Gross Operating Income	641	647	641	568	587	632	621	540
Cost of Risk	-271	-273	-225	-240	-269	-240	-248	-221
Operating Income	369	375	415	328	317	392	373	319
Share of Earnings of Equity-Method Entities	19	21	30	20	18	18	-8	13
Other Non Operating Items	0	24	0	5	-2	0	-1	1
Pre-Tax Income	389	420	445	353	334	411	364	333
Allocated Equity (€bn, year to date)	5.8	5.5	5.4	5.3	4.9	4.9	4.8	4.8
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*								
Revenues	581	573	590	592	630	659	616	608
Operating Expenses and Dep.	-414	-403	-420	-424	-431	-413	-429	-432
Gross Operating Income	167	170	170	168	200	245	187	176
Cost of Risk	-62	-60	-70	-67	-127	-127	-87	-96
Operating Income	105	110	100	101	73	118	100	80
Share of Earnings of Equity-Method Entities	49	47	53	48	49	48	53	50
Other Non Operating Items	3	1	-1	0	-1	0	-4	2
Pre-Tax Income	158	159	152	150	121	166	149	132
Income Attributable to Wealth and Asset Management	-1	0	-1	-1	-1	0	-1	-1
Pre-Tax Income of EUROPE-MEDITERRANEAN	157	158	151	149	120	165	149	132
Allocated Equity (€bn, year to date)	4.9	5.0	5.0	5.0	5.2	5.2	5.2	5.1
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)								
Revenues	579	571	588	590	628	656	614	606
Operating Expenses and Dep.	-413	-401	-419	-423	-429	-411	-428	-431
Gross Operating Income	167	170	169	167	199	245	187	176
Cost of Risk	-62	-60	-70	-67	-127	-127	-87	-96
Operating Income	105	110	99	100	72	118	100	80
Share of Earnings of Equity-Method Entities	49	47	53	48	49	48	53	50
Other Non Operating Items	3	1	-1	0	-1	0	-4	2
Pre-Tax Income	157	158	151	149	120	165	149	132
Allocated Equity (€bn, year to date)	4.9	5.0	5.0	5.0	5.2	5.2	5.2	5.1

* Including 100% of Private Banking for the Revenues to Pre-tax income items



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BANCWEST (Including 100% of Private Banking in United States)*								
Revenues	738	734	762	761	795	728	688	773
Operating Expenses and Dep.	-483	-482	-513	-566	-521	-501	-482	-534
Gross Operating Income	255	251	249	205	274	227	207	239
Cost of Risk	-20	-32	-38	-22	-23	-14	-23	-25
Operating Income	235	219	211	183	251	213	184	214
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0	0	0
Other Non Operating Items	1	3	1	-1	4	1	1	10
Pre-Tax Income	236	222	212	182	255	214	184	225
Income Attributable to Wealth and Asset Management	-6	-5	-5	-5	-5	-4	-3	-3
Pre-Tax Income of BANCWEST	230	217	206	177	251	210	181	221
Allocated Equity (€bn, year to date)	6.4	6.4	6.6	6.7	6.3	6.2	6.3	6.4
<hr/>								
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BANCWEST (Including 2/3 of Private Banking in United States)								
Revenues	724	720	748	748	782	716	677	762
Operating Expenses and Dep.	-475	-474	-505	-548	-513	-493	-474	-526
Gross Operating Income	249	246	243	200	269	223	203	236
Cost of Risk	-20	-32	-38	-22	-23	-14	-23	-25
Operating Income	229	214	206	178	246	209	180	211
Non Operating Items	1	3	1	-1	4	1	1	10
Pre-Tax Income	230	217	206	177	251	210	181	221
Allocated Equity (€bn, year to date)	6.4	6.4	6.6	6.7	6.3	6.2	6.3	6.4
<hr/>								
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
INSURANCE								
Revenues	636	662	619	597	636	679	611	456
Operating Expenses and Dep.	-317	-311	-297	-326	-315	-299	-278	-309
Gross Operating Income	319	351	322	271	321	380	333	147
Cost of Risk	5	1	-1	-1	-1	3	1	-1
Operating Income	324	352	321	271	320	383	334	146
Share of Earnings of Equity-Method Entities	53	63	55	54	36	44	54	55
Other Non Operating Items	49	325	0	1	0	0	0	-3
Pre-Tax Income	425	740	376	326	356	427	387	199
Allocated Equity (€bn, year to date)	7.8	7.7	7.7	7.8	7.5	7.4	7.4	7.4
<hr/>								
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
WEALTH AND ASSET MANAGEMENT								
Revenues	907	753	760	773	794	718	743	723
Operating Expenses and Dep.	-675	-569	-567	-576	-626	-572	-577	-567
Gross Operating Income	233	183	193	198	168	146	166	156
Cost of Risk	-5	12	4	14	-5	3	3	3
Operating Income	228	195	197	212	163	149	169	159
Share of Earnings of Equity-Method Entities	19	8	15	5	13	12	13	8
Other Non Operating Items	1	5	14	0	0	0	0	0
Pre-Tax Income	248	208	226	217	176	161	181	167
Allocated Equity (€bn, year to date)	1.9	1.9	1.9	1.9	2.1	2.1	2.1	2.1

* Including 100% of Private Banking for the Revenues to Pre-tax income items



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
CORPORATE AND INSTITUTIONAL BANKING								
Revenues	2,626	2,658	3,197	3,223	2,821	2,905	3,056	2,686
Operating Expenses and Dep.	-1,883	-1,897	-1,988	-2,506	-1,914	-2,022	-2,115	-2,258
Gross Operating Income	744	761	1,209	717	907	883	942	428
Cost of Risk	-264	10	118	54	-70	-74	-46	-28
Operating Income	480	772	1,328	770	837	809	896	400
Share of Earnings of Equity-Method Entities	13	-2	5	8	9	2	13	-3
Other Non Operating Items	-1	8	15	0	-5	1	-2	6
Pre-Tax Income	491	778	1,349	778	841	812	907	403
Allocated Equity (€bn, year to date)	21.1	21.4	21.9	22.1	22.2	22.2	22.0	21.9
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
CORPORATE BANKING								
Revenues	1,050	948	1,176	991	1,071	958	1,037	929
Operating Expenses and Dep.	-603	-546	-590	-691	-567	-591	-601	-693
Gross Operating Income	447	402	586	299	504	368	436	236
Cost of Risk	-209	4	78	57	-115	-79	-42	-55
Operating Income	238	407	664	356	388	289	394	181
Non Operating Items	5	6	19	7	14	-3	2	0
Pre-Tax Income	243	413	683	364	402	285	396	181
Allocated Equity (€bn, year to date)	12.4	12.5	12.7	12.6	12.4	12.3	12.3	12.2
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
GLOBAL MARKETS								
Revenues	1,073	1,234	1,523	1,754	1,284	1,490	1,558	1,318
<i>incl. FICC</i>	592	801	883	1,174	838	1,082	1,050	890
<i>incl. Equity & Prime Services</i>	482	433	640	580	446	408	509	428
Operating Expenses and Dep.	-875	-958	-997	-1,424	-967	-1,065	-1,139	-1,184
Gross Operating Income	198	276	526	330	317	425	419	134
Cost of Risk	-57	6	39	-3	44	5	-4	27
Operating Income	142	281	565	327	361	430	415	160
Share of Earnings of Equity-Method Entities	5	-6	-1	0	-3	5	11	-4
Other Non Operating Items	1	6	3	0	-8	0	-2	6
Pre-Tax Income	147	281	567	326	350	435	424	163
Allocated Equity (€bn, year to date)	7.8	8.0	8.4	8.7	9.0	9.1	9.0	9.1
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
SECURITIES SERVICES								
Revenues	503	476	498	478	466	457	461	440
Operating Expenses and Dep.	-405	-392	-400	-390	-380	-367	-374	-382
Gross Operating Income	98	84	97	87	86	90	87	59
Cost of Risk	2	0	1	0	2	0	1	0
Operating Income	100	84	99	87	87	90	88	59
Non Operating Items	0	0	0	0	1	1	0	0
Pre-Tax Income	100	84	99	88	88	91	87	59
Allocated Equity (€bn, year to date)	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.7



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
CORPORATE CENTRE								
Revenues	12	22	3	358	70	-45	650	618
Operating Expenses and Dep.	-637	-382	-300	-308	-330	-381	-295	-182
<i>Incl. Restructuring and Transformation Costs</i>	-456	-222	-168	-110	-154	-253	-108	-46
Gross Operating Income	-625	-361	-297	49	-260	-426	356	435
Cost of Risk	1	-16	-94	-11	-56	13	-5	9
Operating Income	-625	-377	-391	38	-316	-413	350	444
Share of Earnings of Equity-Method Entities	15	-10	44	19	13	22	28	21
Other Non Operating Items	-33	-139	2	-8	-136	0	-77	10
Pre-Tax Income	-642	-525	-346	49	-440	-391	301	475



ALTERNATIVE PERFORMANCE MEASURES (APM) - ARTICLE 223-1 OF THE AMF'S GENERAL REGULATION

Alternative Performance Measures	Definition	Reason for use
Revenues of the operating divisions	Sum of the revenues of Domestic Markets (with Revenues of Domestic Markets including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg), IFS and CIB Revenues for BNP Paribas Group = Revenues of the operating divisions + Revenues of Corporate Centre	Representative measure of the BNP Paribas Group's operating performance
Revenues excluding PEL/CEL effects	Revenues excluding PEL/CEL effects	Representative measure of the revenues of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
Profit & Loss account of retail banking activity with 100% of Private Banking	Profit & Loss account of a retail banking activity including the whole Profit & Loss account of private banking	Representative measure of the performance of retail banking activity including the total performance of private banking (before sharing the profit & loss account with the Wealth Management business, private banking being under a joint responsibility of retail banking (2/3) and Wealth Management business (1/3))
Cost of risk/Customer loans at the beginning of the period (in basis points)	Cost of risk (in €m) divided by customer loans at the beginning of the period Details of the calculation are disclosed in the Appendix "Cost of risk on Outstandings" of the results' presentation	Measure of the risk level by business in percentage of the volume of outstanding loans
Net income Group share excluding exceptional items	Net income attributable to equity holders excluding exceptional items Details of exceptional items are disclosed in the slide "Main Exceptional Items" of the results' presentation	Measure of BNP Paribas Group's net income excluding non-recurring items of a significant amount or items that do not reflect the underlying operating performance, notably Own Credit valuation Adjustments for debts (OCA) and for derivatives (Debit Valuation Adjustment - DVA) as well as transformation and restructuring costs
Return on Equity (ROE)	Details of the calculation of ROE are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on equity
Return on Tangible Equity (ROTE)	Details of the calculation of ROTE are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on tangible equity

**Methodology – Comparative analysis at constant scope and exchange rates**

The method used to determine the effect of changes in scope of consolidation depends on the type of transaction (acquisition, sale, etc.). The underlying purpose of the calculation is to facilitate period-on-period comparisons.

In case of acquired or created entity, the results of the new entity are eliminated from the constant scope results of current-year periods corresponding to the periods when the entity was not owned in the prior-year.

In case of divested entities, the entity's results are excluded symmetrically for the prior year for quarters when the entity was not owned.

In case of change of consolidation method, the policy is to use the lowest consolidation percentage over the two years (current and prior) for results of quarters adjusted on a like-for-like basis.

Comparative analysis at constant exchange rates are prepared by restating results for the prior-year quarter (reference quarter) at the current quarter exchange rate (analysed quarter). All of these calculations are performed by reference to the entity's reporting currency.

Reminder

Operating expenses: sum of salary and employee benefit expenses, other operating expenses and depreciation, amortisation and impairment of property, plant and equipment. In the whole document, the terms operating expenses or costs can be used indifferently.

Operating divisions: they consist of 3 divisions:

- Domestic Markets including: French Retail Banking (FRB), BNL banca commerciale (BNL bc), Belgium Retail Banking (BRB), Other Domestic Markets activities including Arval, Leasing Solutions, Personal Investors, Compte Nickel and Luxembourg Retail Banking (LRB);
- International Financial Services (IFS) including: Europe-Mediterranean, BancWest, Personal Finance, Insurance, Wealth & Asset Management (WAM) that includes Asset Management, Wealth Management and Real Estate Services;
- Corporate and Institutional Banking (CIB) including: Corporate Banking, Global Markets, Securities Services.



GOOD PERFORMANCE OF THE GROUP IN 2017 AND PROMISING START OF THE 2020 BUSINESS DEVELOPMENT PLAN.....	2
RETAIL BANKING & SERVICES	5
DOMESTIC MARKETS.....	5
INTERNATIONAL FINANCIAL SERVICES	10
CORPORATE AND INSTITUTIONAL BANKING (CIB)	15
CORPORATE CENTRE.....	17
FINANCIAL STRUCTURE	18
GOOD START OF THE 2017-2020 PLAN.....	19
CONSOLIDATED PROFIT AND LOSS ACCOUNT	22
4Q17 – RESULTS BY CORE BUSINESSES	23
2017 – RESULTS BY CORE BUSINESSES	24
QUARTERLY SERIES.....	25
ALTERNATIVE PERFORMANCE MEASURES (APM) - ARTICLE 223-1 OF THE AMF'S GENERAL REGULATION	34

The figures included in this presentation are unaudited.

This presentation includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally or in BNP Paribas' principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation. BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events. It should be recalled in this regard that the Supervisory Review and Evaluation Process is carried out each year by the European Central Bank, which can modify each year its capital adequacy ratio requirements for BNP Paribas.

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The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.

BNP PARIBAS 2017 FULL YEAR RESULTS

6 FEBRUARY 2018



BNP PARIBAS

The bank for a changing world

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2017 Key Messages

Rise in revenues of the operating divisions:

- Good business development in all the businesses
- Interest rate and market environment still lacklustre

Revenues of the operating divisions:
+1.5% vs. 2016

Good cost containment of the operating divisions
Active implementation of the 2020 transformation plan

Operating expenses of the operating divisions: +0.5% vs. 2016
Transformation costs: €0.9bn

Significant decrease in the cost of risk

-10.9% vs. 2016
39 bp*

Increase in Net income Group share
Dividend per share

Net income Group share: €7.8bn
(+4.4% vs. 2016 excluding exceptional items)**
€3.02* (+11.9% vs. 2016)**

Continued increase in the CET1 ratio****

11.8% (+30 bp vs. 31.12.16)

Good start of the 2020 plan

* Cost of risk /Customer loans at the beginning of the period (in bp); ** See slide 5; *** Subject to the approval of the Annual General Meeting on 24 May 2018; **** As at 31 December 2017, CRD4 (« fully loaded » ratio)



Group Results

Division Results

Good Start of the 2020 Plan

4Q17 Detailed Results

Appendix



Main Exceptional Items - 2017

> Exceptional items

● Revenues

- Own credit adjustment and DVA (*Corporate Centre*)
- Capital gain on the sale of Visa Europe shares (*Corporate Centre*)
- Capital gain on the sale of 1.8% stake in Shinhan (*Corporate Centre*)
- Capital gain on the sale of 4.78% stake in Euronext (*Corporate Centre*)

● Operating expenses

- Restructuring costs of acquisitions* (*Corporate Centre*)
- Transformation and adaptation costs of Businesses** (*Businesses and Corporate Centre*)
- Compulsory contribution to the resolution process of 4 Italian banks***

● Other non operating items

- Capital gain on the sale of 4% stake in SBI Life (*Insurance*)
- Goodwill impairments (*Corporate Centre*)****

● Total exceptional items (pre-tax)

● Total exceptional items (after tax)*****

>	2017	>	2016
	-€175m		-€59m
			+€597m
	+€148m		
	+€85m		
	+€58m		+€538m
	-€101m		-€158m
	-€856m		-€539m
			-€52m
	-€957m		-€749m
	+€326m		
	-€172m		-€127m
	+€154m		-€127m
	-€745m		-€338m
	-€390m		-€100m



More negative impact of exceptional items than in 2016

*** BNL bc (-€47m in 2016), Personal Finance (-€5m in 2016); **** Full goodwill impairment of BGZ in 2016 (-€127m) and of TEB in 2017 (-€172m); ***** Group share



Consolidated Group - 2017

	> 2017	> 2016	> 2017 vs. 2016	> 2017 vs. 2016 <i>Operating divisions</i>
Revenues	€43,161m	€43,411m	-0.6%	+1.5%
Operating expenses	-€29,944m	- €29,378m	+1.9%	+0.5%
Gross Operating income	€13,217m	€14,033m	-5.8%	+3.8%
Cost of risk	-€2,907m	-€3,262m	-10.9%	-13.5%
Operating income	€10,310m	€10,771m	-4.3%	+9.0%
Non operating items	€1,000m	€439m	n.s.	n.s.
Pre-tax income	€11,310m	€11,210m	+0.9%	+13.4%
Net income Group share	€7,759m	€7,702m	+0.7%	
Net income Group share excluding exceptional items*	€8,149m	€7,802m	+4.4%	
Return on equity (ROE):	8.9% (9.4% excluding exceptionnal items*)			
Return on tangible equity (ROTE):	10.5% (11.0% excluding exceptionnal items*)			

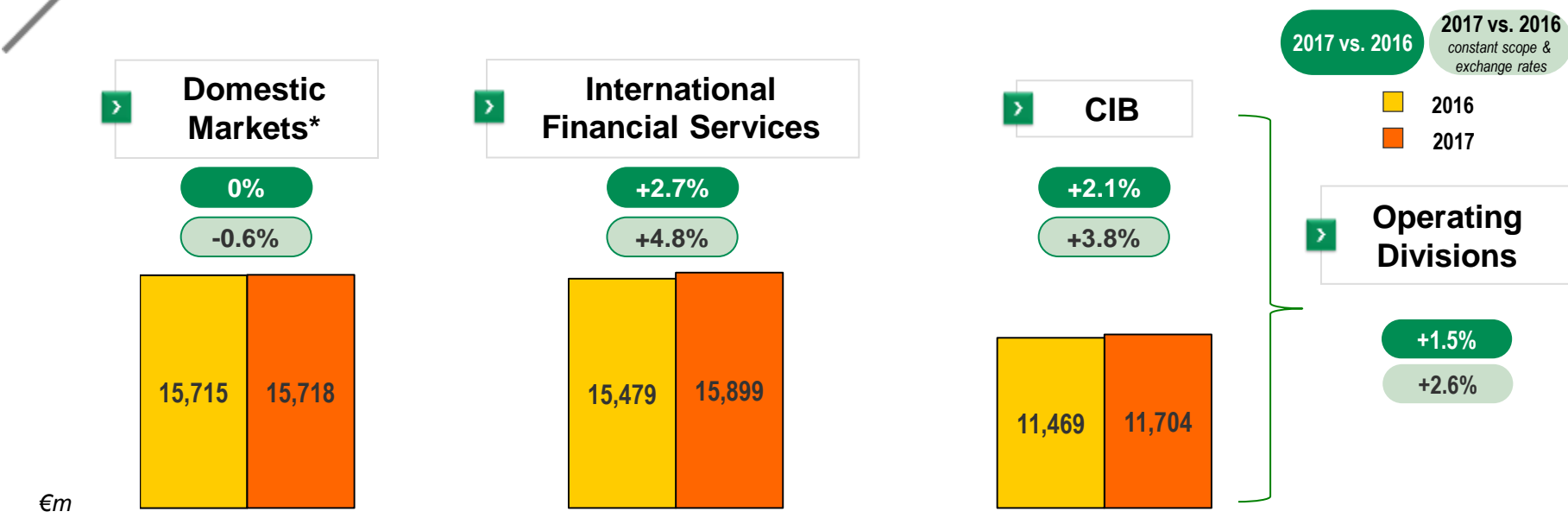


Good performance of the operating divisions
Rise in net income

* See slide 5



Revenues of the Operating Divisions - 2017



- Stable revenues at Domestic Markets: good business development on the back of the economic upturn but still impact of the low interest rate environment
- Increase in revenues of IFS driven by the development of the businesses
- Rise in CIB revenues : significant increase at Corporate Banking and Securities Services, Global Markets held up well despite the challenging market context in the 2nd half of the year
- Unfavourable foreign exchange effect this year

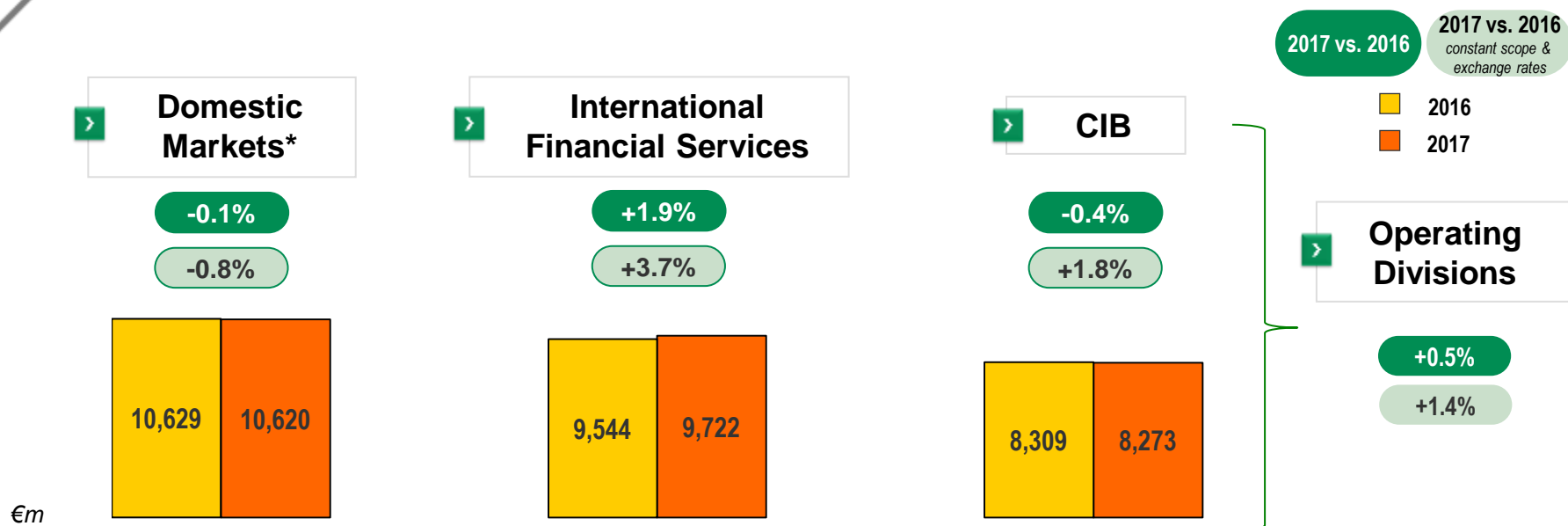


Good rise in the operating divisions
Interest rate and market environment still lacklustre

* Including 100% of Private Banking in France (excluding PEL/CEL effects), in Italy, Belgium and Luxembourg



Operating Expenses of the Operating Divisions - 2017



- Positive jaws effect in all the operating divisions thanks to cost saving measures
- Domestic Markets: operating expenses down in retail banking networks (-1.4% on average)** but up in the specialised businesses on the back of business development
- In connection with the growth of the business at IFS
- Effect of increased business at CIB largely offset by cost savings (reminder: CIB transformation plan launched as early as 2016)

**Good cost containment
thanks to the operating efficiency plan**

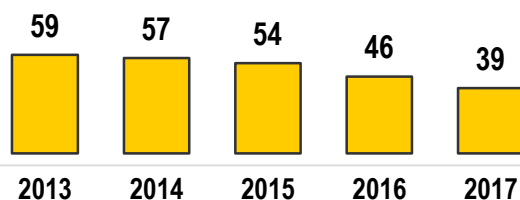
* Including 100% of Private Banking in France (excluding PEL/CEL effects), in Italy, Belgium and Luxembourg; ** FRB, BNL bc and BRB



Cost of Risk - 2017 (1/2)

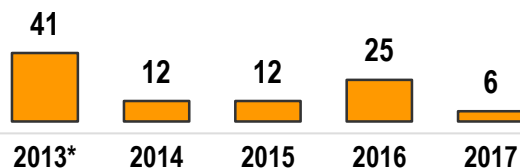
Cost of risk/Customer loans at the beginning of the period (in bp)

> Group



- Cost of risk: €2,907m (-€355m vs. 2016)
- Significant decrease in the cost of risk

> CIB - Corporate Banking



- €70m (-€222m vs. 2016)
- Provisions largely offset by write-backs
- Reminder: positive effect of provisions write-backs in 2014 and 2015

* Restated



Cost of Risk - 2017 (2/2)

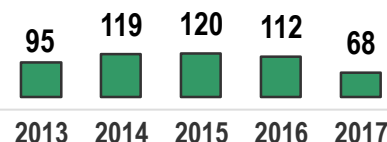
Cost of risk/Customer loans at the beginning of the period (in bp)

> FRB



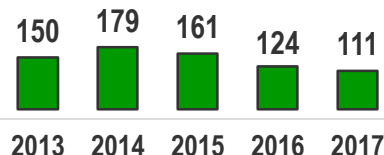
- €331m (-€11m vs. 2016)
- Cost of risk still low

> Europe-Mediterranean



- €259m (-€178m vs. 2016)
- Decrease in the cost of risk
- Positive impact of provision write-backs this year

> BNL bc



- €871m (-€88m vs. 2016)
- Continued decrease in the cost of risk

> BancWest



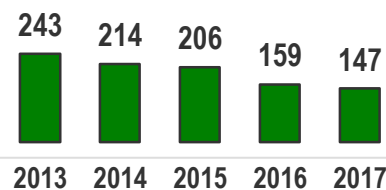
- €111m (+€27m vs. 2016)
- Cost of risk still low

> BRB



- €65m (-€33m vs. 2016)
- Very low cost of risk

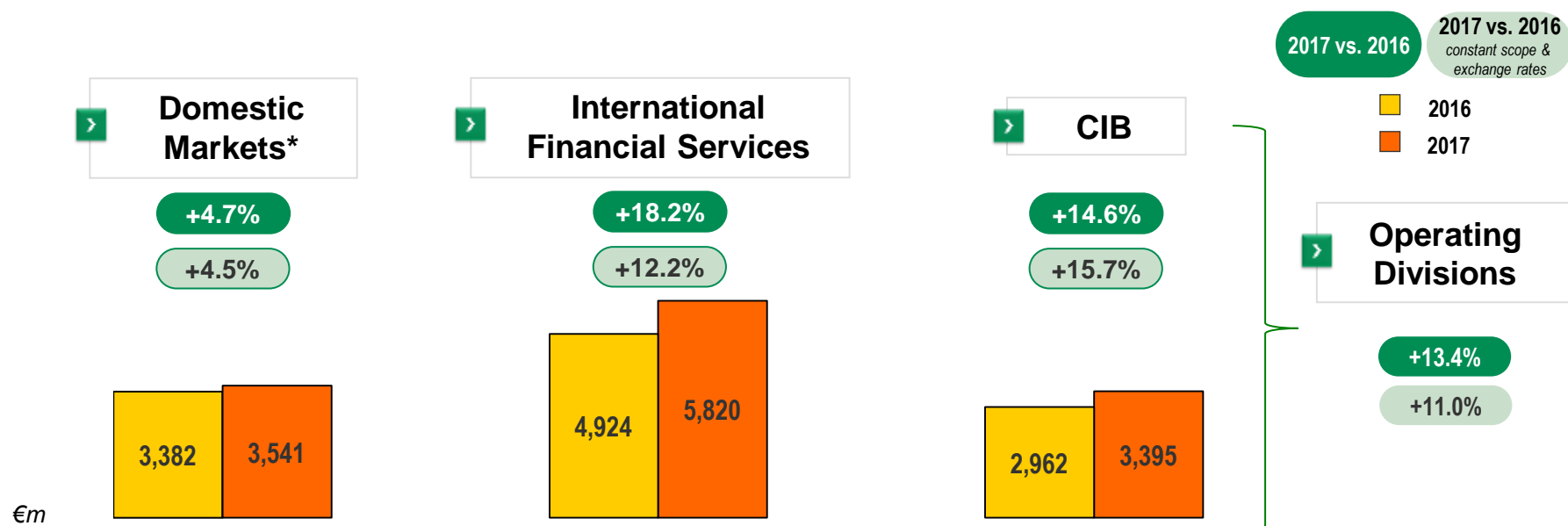
> Personal Finance



- €1,009m (+€30m vs. 2016)
- Effect of the rise in loan outstandings
- Low cost of risk
- Effect of the low interest rates and the growing positioning on products with a better risk profile



Pre-tax Income of the Operating Divisions - 2017



Strong rise in income of the operating divisions

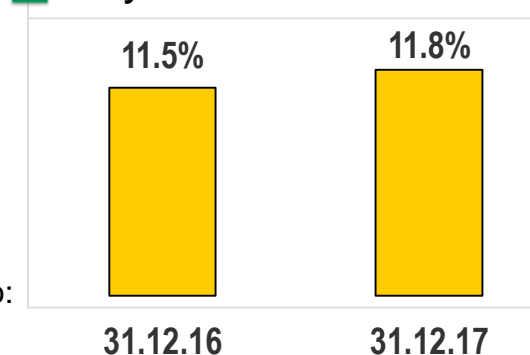
* Including 2/3 of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg



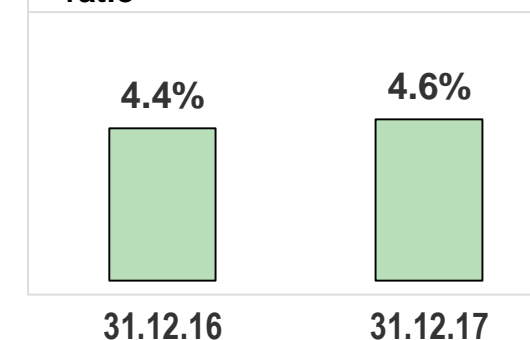
Financial Structure

- Fully loaded Basel 3 CET1 ratio*: 11.8% as at 31.12.17 (+30 bp vs. 31.12.16)
 - 2017 results after taking into account dividend payment (+60 bp)
 - Increase in risk-weighted assets excluding foreign exchange effect (-30 bp)
 - Foreign exchange effect overall negligible on the ratio
 - Effect of main acquisitions and sales on the whole negligible on the ratio: in particular the effect of the acquisition in 4Q17 of General Motors Europe's financing activities (-10 bp) is offset by the effect of the sale in 1Q17 of the 20.6% stake in First Hawaiian Bank (+10 bp)
- Fully loaded Basel 3 leverage**: 4.6% as at 31.12.17 (4.4% as at 31.12.2016)
 - Calculated on total Tier 1 Capital
- Liquidity Coverage Ratio: 121% as at 31.12.17
- Immediately available liquidity reserve: €285bn*** (€305bn as at 31.12.16)
 - Equivalent to over 1 year of room to manoeuvre in terms of wholesale funding

> Fully loaded Basel 3 CET1 ratio*



> Fully loaded Basel 3 leverage ratio**



Increase in the fully loaded Basel 3 CET1 ratio

* CRD4 "2019 fully loaded"; ** CRD4 "2019 fully loaded", calculated according to the delegated act of the EC dated 10.10.2014 on total Tier 1 Capital and using value date for securities transactions; *** Liquid market assets or eligible to central banks (counterbalancing capacity) taking into account prudential standards, notably US standards, minus intra-day payment system needs



New IFRS 9 Accounting Standard

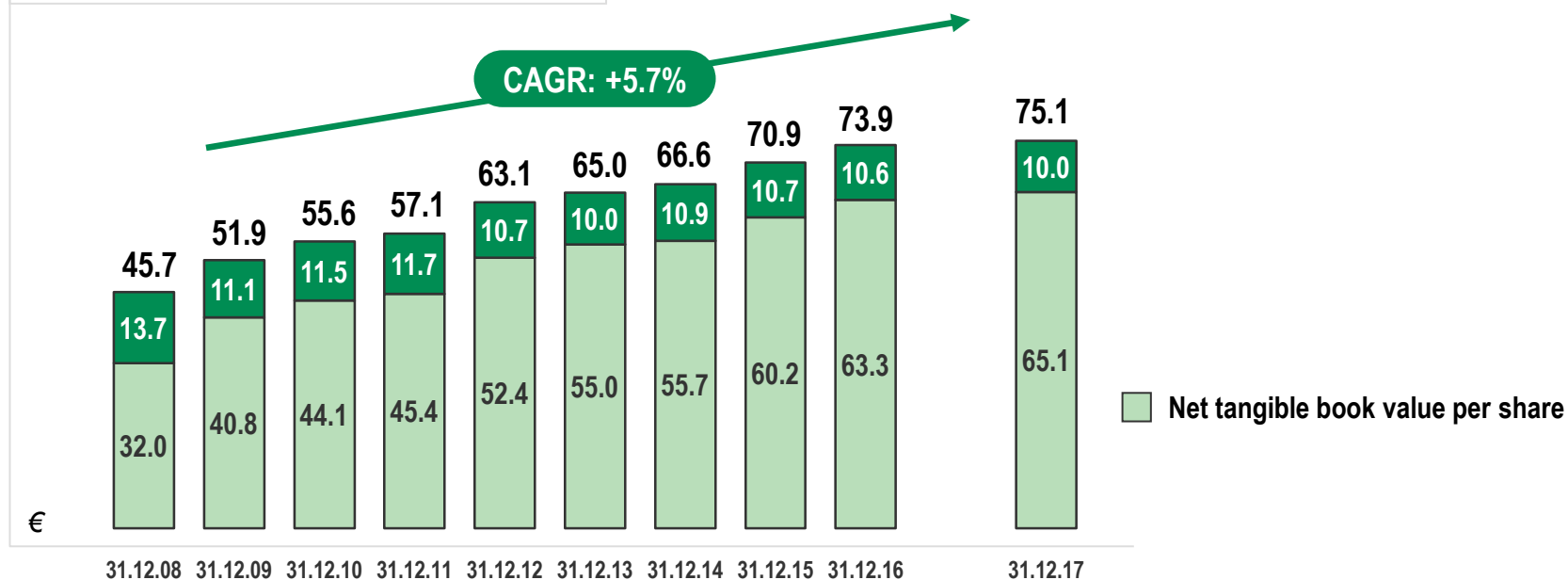
- New IFRS 9 accounting standard “Financial Instruments”
 - Replaces IAS 39
 - Takes effect starting from 1st January 2018*
 - New principles of classification and measurement of financial instruments
 - Credit risk impairment model based on expected losses and no longer on incurred losses
 - Booking of the value adjustment for the own credit risk (OCA) in equity, and no longer in income, starting from 1st January 2018**
- Estimated impacts of the first-time application of IFRS 9 on 1st January 2018 limited for the Group
 - Impact on shareholders' equity not revaluated (i.e. excluding valuation reserves)***: ~-€1.1bn
 - Impact on shareholders' equity revaluated (i.e. including valuation reserves)***: ~-€2.5bn
 - Impact on the CET1 solvency ratio: ~-10 bp

* 1st January 2021 for insurance businesses according to the option chosen by the Group; ** Application of the standard by BNP Paribas Group starting on 1st January 2018; *** Group share



Net Book Value per Share

> Net book value per share



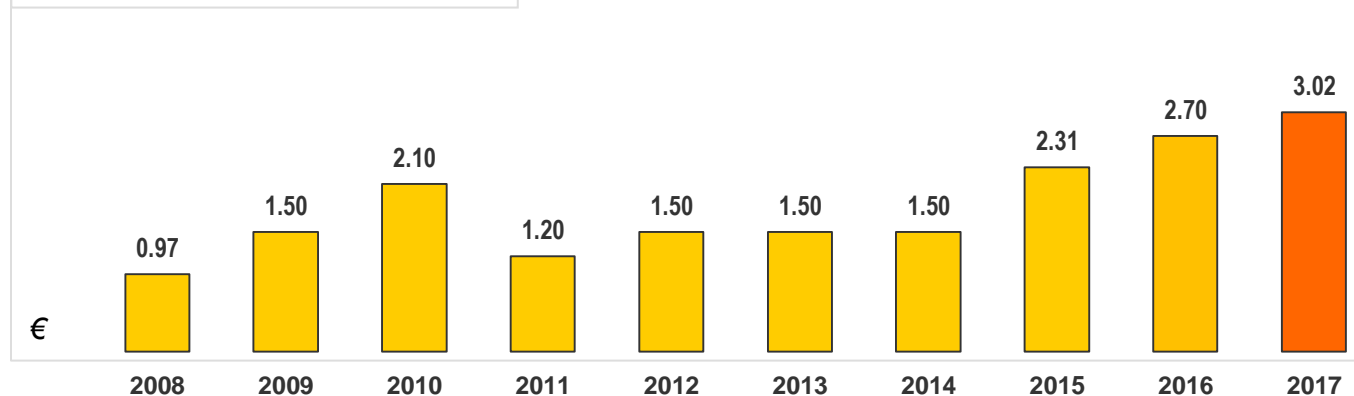
Continued growth in the net book value per share throughout the cycle



Dividend

- Dividend*: €3.02 per share (+11.9% vs. 2016)
 - Paid in cash
 - Dividend yield: 4.6%**
- Pay-out ratio of 50%
 - As per the 2020 plan

> Dividend per share



2017 dividend: €3.02 per share

** Subject to the approval of the Annual General Meeting on 24 May 2018, shares will go ex-dividend on 30 May 2018, payment on 1st June 2018; ** Based on the closing price on 2 February 2018 (€66.0)*



Reinforced Internal Control System

- Reinforced compliance and control procedures
 - Continued operational implementation of a stronger culture of compliance (new Code of Conduct distributed to all employees)
 - New round of 3 compulsory e-learning training programmes for all employees (Code of Conduct, Sanctions and Embargoes, Combating Money Laundering and Terrorism Financing) after the 1st round was fully completed in 2016
 - Continued to implement measures to strengthen the compliance and control systems in foreign exchange activities
 - 99% of Swift warnings handled with the new warning management process thanks to the roll-out of the new filtering solution
 - Increased the number of controls performed by the General Inspection: completion at the end of 2017 of the 2nd round of audits of the entities whose USD flows are centralised at BNP Paribas New York (1st round of audits completed in July 2016)
- Completion under way of the remediation plan agreed as part of the June 2014 comprehensive settlement with the U.S. authorities
 - Close to 90% of the 47 projects already completed



Group Results

Division Results

Good Start of the 2020 Plan

4Q17 Detailed Results

Appendix



Domestic Markets - 2017

● Growth in business activity

- Loans: +5.9% vs. 2016, good growth in loans in the retail banking networks and in the specialised businesses (Arval, Leasing Solutions)
- Deposits: +8.6% vs. 2016, strong growth in all countries
- Private banking: increase in assets under management (+4.2% vs. 31.12.16)
- Hello bank!: continued growth (2.9 million customers at year-end 2017); 11.0% of individual clients' revenues*



● Acquisition of Compte-Nickel** in France



- Strengthen the set-up designed to new banking uses
- 800,000 accounts opened since the launch in February 2014; ongoing customer acquisition (323,500 in 2017, +29% vs. 2016)

● Revenues***: €15,718m (stable vs. 2016)

- Growth in business activity but impact of the low interest rate environment
- Increase in fees in all the networks

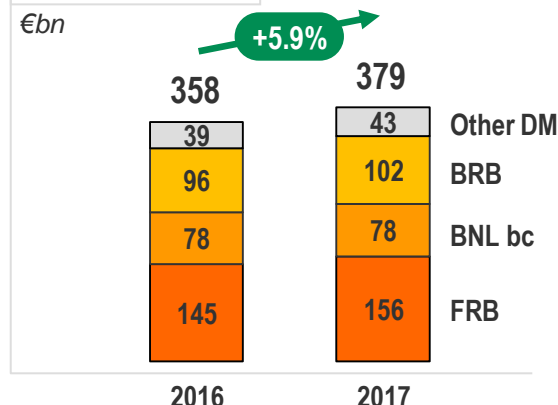
● Operating expenses***: €10,620m (-0.1% vs. 2016)

- 1.4% on average for FRB, BNL bc and BRB
- Continued business development of the specialised businesses

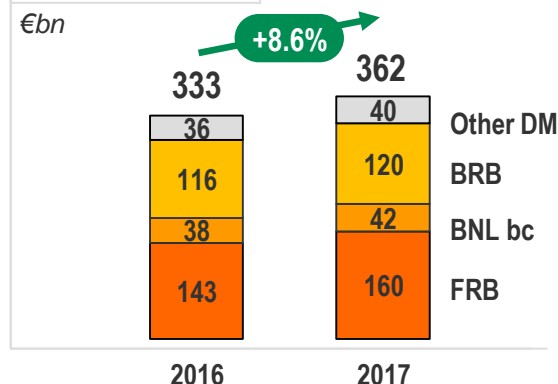
● Pre-tax income****: €3,541m (+4.7% vs. 2016)

- Decrease in the cost of risk, in particular at BNL bc

> Loans



> Deposits



Good business drive and rise in income

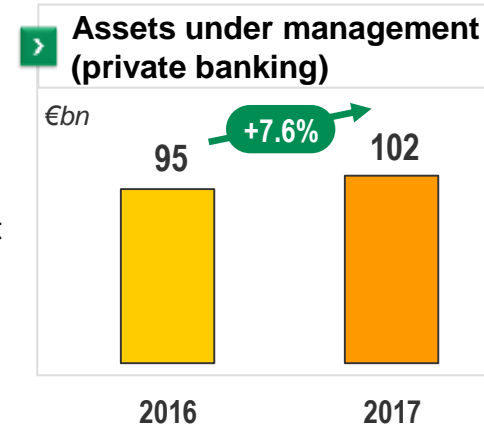
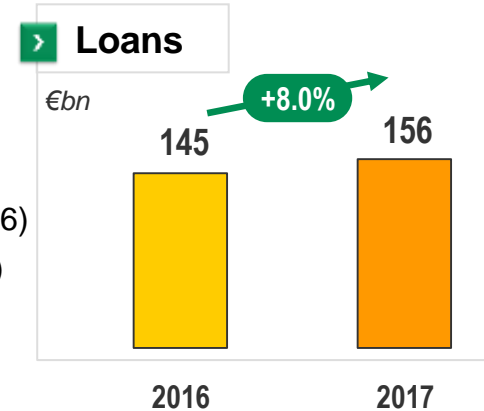
* FRB, BNL bc, BRB and Personal Investors, excluding private banking; ** Acquisition finalised on 12 July 2017; *** Including 100% of Private Banking, excluding PEL/CEL; **** Including 2/3 of Private Banking, excluding PEL/CEL



Domestic Markets

French Retail Banking - 2017

- Very good business drive
 - Loans: +8.0% vs. low base in 2016, sustained growth in loans to individual and corporate customers in the context of economic recovery
 - Deposits: +12.0% vs. 2016, strong growth in current accounts
 - Off balance sheet savings: good performance of life insurance (+4.2% vs. 31.12.16)
 - Private banking: strong growth in assets under management (+7.6% vs. 31.12.16) with good drive in inflows
- Launch of the delayering of the network organisation: gradual move from 4 to 3 management levels in the branch network in 2018
- Digital development:
 - 23 million contacts via mobile app in December 2017 (+34% vs. December 2016); launch of new apps *Mes Comptes* & *Hello bank!* and new service *Welcome* for corporate onboarding
- Revenues*: -0.8% vs. 2016
 - Net interest income: -2.9%, effect of the low interest rate environment partly offset by growth in business activity
 - Fees: +2.1%, rise in financial fees
- Operating expenses*: -0.3% vs. 2016
 - Good cost containment
- Pre-tax income**: €1,213m (-3.1% vs. 2016)



Strong rebound in the business activity

* Including 100% of French Private Banking, excluding PEL/CEL effects; ** Including 2/3 of French Private Banking, excluding PEL/CEL effects



Domestic Markets

BNL banca commerciale - 2017

● Growth in business activity

- Loans: +0.6% vs. 2016 (+1.8% excluding the impact of the sale of a portfolio of non-performing loans in 1Q17*), growth on individual clients
- Deposits: +9.5% vs. 2016, sharp rise in current accounts
- Off balance sheet savings: good asset inflows and rise in life insurance outstandings (+6.8% vs. 31.12.16) & mutual fund outstandings (+13.6% vs. 31.12.16); good development of distribution via the *Life Banker* financial advisors' network
- Digital development: > 313,000 active users of BNL and Hello bank! mobile apps in December 2017 (+25.0% vs. December 2016)



● Revenues**: -2.2% vs. 2016

- Net interest income: -5.9% vs. 2016, impact of the low interest rate environment
- Fees: +4.7% vs. 2016, increase related to the good growth in off balance sheet savings and private banking

● Operating expenses**: -4.5% vs. 2016

- +0.7% vs. 2016 excluding non-recurring items***
- Good cost containment

● Pre-tax income****: €192m (x2 vs. 2016)

- Continued decrease in the cost of risk

> Loans

€bn

77.9

+0.6%

78.3

2016

2017

> Off balance sheet savings

(Life insurance and mutual fund outstandings)

€bn

32.1

+10.0%

35.3

31.12.16

31.12.17



Growth in business activity
Continued decrease in the cost of risk

* Sale of a portfolio of non-performing loans comprising corporates and mortgages loans for a total of €1bn; ** Including 100% of Italian Private Banking; *** 2016 reminder: additional contribution to the resolution process of 4 Italian banks (-€47 m) and one-off transformation costs (-€50m); **** Including 2/3 of Italian Private Banking



Domestic Markets

Belgian Retail Banking - 2017

● Sustained business activity

- Loans: +6.1% vs. 2016, good growth in loans to corporate customers; rise in mortgage loans
- Deposits: +3.2% vs. 2016, growth in particular in current accounts
- Off balance sheet savings: good rise in outstandings (+3.4% vs. 31.12.16)
- Digital: 1.3 million *Easy Banking* app users; 24 million contacts via mobile apps in December 2017 (+49% vs. December 2016)
- Bank of the Year 2017* in Belgium and *Best Private Bank in 2017* in Belgium (*The Banker*)



● Revenues*: +0.4% vs. 2016

- Net interest income : -1.6% vs. 2016, impact of the low interest rate environment partially offset by volume growth
- Fees: +6.7% vs. 2016, rise in particular in financial fees

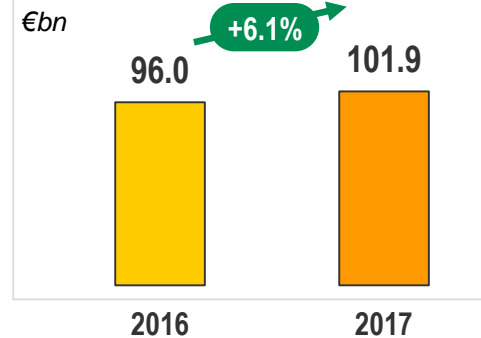
● Operating expenses*: -1.1% vs. 2016

- Effect of the cost saving measures

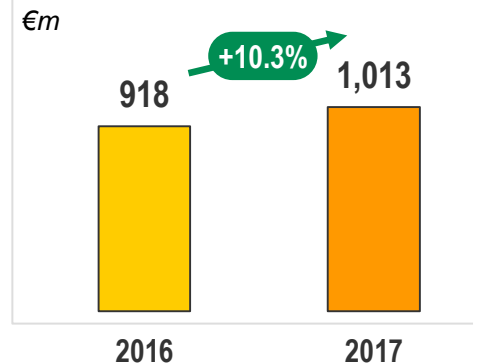
● Pre-tax income**: €1,013m (+10.3% vs. 2016)

- Decrease in the cost of risk

> Loans



> Pre-tax income



**Very good business drive
but growing impact of the low interest rate environment**


* Including 100% of Belgian Private Banking; ** Including 2/3 of Belgian Private Banking



Domestic Markets

Other Activities - 2017

- Good drive of the specialised businesses

- Arval: close to 1.1 million financed vehicles (+7.7% vs. 2016), Innovation Award* for *Integral Fleet* (online reporting solution)
- Leasing Solutions: solid rise in outstandings (+5.8%** vs. 2016)
- Personal Investors (PI): good level of new client acquisition (+3.2% vs. 2016 in Germany)
-  **Compte Nickel**: acquisition finalised on 12 July 2017; 323,500 accounts opened this year and 800,000 accounts opened since the launch (February 2014)

- Luxembourg Retail Banking (LRB)

- Good deposit inflows; growth in mortgage and corporate loans

- Revenues***: +3.8% vs. 2016

- Driven in particular by Personal Investors and Arval

- Operating expenses***: +8.1% vs. 2016

- Business development
- Costs to launch new digital services**** in particular at Leasing Solutions (*Kintessia*: B-to-B marketplace; *So Easy*: online credit application, follow-up & e-signature) and Arval (*Integral fleet*: online reporting; *Arval for me*: online platform for individuals)

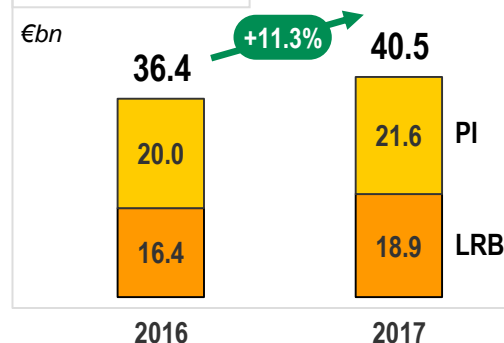
 **kintessia**

 **Arval for me**

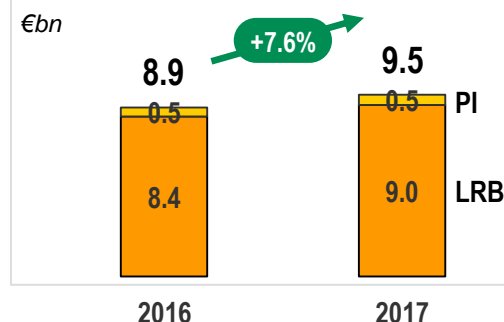
- Pre-tax income*****: €1,124m (+0.1% vs. 2016)

- Decrease in the cost of risk

> Deposits



> Loans



Growing businesses

* International Fleet Industry Award (December 2017); ** At constant scope and exchange rates; *** Including 100% of Private Banking in Luxembourg; **** See slide 24; ***** Including 2/3 of Private Banking in Luxembourg



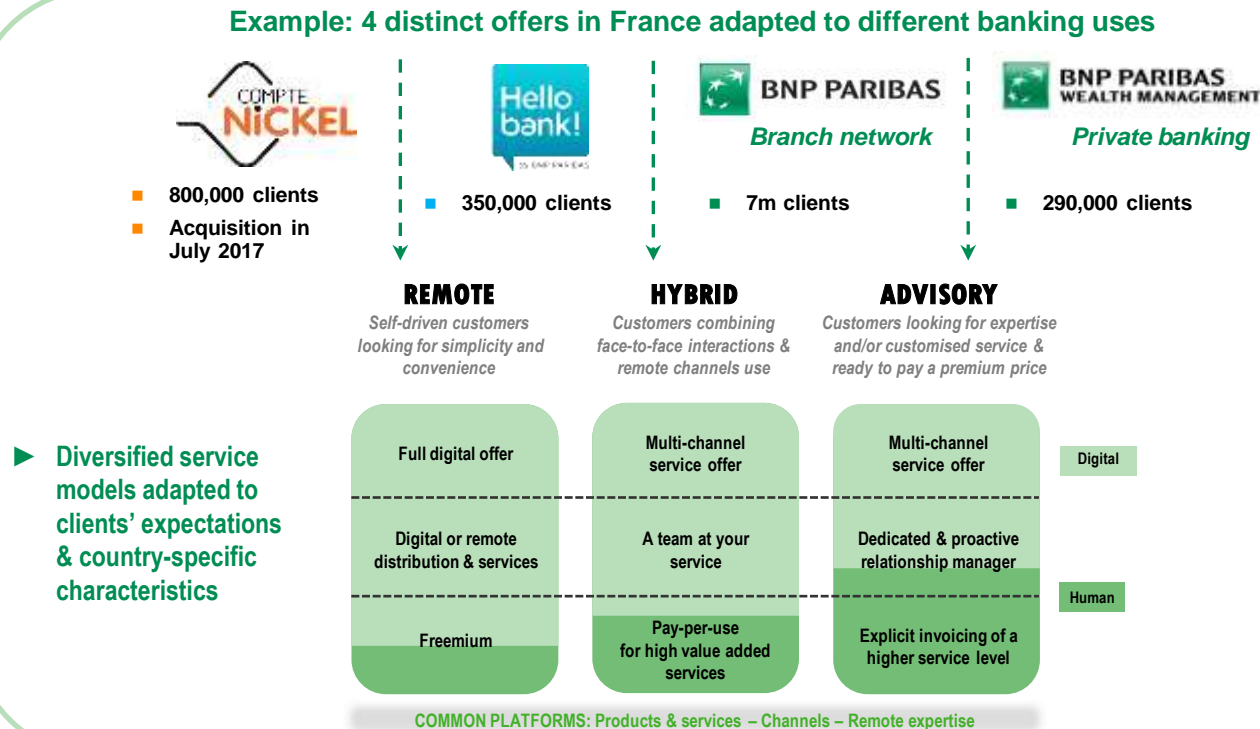
BNP PARIBAS The bank for a changing world

2017 Full Year Results | 22

Domestic Markets

Active Implementation of the 2020 Plan (1/3)

Give customers the choice by adapting our offerings to different banking uses



Reinvent the customer journeys to enhance customer experience and efficiency

► Accelerating end-to-end, digitalised and customer-focused services

New app to facilitate and digitalise corporate customer onboarding

Launch of FINSY: a 100% digital factoring finance solution geared towards SMEs and mid-sized businesses in France



Enhanced customer journey "I want to buy my home" with a proposed selection of properties adapted to customers' expectations (partnership with Cadre de Vie)



Domestic Markets

Active Implementation of the 2020 Plan (2/3)

Enhance data use

► Develop data use for the benefit of customers and of commercial performance

- Improve the customer contact opportunity conversion rate
Objective: 33% of customer contact opportunities converted in 2020
- Optimise the risks management



Develop use of mobile banking services

► Speed up customer use of mobile banking services

- Launch of new mobile apps for an optimal customer experience (e.g. *Mes Comptes* in France, *Easy Banking* in Belgium, etc.)
- Expanded features to enhance client autonomy
- Sharp rise in the number of contacts via mobile app in the networks* (>3 M active users in December 2017: +26% vs. December 2016, 51 M app visits in December 2017: +38% vs. December 2016)



Digital ID app launched by BNPP Fortis**

Anticipate new usage trends and diversify revenue sources thanks to the launch of innovative products

► Lyfpay: universal mobile payment solution combining payment cards, loyalty programmes and discount offers



► Arval for me: first online platform geared to individual customers allowing them to service their car through the network of auto repair garages under contract with Arval



► Kintessia: first B-to-B marketplace enabling Leasing Solutions customers (professionals and dealerships) to optimise the use of their assets by renting farm, public works and transport equipment



* FRB, BNL bc and BRB; ** Developed as part of the Belgian Mobile ID consortium



Domestic Markets

Active Implementation of the 2020 Plan (3/3)

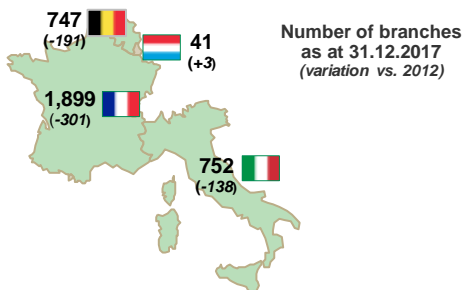
Upgrade the operating model to enhance efficiency and customer service

Simplify and optimise the local commercial set-up

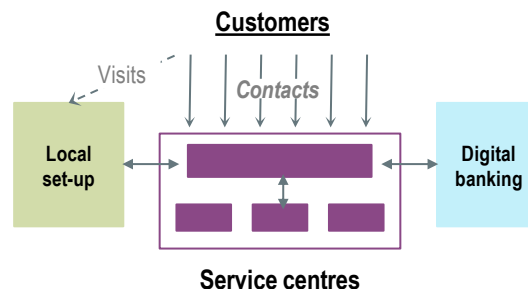


- Simplify and adapt the management of the physical commercial set-up
- Optimise the branch network

Ongoing network optimisation

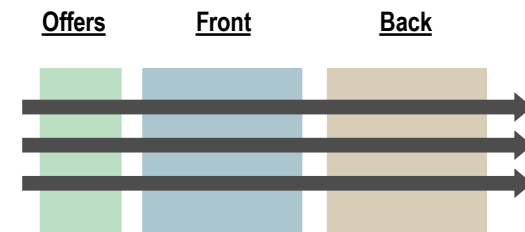


Create omni-channel customer service centres



- New customer relationship management model and Sale/After-sale convergence
- Differentiated treatment between standard services & premium solutions

New digital end-to-end value proposal



- Evolution toward new customer service models
- Rollout of reinvented end-to-end digital customer journeys



International Financial Services - 2017

- Good business activity



- Personal Finance: very good business drive and acquisition together with PSA of General Motors Europe's financing activities*
- International Retail Banking**: continued growth
- Insurance and WAM: rise in assets under management to €1,051bn (+4.0% vs. 31.12.16); good asset inflows in all the businesses (+€22.6bn)

- Revenues: €15,899m; +2.7% vs. 2016

- Unfavourable foreign exchange effect
- +4.8% at constant scope and exchange rates: rise in all the businesses

- Operating expenses : €9,722m; +1.9% vs. 2016

- +3.7% at constant scope and exchange rates (positive jaws effect: 1.1 pt)
- As a result of business development

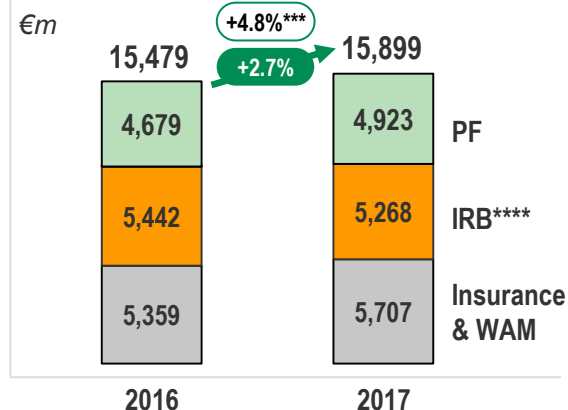
- Other non operating items: €433m (n.s. in 2016)

- €326m capital gain in connection with the initial public offering of SBI Life in 3Q17 (sale of a 4% stake)

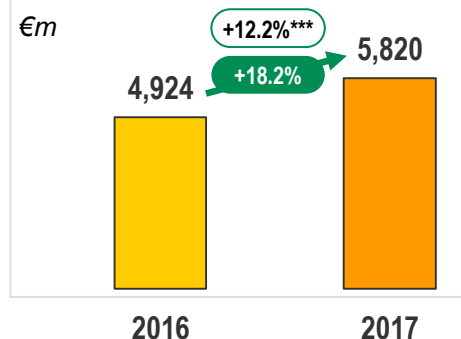
- Pre-tax income: €5,820m; +18.2% vs. 2016

- +12.2% at constant scope and exchange rates
- Decrease in the cost of risk

> Revenues



> Pre-tax income



Business development and sharp rise in income

* Closing of the acquisition on 31 October 2017; ** Europe Med and BancWest; *** At constant scope and exchange rates; **** Including 2/3 of Private Banking in Turkey and in the United States



International Financial Services

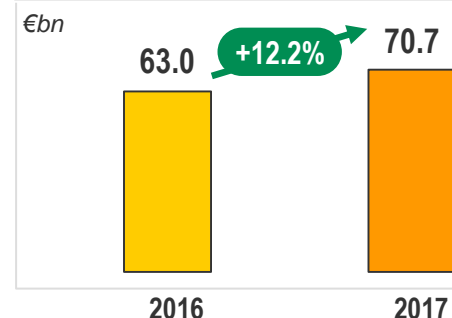
Personal Finance - 2017



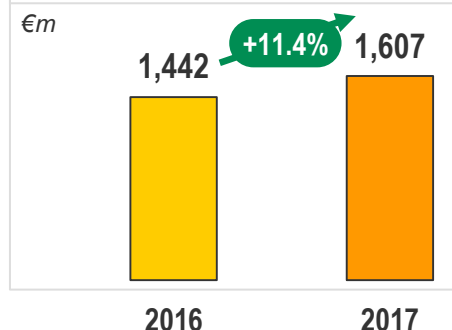
- Acquisition on 31 October 2017 together with PSA Group of General Motors Europe's financing activities (€9.4bn outstandings*)
- Continued the very good sales and marketing drive
 - Outstanding loans: +12.2%, increase in demand in a favourable context in Europe and effect of new partnerships
 - Signed new partnerships: Kia and Hyundai in Spain, new sectors (tourism with TUI in France, telecom with Masmovil in Spain) and new countries (XXXLutz in Austria)
 - Innovation: launch of new credit card features and more flexible renewable accounts in Italy, Spain and Austria
 - Digital: launch of *Hello bank!* by Cetelem in the Czech Republic
- Revenues: €4,923m (+5.2% vs. 2016)
 - +5.0% at constant scope and exchange rates: in connection with the rise in volumes and the positioning on products with a better risk profile
 - Good business drive in particular in Spain, Italy and Belgium
- Operating expenses: €2,427m (+5.6% vs. 2016)
 - +4.4% at constant scope and exchange rates (positive jaws effect of +0.6 pt)
 - As a result of good business development
- Pre-tax income: €1,607m (+11.4% vs. 2016)
 - +10.5% at constant scope and exchange rates



> Consolidated outstandings



> Pre-tax income



Revenue growth acceleration and sharp rise in income

* Outstanding loans at end 2017



International Financial Services Europe-Mediterranean - 2017

- Good business growth

- Loans: +5.2%* vs. 2016, up in all regions
- Deposits: +7.2%* vs. 2016, good growth
- Good development of the digital banks: 475,000 clients for *Cepteteb* in Turkey and 210,000 clients for *BGZ Optima* in Poland
- New digital services: launch by BGZ BNP Paribas of contactless payment via mobile with the Android Pay app and of the Gomobile app to manage accounts on mobile



- Revenues**: +2.3%* vs. 2016

- Up in all regions: effect of the rise in volumes
- Impact in Turkey of the rise of rates on deposit margins not yet offset by gradual repricing of loans

- Operating expenses**: +4.6%* vs. 2016

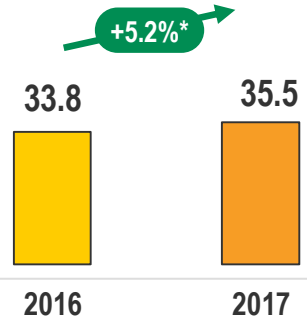
- As a result of the good business development

- Pre-tax income***: €616m (+23.6%* vs. 2016)

- Unfavourable exchange rate effect: +8.9% at historical scope and exchange rates
- Decrease in the cost of risk

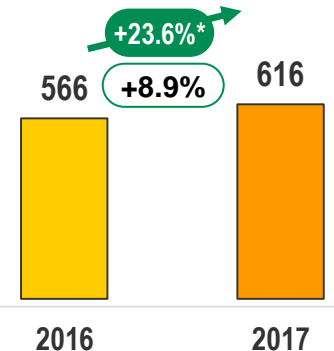
> Loans*

€bn



> Pre-tax income***

€m



Good business and income growth

* At constant scope and exchange rates (see data at historical scope and exchange rates in the appendix); ** Including 100% of Turkish Private Banking; *** Including 2/3 of Turkish Private Banking



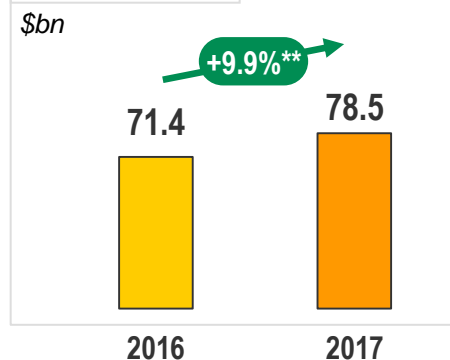
International Financial Services

BancWest - 2017

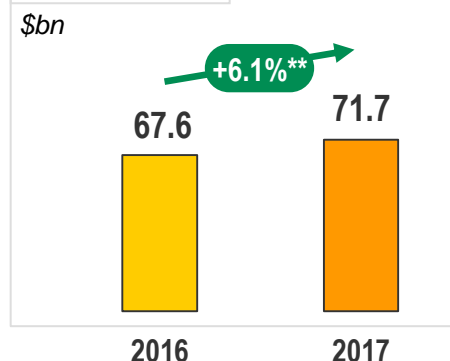
- Sale of a 20.6% stake in First Hawaiian Bank (FHB) in February 2017 (FHB now 61.9%* owned)
- Good business drive
 - Deposits: +9.9%** vs. 2016, rise in current and savings accounts
 - Loans: +6.1%** vs. 2016, sustained growth in individual and corporate loans
 - Private Banking: +11.4%** increase in assets under management vs. 31.12.16 (\$13.1bn as at 31.12.17)
 - Development of cooperation with the entire Group: implementation of the *One Bank for Corporates*' approach with for example Bank of the West as the cash management provider for the Group's clients in the United States
 - Digital: >415,000 customers using banking services on mobile (+15% vs. 2016)
- Revenues***: +2.4%** vs. 2016
 - +5.1%** excluding capital gains on securities and loan sales (significant in 2016)
 - As a result of volume growth
- Operating expenses***: +1.8%** vs. 2016
 - Good cost containment (positive jaws effect of 0.6 pt)
- Pre-tax income****: €830m (-1.5%** vs. 2016)
 - Negative foreign exchange effect: -3.7% at historical scope and exchange rates (+5.5% excluding capital gains)



> Deposits



> Loans



Solid operating performance

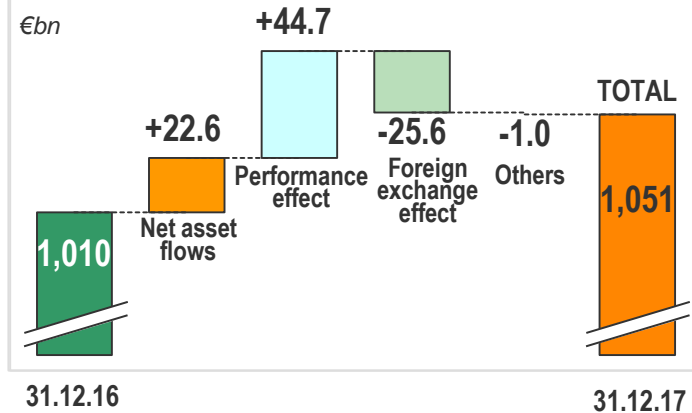
* Reminder: Initial Public Offering of First Hawaiian Bank in August 2016 (sale of 17.4% stake on the market);
 ** At constant scope and exchange rates (USD vs. EUR average rates: -2.1%; historical scope and exchange rates in the Appendix); *** Including 100% of Private Banking in the United States; **** Including 2/3 of Private Banking in the United States



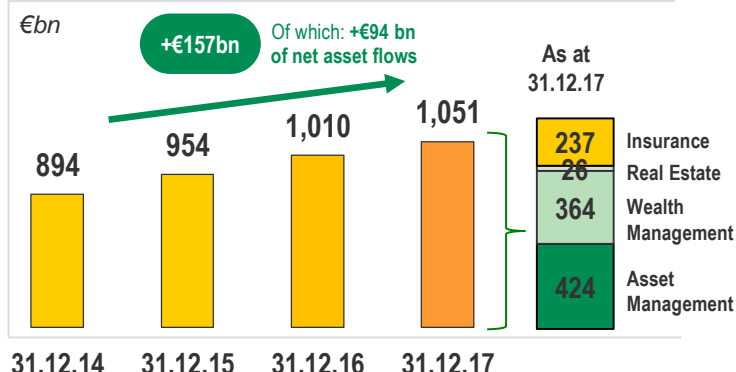
International Financial Services Insurance & WAM - Asset Flows and AuM - 2017

- Assets under management*: €1,051bn as at 31.12.17
 - +4.0% vs. 31.12.16 (+€41bn)
 - Good net asset inflows (+€22.6bn)
 - Strong performance effect (+€44.7bn) due to the favourable evolution of equity markets
 - Partly offset by an unfavourable foreign exchange effect (-€25.6bn)
- Net asset inflows: +€22.6bn in 2017 (of which +€2.0bn in 4Q17)
 - Wealth Management: strong net asset inflows, in particular in France and in Asia
 - Asset Management: asset inflows in particular into diversified and bond funds; asset outflows from money market funds
 - Insurance: good asset inflows concentrated in unit-linked policies

> Evolution of assets under management*



> Assets under management*



**Continued good business development
and rise of assets under management**

* Including distributed assets



International Financial Services Insurance - 2017

- Good development of both the savings and protection insurance business

- Good growth in Europe and strong drive in Asia and Latin America

- Success of the initial public offering of SBI Life in India

- Sale of a 4% stake in SBI Life in 3Q17
 - Market value of the remaining stake (22%): ~€2.0bn*
 - The stake continues to be consolidated under the equity method**



- Development and reinforcement of partnerships

- Sumitomo Mitsui in Japan, Volkswagen in Europe, Turkcell in Turkey, Itau in Chile...

- Revenues: €2,514m; +5.6% vs. 2016

- Due to the good development of the business and the favourable evolution of financial markets

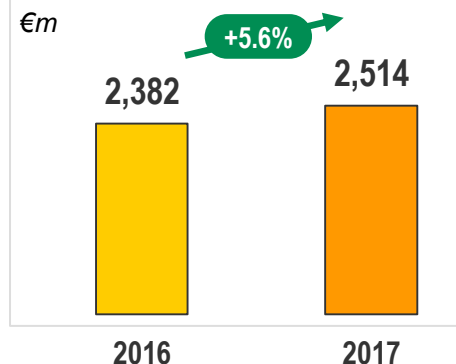
- Operating expenses: €1,251m ; +4.2% vs. 2016

- As a result of the good development of the business

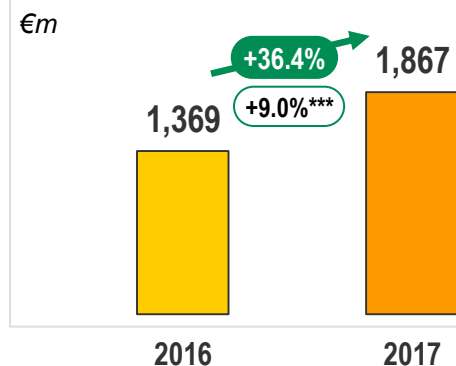
- Pre-tax income: €1,867m; +36.4% vs. 2016

- Effect in particular of the capital gain realised from the sale of the 4% stake in SBI Life (€326m): +9.0% at constant scope and exchange rates
 - Good performance of the associated companies

Revenues (Insurance)



Pre-tax income (Insurance)



**Continued business growth
Sharp rise in income**

* Based on the IPO share price (700 rupees); ** Contribution to 2017 Group results: €34m; *** At constant scope and exchange rates



International Financial Services Wealth and Asset Management* - 2017

- Asset Management: continued the transformation and adoption of the single brand BNP Paribas Asset Management



- Digital development: acquisition by Asset Management of a majority stake in Gambit

- European provider of digital investment advisory solutions (robo-advisory)



- Wealth Management rewarded at the **AWARDS 2017**
- Named *Best Private Bank in Europe and in Asia*

- Revenues: €3,193m; +7.3% vs. 2016

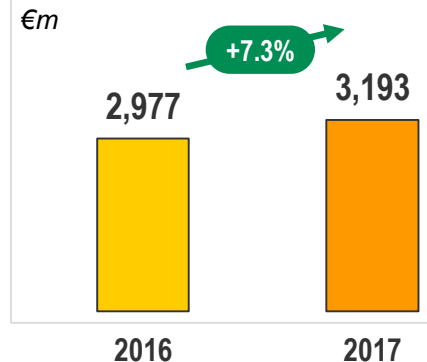
- As a result of the development of the businesses, very good performances of Asset Management and Real Estate Services

- Operating expenses : €2,387m; +2.0% vs. 2016

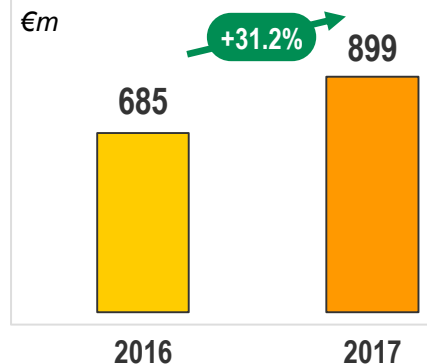
- Good cost containment
 - Largely positive jaws effect

- Pre-tax income: €899m; +31.2% vs. 2016

> Revenues (WAM*)



> Pre-tax income (WAM*)



Very good overall performance

* Asset Management, Wealth Management, Real Estate Services



International Financial Services

Active Implementation of the 2020 Plan (1/2)

Develop new partnerships



► Personal Finance:

- Kia Motors, Hyundai Motor (Spain); Toyota (Portugal)
- New sectors (tourism: TUI in France; telecoms: Masmovil in Spain)
- New countries (Austria: XXXLutz in home furnishings)
- China: good development of JVs with Bank of Nanjing, Geely and Suning



► Insurance:

- Partnership between BNP Paribas Cardif and Matmut to develop joint property & casualty offerings (launch in 2Q18)
- Global expansion of the partnership between BNP Paribas Cardif and Volkswagen Financial Services*



Optimise client experience



► Personal Finance:

- Loans granted on partner e-commerce websites in just 2 clicks and 1 password (eCredit Now) in Spain and Italy
- Launch in Italy of a mobile electronic signature solution (representing already 21% of contracts signed)



► Insurance: 100% of creditor insurance bought online in France

► Wealth Management: new features in the client app (biometric identification, advisory and online transactions, etc.)



* Creditor insurance & car protection



International Financial Services

Active Implementation of the 2020 Plan (2/2)

**Digitalisation,
new
technologies and
business models**

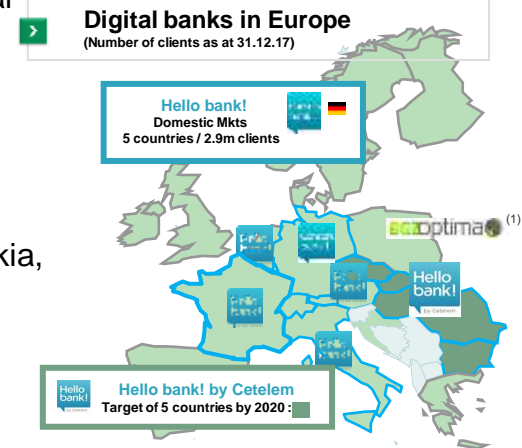
► New technologies:

- Acquisition of a majority stake in Gambit, a European provider of digital investment advisory solutions (robo-advisory)
- Partnership with Plug & Play, world's largest start-up accelerator



► Digital banks: launch by Personal Finance of new digital banks in Europe (Hello bank! by Cetelem)

- Leveraging in particular the strong brand recognition and the sizeable client base (27 million clients in 28 countries)
- Launched in the Czech Republic at the end of 2017
- 4 other countries expected in Eastern Europe (Slovakia, Hungary, Romania and Bulgaria)
- > 50 million inhabitants in these 5 countries



**Industrialise and
enhance
operating
efficiency**

- **Asset Management:** partnership with BlackRock to implement its Aladdin IT outsourcing solution
- **Bank of the West:** centralising of some functions and streamlining of hierarchical levels
- **Integration of acquisitions:** LaSer, Bank BGZ, financing activities of General Motors Europe



⁽¹⁾ 210,000 clients as at 31.12.17

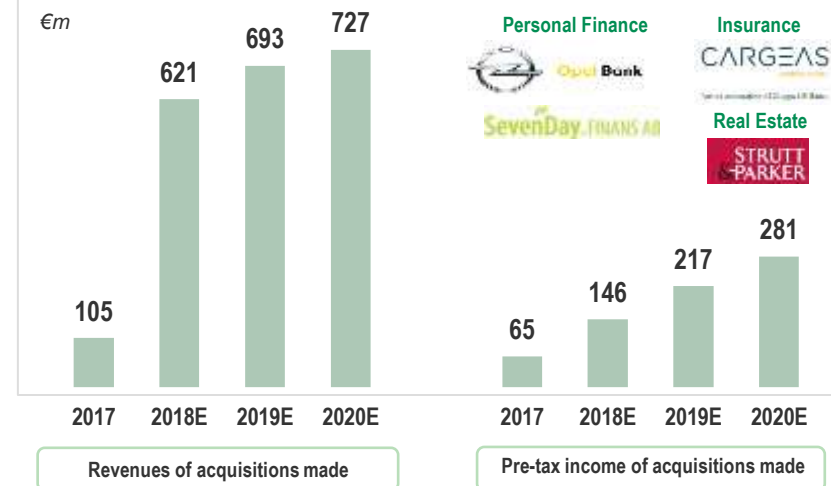


International Financial Services Growth Enhancing Acquisitions

Acquisitions that strengthen the growth of the businesses

- ▶ Acquisition by Personal Finance of **50% of General Motors Europe's financing activities** in partnership with PSA Group
 - Outstanding loans: €9.4bn at end 2017; presence in 11 countries in Europe
 - Acquisition price: €0.45bn (50%); 0.8x pro-forma book value
- ▶ Acquisition by Personal Finance of **SevenDay Finans AB**, a consumer credit specialist in Sweden
 - 70,000 clients; outstanding loans: €653m*
- ▶ Buyout by BNP Paribas Cardif of the remaining 50% stake in **Cargeas Italy** (property and casualty insurance)
- ▶ Real Estate Services: acquisition of **Strutt & Parker**, leading player in the UK property market

Contribution of acquisitions made in 2017



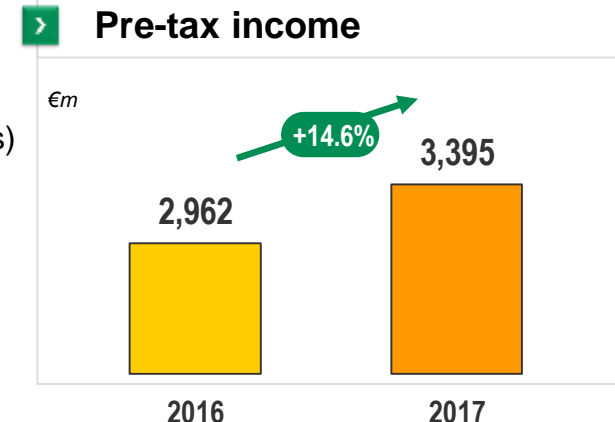
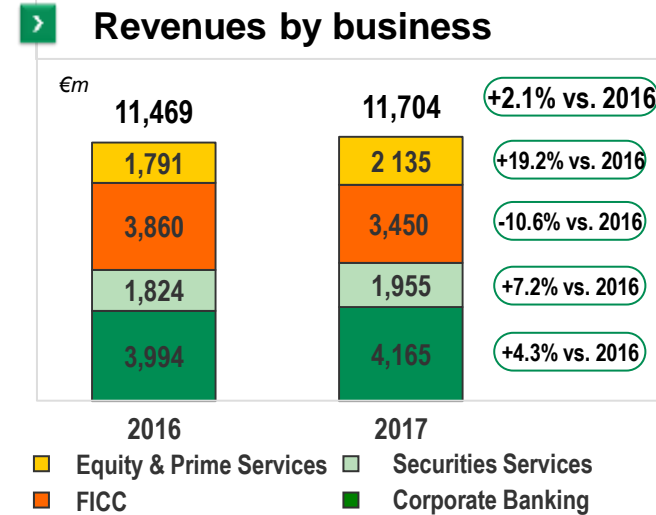
➡ **~+1 point of 2016-2020 revenues CAGR**

* As at 31 December 2017



Corporate and Institutional Banking - 2017 Summary

- Good progress of the transformation plan
 - Strengthened competitive positions
 - Effects of the cost saving measures
 - Launch of digital transformation initiatives
- Revenues: €11,704m (+2.1% vs. 2016)
 - +3.8% at constant scope and exchange rates (unfavourable exchange rate effect)
 - Increase in all the business units: Global Markets (+0.8%*), Securities Services (+8.3%*) and Corporate Banking (+6.1%*)
 - Challenging market environment in the 2nd half of the year
- Operating expenses: €8,273m (-0.4% vs. 2016)
 - +1.8% at constant scope and exchange rates (positive jaws effect: +2 pts)
 - Effect of increased activity largely offset by cost saving measures (~€240m vs. 2016)
- Pre-tax income: €3,395m (+14.6% vs. 2016)
 - +15.7% at constant scope and exchange rates
 - Decrease in the cost of risk



Solid business growth and decrease in costs
Strong rise in income

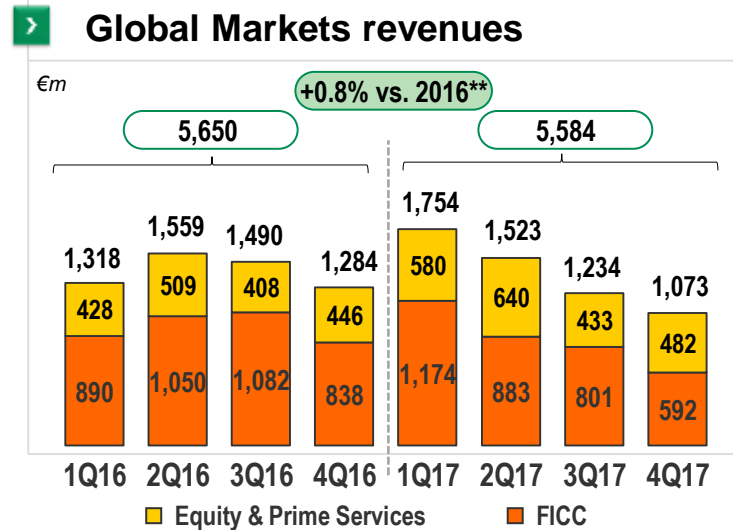
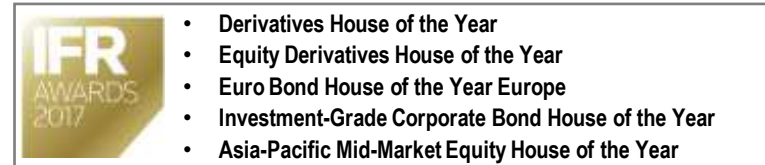
* At constant scope and exchange rates



Corporate and Institutional Banking - 2017

Global Markets - Business Activity and Revenues

- Good commercial performances in a lacklustre market context
 - Low volatility and limited client volumes in the 2nd half of the year
 - VaR down at a low level (€26m on average)
 - Continued strengthening of positions, in particular vs. the main European peers
 - Bond issues: ranked #1 for all bonds issues in euros and #9 for all international bonds*
 - Recognised expertise: 5 IFR *House of the Year* awards and Exane BNP Paribas named as the leading pan-European equity and research house (#1 in the Extel 2017 survey)
- Revenues: €5,584m (-1.2% vs. 2016)
 - +0.8% at constant scope and exchange rates: challenging context in the 2nd half after a good start to the year
 - Equity & Prime Services: €2,135m (+20.9%** vs. 2016), strong growth driven by a pick-up in the derivatives business and good development of Prime Services
 - FICC: €3,450m (-8.6%** vs. 2016), weak client activity in particular in foreign exchange and commodities in the 2nd half of the year



Good performance in a lacklustre market context

* Source: Dealogic 2017, ranking by volume; ** At constant scope and exchange rates

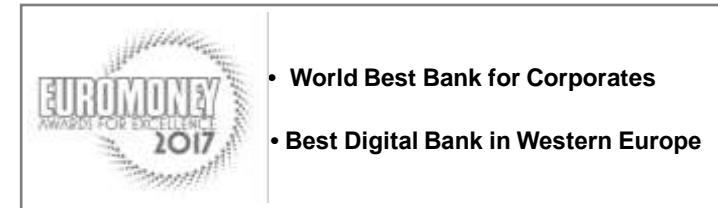


Corporate and Institutional Banking - 2017

Corporate Banking – Business Activity and Revenues

● Solid commercial performances

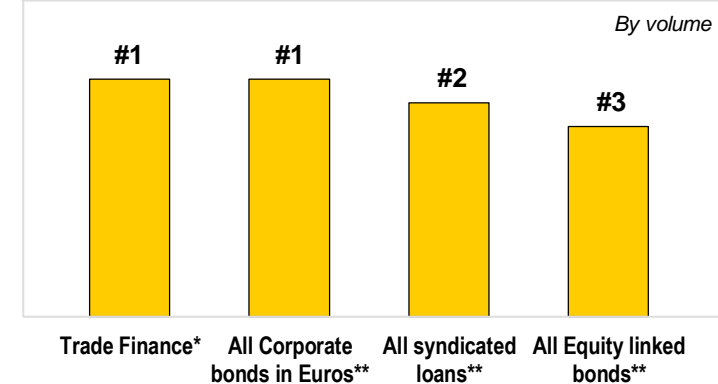
- Increase in the corporate franchise with a strengthened commercial set-up in particular in Germany
- Rise in average outstandings: €131bn in loans (+1.3% vs. 2016) and €130bn deposits (+11.1% vs. 2016)
- Strengthened positions in trade finance (ranked # 1 for the 3rd year in a row in Europe and entered the top 3 in Asia)*
- Ranked #2 for syndicated loans and #3 for equity linked issues in the EMEA** region
- *World Best Bank for Corporates* (Euromoney)



● Good rise in revenues: €4,165m (+4.3% vs. 2016)

- +6.1% at constant scope and exchange rates: rise in all three regions
- Good growth in Europe, sharp rise in Asia-Pacific and maintained a good level of business in the Americas
- Good performance of the transaction businesses (cash management, trade finance), in particular in Europe and in Asia

> 2017 European rankings



Good business growth
Strengthened commercial positions

* Source: Greenwich Share Leader Survey (European Large Trade Finance market penetration); ** Source: Dealogic 2017



Corporate and Institutional Banking - 2017

Securities Services - Business Activity and Revenues

● Excellent business drive

- Gained very significant new mandates in Europe and Asia
- Announced a major strategic partnership with Janus Henderson Investors (USD138bn in assets under custody)* in the United States



- Sustained growth in assets under custody and under administration (+11.0% vs. 31.12.2016) as well as in the number of transactions (+6.4% vs. 2016)
- New products: launch of a new tri-party collateral management offering
- Recognised expertise: *Custodian of the Year* at global level**, *European Custodian of the Year****

● Significant rise in revenues: €1,955m (+7.2% vs. 2016)

- +8.3% at constant scope and exchange rates
- In connection with the rise in assets under custody and under administration as well as of transactions



Spain – Mapfre

€60bn – Mandated to provide global custodian services worldwide.
February 2017



China – Asian Infrastructure Investment Bank

~\$20bn – Mandated as the sole global custodian.
May 2017



Netherlands – Actiam

€56bn – Mandated to provide middle & back office, fund & investment accounting, and reporting services. April 2017

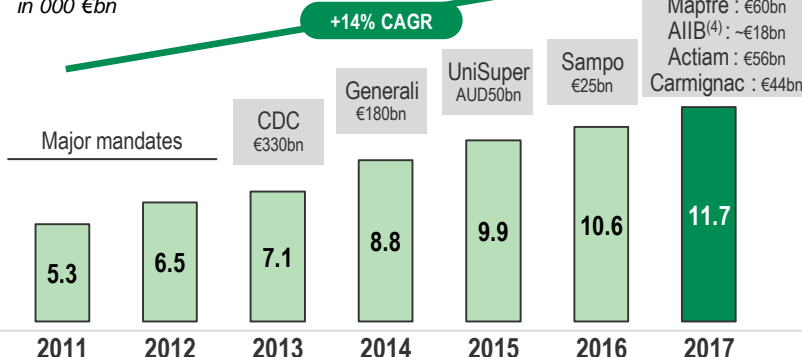


France – Carmignac

€44bn – Mandated as depositary bank and global custodian for French funds.
December 2017

> Strong growth in assets under custody and under administration

Enf of period
in 000 €bn



> Continued very good business development

* Closing of the transaction expected in 1Q18; ** Custody Risk Awards, November 2017; *** Funds Europe Awards 2017, November 2017



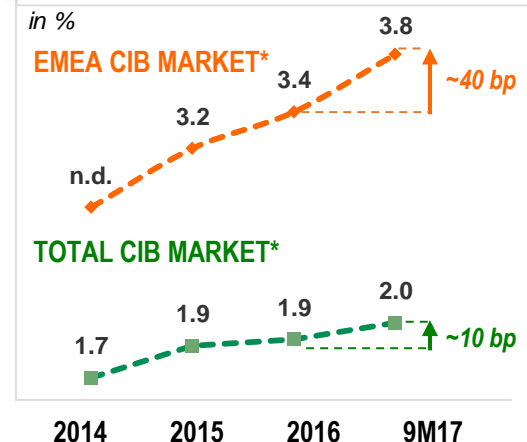
Corporate and Institutional Banking

Active Implementation of the 2020 Plan (1/3)

Grow the client franchises

- ▶ **Corporates: extend the client base and deepen relations with the existing clientele**
 - Good business development in targeted countries thanks to commercial development initiatives (revenues vs. 2016 : +5.6% in Germany, +4.5% in the UK)
 - Strengthen the commercial set-up, in particular in targeted countries in Europe (notably Germany, UK, Netherlands and Scandinavia)
 - Over 125 new client groups in Europe gained in 2017
- ▶ **Bolster our presence in the Institutional segment**
 - Strengthen the coordinated offering of the businesses (*One Bank Approach*)
 - Dedicated initiatives targeting in particular private equity funds and alternative asset managers
- ▶ **Leverage the global presence of the Group**
 - Reinforce commercial synergies between the United States and Europe
 - Develop the footprint in selected markets (China, Indonesia, etc.) to better serve the needs of clients
 - Bolster Securities Services in Asia-Pacific and in the United States to complete its multi-local model

Increased market shares



* Source: Coalition, BNP Paribas calculation based on CIB total market (250 banks) and on CIB EMEA market, at constant exchange rate



Corporate and Institutional Banking

Active Implementation of the 2020 Plan (2/3)

Implement targeted growth initiatives

► New partnerships:

- Strategic partnership with GTS to enhance and expand the offering to Global Markets clients in US Treasuries
- Minority stake in Symphony, a secure communication platform including workflow automation tool for institutional clients (> 200,000 users, internal rollout in 1H18)
- Development of the Securities Services-Fortia partnership (artificial intelligence in the field of fund administration)



► Strengthen the integrated CIB model

- Develop joint Securities Services and Global Markets offerings (foreign exchange, collateral management, etc.)
- Expand cooperation between Bank of the West and CIB on corporates

► Roll-out new offerings

- Launch of a new tri-party collateral management offering (Securities Services)

Accelerate digital transformation

► 150 digital projects identified, of which 100 already in the process of being implemented

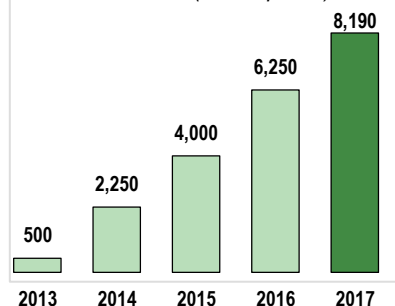
► Digitalise the customer journeys

- Growing number of users of digital interfaces (Centric, Cortex, etc.)
- Digitalisation and industrialisation of the *Know Your Client (KYC)* process



► Centric

Number of clients (end of period)

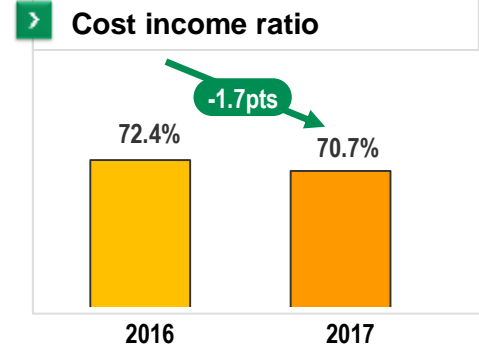


Corporate and Institutional Banking

Active Implementation of the 2020 Plan (3/3)

Improve operating efficiency

- ▶ **Continue the cost saving programmes** launched since 2016: €0.6bn in 2 years, *i.e.* 50% of 2020 target
- ▶ **Develop mutualised platforms** (Portugal, Canada, India, Spain, Poland): share of headcount up by 10 pts vs. end of 2015
- ▶ **Implement new end-to-end processes** (three projects already launched: client onboarding, credit process, FX cash)
- ▶ **Automation**: 250 cases of robotics use identified

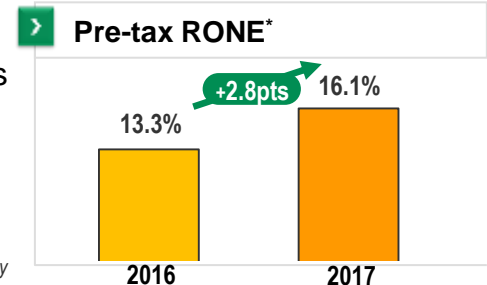


Optimise financial resources

- ▶ **Reduce risk-weighted assets:**
 - -€6.7bn in 2017: right-sizing of sub-profitable portfolios, active management of financial resources (loan sales, securitisations...)
 - ~74% of the target of -€20bn achieved (-€8bn already achieved in 2016)
 - Allocated equity: €21.1bn in 2017 (-4.9% vs. 2016)
- ▶ **Gradual redeployment** of the resources thus freed up into growth

Significantly improve the return on equity

- ▶ **Increase in the return on equity already significant** thanks to all the measures enacted
 - 16.1% pre-tax RONE* in 2017 (+2.8 pts vs. 2016)



*Return on Notional Equity



Group Results

Division Results

Good Start of the 2020 Plan

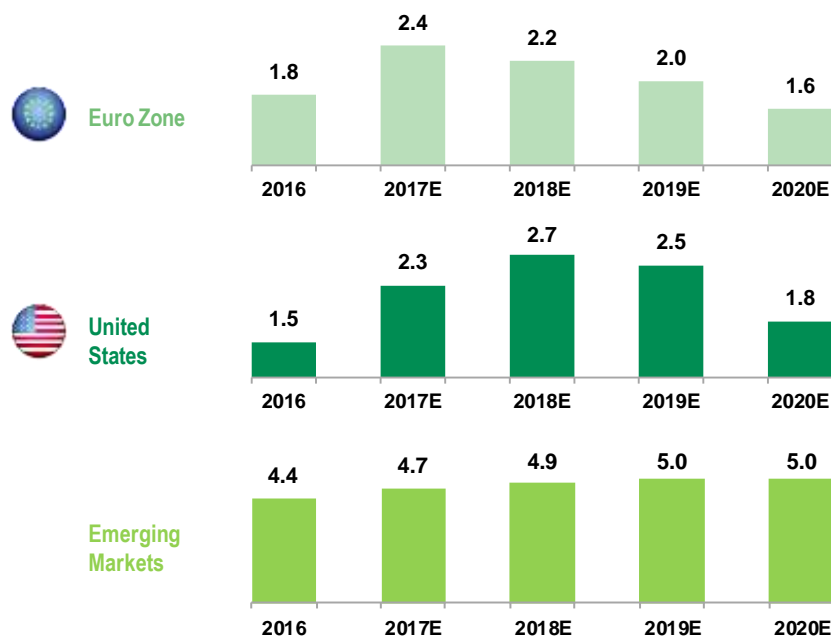
4Q17 Detailed Results

Appendix

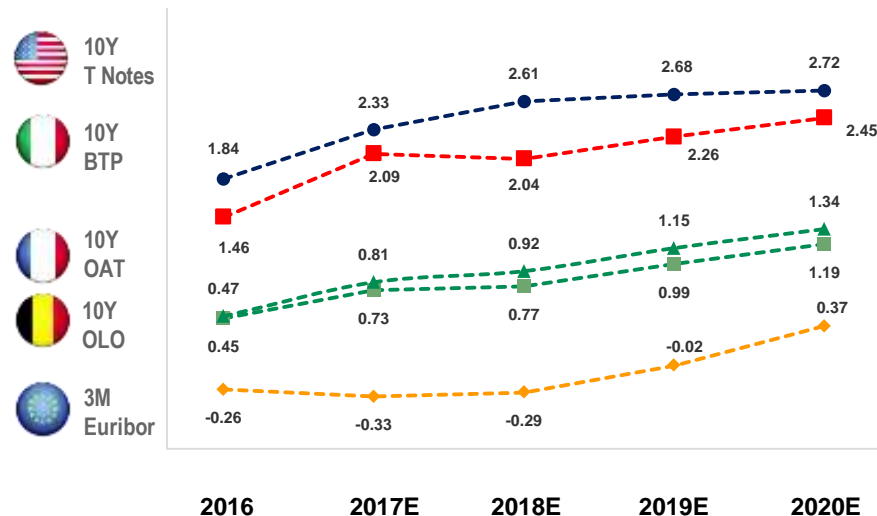


A Gradually Improving Macroeconomic Context

Positive GDP growth forecasts*



Gradual increase in interest rates**



Robust economic growth forecasts in Europe
An interest rate scenario gradually more favourable in 2018-2020

* Source: IMF (22 January 2018); ** Implied forward rates as at 12 January 2018



An Integrated Bank with a Differentiated Strategy by Operating Division

> Domestic Markets

► Strengthen the sales & marketing drive

- Headwinds (low interest rates, MiFID 2) still present in 2018, but which are expected to ease up starting in 2019
- Enhance the attractiveness of offering and offer new services

> International Financial Services

► Pursue growth

- Consolidate leading positions: leveraging best in class offers
- Speed up the pace of growth of the businesses (new offerings, new partnerships and new countries)
- Continue selective development of retail banks

> Corporate and Institutional Banking

► Optimise resources and revenue growth

- Grow the corporate and institutional client franchises
- Implement specific initiatives in selected countries in Europe
- Develop fee generating service businesses

> In all the businesses

An ambitious new customer experience, digital transformation and savings programme



Implementation of 5 Levers for a New Customer Experience

> Upgrade the operational model

- Streamlining and automatisation of end-to-end processes
- Simplification of the organisations
- Shared platforms and smart sourcing

Implementation example



> Implement new customer journeys

- New digitalised, expanded, seamless and personalised customer journeys (more services, more attractiveness, choice of channel)
- Upgraded service models (better customer segmentation based on user habits, "the right product at the right time and through the right channel")
- Digitalisation of distribution by developing digital customer interfaces
- New services made available

Implementation examples



5 levers for a new customer experience & a more effective and digital bank

> Make better use of data to serve clients

- Better reliability of data and enhancement of data use for the benefit of customers
- Reinforcement of data storage, protection and analysis capacities
- Use of cutting-edge technologies (artificial intelligence, machine learning)

Implementation examples



> Work differently

- More digital, collaborative and agile work practices
- Day-to-day digital environment & digital and innovation driven culture
- Staff training

Implementation examples



> Adapt information systems

- Evolution of information systems and incorporation of new technologies in order to accelerate digital
- Improvement of IT efficiency and agile practices
- Promotion of innovation

Implementation example

Digital platform



Banking platform

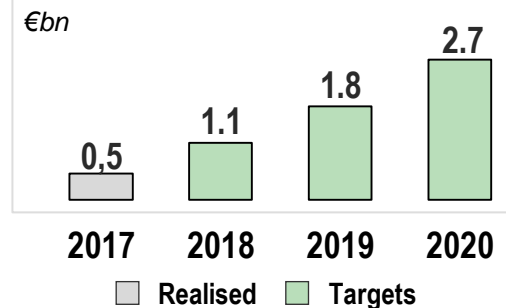


Startup of the Transformation Plan in Line With the 2020 Objectives

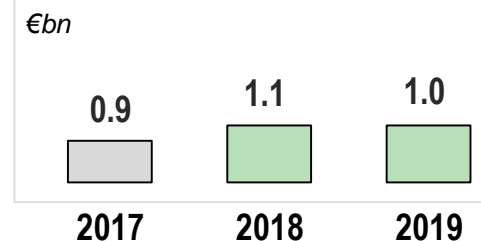
5 levers for a new customer experience & a more effective and digital bank

- Active implementation of the transformation plan throughout the entire Group
 - ~150 significant programmes identified*
- Cost savings: €533m since the launch of the project
 - In line with the objective
 - Breakdown of cost savings by operating division: 45% at CIB (reminder: launch of the cost saving plan as early as 2016 at CIB); 29% at Domestic Markets; 26% at IFS
 - Of which €224m booked in 4Q17
- Transformation costs: €856m in 2017
 - Gradual increase to an average level of about €250m per quarter
 - €408m in 4Q17** due to specific IT costs booked this quarter
 - Reminder: €3bn in transformation costs in the 2020 plan

> Cumulated recurring cost savings



> One-off transformation costs



Active implementation of the 2020 transformation plan

* Savings generated > €5m; ** Breakdown of the transformation costs of the businesses presented in the Corporate Centre: slide 87



Commitment for a Positive Impact on Society (1/2)

Creation of a Company Engagement Department

- Represented in the Group Executive Committee
- **Defines the Group's commitments** to civil society and **strengthens** CSR / diversity practices in the banking businesses
- **Make all the company's levers converge to meet key challenges in society:** energy transition, youth, local development, entrepreneurial and social innovation

A culture of corporate responsibility recognised by leading indices and labels



Selected in the Dow Jones Sustainability World & Europe Index, #1 French bank (score: 86/100)



1st bank in Europe in terms of CSR (Global Banking & Finance Review)



2nd bank (out of 25) in Thomson Reuters' Global Diversity & Inclusion index



"Top 10 Performers" of the new CAC 40® Governance index of Euronext and Vigeo Eiris (March 2017)



European leader in climate risk management by ShareAction (a British charity that promotes responsible investment)



Included in specific workplace equality indexes: Bloomberg Financial Services Gender Equality Index (BFGEI), Pax Ellevest Women's Index Fund

Commitment for a Positive Impact on Society (2/2)

A sense of responsibility rooted in our financial activities...

- **Stop the financings to tobacco companies**
- Placed in 2017 **sustainable bonds** for an equivalent of \$6bn (+116% vs. 2016)
- **United Nations Sustainable Development Goals (SDGs)**: €155bn in financings to support energy transition and sectors considered as directly contributing to SDGs*
- **Social Impact Contracts (SICs)**: structured 7 SICs certified by the French government: Wimoov (provides access to mobility to improve employment opportunities), Passport Future (prevention of early school leaving)....
- Nearly **€1bn in financing to social businesses**

...as well as in our philanthropic actions

- **“La France s’engage”**: one of the 4 founders of this public interest foundation that supports social innovation initiatives
- **BNP Paribas Foundation and Bill & Melinda Gates Foundation**: support 600 researchers on climate change adaptation in Africa



A major role in the transition toward a low carbon economy

- **Stop funding companies whose principal business activity is gas and oil from shale** (or oil from tar sands) & oil or gas projects located in the Arctic region
- **Carbon neutrality** of BNP Paribas' own operations achieved at the end of 2017
- **Asset management**: launch of Parvest Green Bond, a €100m bond fund that invests in bonds financing projects combating climate change
- **One Planet Summit**: partner with the UN Environment Programme (promote sustainable development in emerging countries) and the Breakthrough Energy Coalition (investment in sustainable energies)



* Including sustainable bonds' placement and CSR funds



Confirmation of 2020 Targets

		<u>2020 Plan</u>
Revenue growth		2016-2020 CAGR ⁽¹⁾ ≥ +2.5%
Recurring cost savings target starting from 2020		~€2.7bn
Cost income ratio	2016: 66.8% ⁽²⁾	63%
ROE	2016: 9.4% ⁽²⁾	> 10%
Fully loaded Basel 3 CET1 ratio	11.5% in 2016	12% ⁽³⁾
Pay-out ratio	2016: 45%	50% ⁽⁴⁾



ROE > 10% in 2020

⁽¹⁾ Compounded annual growth rate; ⁽²⁾ Excluding exceptional items; ⁽³⁾ Assuming constant regulatory framework; ⁽⁴⁾ Subject to Annual General Meeting approval



Conclusion



Good performance of the Group in 2017

Net income Group share: €7.8bn



Sustained development of the business activity in a more buoyant economic context in Europe



Promising start to the 2017-2020 development plan

Businesses strengthening their commercial position

Roll-out of new customer experiences by speeding up the pace of digital transformation

Commitment for a positive impact on society



Group Results

Division Results

Good Start of the 2020 Plan

4Q17 Detailed Results

Appendix



Main Exceptional Items - 4Q17

- **Revenues**

- Own credit adjustment and DVA (*Corporate Centre*)

- **Operating expenses**

- Restructuring costs of acquisitions* (*Corporate Centre*)
- Transformation and adaptation costs of Businesses** (*Businesses and Corporate Centre*)
- Compulsory contribution to the resolution process of 4 Italian banks***

- **Other non operating items**

- Goodwill impairments (*Corporate Centre*)****

- **Total exceptional items (pre-tax)**

- **Total exceptional items (after tax)*******

>	4Q17	>	4Q16
	+€11m		-€18m
	+€11m		-€18m
	-€48m		-€48m
	-€408m		-€242m
			- €52m
	-€456m		-€342m
			-€127m
			-€127m
	-€446m		-€487m
	-€294m		-€372m

* LaSer, Bank BGZ, DAB Bank, GE LLD; ** 2016 reminder: CIB (-€98m), BNL bc (-€50m), BRB (-€80m), WAM (-€7m), Corporate Centre (-€7m);

*** BNL bc (-€47m in 4Q16), Personal Finance (-€5m in 4Q16); **** Full goodwill impairment of BGZ; ***** Group share



Consolidated Group - 4Q17

	> 4Q17	> 4Q16	> %		> %	
			At historical scope & exchange rates	At constant scope & exchange rates	Operating divisions At historical scope & exchange rates	At constant scope & exchange rates
Revenues	€10,532m	€10,656m	-1.2%	+0.4%	-0.6%	+1.0%
Operating expenses	-€7,621m	-€7,444m	+2.4%	+3.7%	-1.8%	-0.6%
Gross operating income	€2,911m	€3,212m	-9.4%	-7.5%	+1.9%	+4.2%
Cost of risk	-€985m	-€950m	+3.7%	+8.6%	+10.3%	+15.8%
Operating income	€1,926m	€2,262m	-14.9%	-14.0%	-1.1%	+0.3%
Non operating items	€196m	€5m	n.s.	n.s.	n.s.	n.s.
Pre-tax income	€2,122m	€2,267m	-6.4%	-8.4%	+2.1%	+2.2%
Net income Group share	€1,426m	€1,442m	-1.1%			
Net income Group share excluding exceptional items*	€1,720m	€1,814m	-5.2%			



Unfavourable foreign exchange effect
Good operating performance

* See slide 53



Retail Banking and Services - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	7,881	7,758	+1.6%	7,707	+2.3%	31,045	30,651	+1.3%
Operating Expenses and Dep.	-5,101	-5,200	-1.9%	-4,854	+5.1%	-20,044	-19,880	+0.8%
Gross Operating Income	2,780	2,558	+8.7%	2,853	-2.6%	11,001	10,771	+2.1%
Cost of Risk	-722	-824	-12.4%	-662	+9.0%	-2,705	-3,005	-10.0%
Operating Income	2,058	1,733	+18.7%	2,191	-6.1%	8,296	7,765	+6.8%
Share of Earnings of Equity-Method Entities	147	130	+13.7%	162	-9.0%	622	530	+17.3%
Other Non Operating Items	55	-5	n.s.	361	-84.7%	443	10	n.s.
Pre-Tax Income	2,261	1,858	+21.7%	2,714	-16.7%	9,361	8,305	+12.7%
Cost/Income	64.7%	67.0%	-2.3 pt	63.0%	+1.7 pt	64.6%	64.9%	-0.3 pt
Allocated Equity (€bn)						51.4	49.0	+4.7%

Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium, Luxembourg, at BancWest and TEB for the Revenues to Pre-tax income line items



Domestic Markets - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	3,897	3,866	+0.8%	3,918	-0.5%	15,718	15,715	+0.0%
Operating Expenses and Dep.	-2,653	-2,794	-5.1%	-2,599	+2.1%	-10,620	-10,629	-0.1%
Gross Operating Income	1,244	1,072	+16.0%	1,319	-5.7%	5,098	5,086	+0.2%
Cost of Risk	-370	-399	-7.1%	-311	+19.0%	-1,356	-1,515	-10.5%
Operating Income	874	674	+29.7%	1,008	-13.3%	3,743	3,572	+4.8%
Share of Earnings of Equity-Method Entities	7	14	-49.2%	23	-69.4%	62	54	+13.4%
Other Non Operating Items	1	-6	n.s.	3	-65.3%	10	2	n.s.
Pre-Tax Income	882	681	+29.5%	1,034	-14.7%	3,814	3,628	+5.1%
Income Attributable to Wealth and Asset Management	-70	-59	+18.2%	-64	+9.3%	-273	-246	+10.9%
Pre-Tax Income of Domestic Markets	812	622	+30.5%	970	-16.3%	3,541	3,382	+4.7%
Cost/Income	68.1%	72.3%	-4.2 pt	66.3%	+1.8 pt	67.6%	67.6%	+0.0 pt
Allocated Equity (€bn)						24.6	23.0	+6.9%

Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg for the Revenues to Pre-tax income items

- Revenues: +0.8% vs. 4Q16
 - Growth in activity but impact of the low interest rate environment
 - Higher fees in all the networks
- Operating expenses: -5.1% vs. 4Q16
 - +0.6% vs. 4Q16 excluding impact of non-recurring items*
 - Good cost containment
- Pre-tax income: +30.5% vs. 4Q16
 - +4.2% vs. 4Q16 excluding impact of non-recurring items*
 - Continued decrease in the cost of risk in Italy

* 4Q16 reminder: additional compulsory contribution of BNL bc to the resolution process of 4 Italian banks (-€47m); restructuring costs: BRB (-€80m), BNL bc (-€50m); 4Q17: restructuring costs at BRB (-€20m)



Domestic Markets

French Retail Banking - 4Q17 (excluding PEL/CEL effects)

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	1,541	1,548	-0.4%	1,585	-2.8%	6,352	6,401	-0.8%
Incl. Net Interest Income	876	899	-2.6%	897	-2.4%	3,569	3,676	-2.9%
Incl. Commissions	665	649	+2.6%	688	-3.3%	2,783	2,725	+2.1%
Operating Expenses and Dep.	-1,175	-1,216	-3.4%	-1,183	-0.7%	-4,657	-4,673	-0.3%
Gross Operating Income	366	332	+10.3%	402	-8.9%	1,695	1,728	-1.9%
Cost of Risk	-107	-124	-14.0%	-65	+63.8%	-331	-342	-3.3%
Operating Income	259	208	+24.8%	337	-23.0%	1,365	1,386	-1.5%
Non Operating Items	0	1	n.s.	1	n.s.	1	3	-62.4%
Pre-Tax Income	259	209	+24.0%	337	-23.2%	1,366	1,389	-1.7%
Income Attributable to Wealth and Asset Management	-38	-32	+17.4%	-36	+6.3%	-153	-138	+11.0%
Pre-Tax Income of French Retail Banking	221	177	+25.3%	302	-26.7%	1,213	1,251	-3.1%
Cost/Income	76.2%	78.5%	-2.3 pt	74.6%	+1.6 pt	73.3%	73.0%	+0.3 pt
Allocated Equity (€bn)						9.4	8.7	+7.8%

*Including 100% of French Private Banking for the revenues to Pre-tax income line items (excluding PEL/CEL effects)**

- Revenues: -0.4% vs. 4Q17
 - Net interest income: -2.6%, impact of the low interest rate environment partially offset by business growth
 - Fees: +2.6%, rise in financial fees
- Operating expenses: -3.4% vs. 4Q16
 - Decrease in costs
- Decrease in the cost of risk vs. 4Q16
 - 4Q16 reminder: impact of a specific client loan

* PEL/CEL effect: +€19m in 2017 (-€2 m in 2016) and +€13m in 4Q17 (+€8m in 4Q16)



Domestic Markets

French Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 4Q17	%Var/4Q16	%Var/3Q17	Outstandings 2017	%Var/2016
LOANS	160.7	+8.0%	+1.3%	156.4	+8.0%
Individual Customers	88.9	+10.7%	+1.4%	86.2	+11.4%
Incl. Mortgages	78.1	+11.6%	+1.3%	75.6	+12.1%
Incl. Consumer Lending	10.8	+4.6%	+1.9%	10.6	+6.2%
Corporates	71.8	+4.8%	+1.2%	70.2	+4.2%
DEPOSITS AND SAVINGS	163.9	+11.1%	+0.8%	160.3	+12.0%
Current Accounts	99.4	+19.4%	+2.6%	94.8	+21.3%
Savings Accounts	58.3	+0.8%	-1.5%	58.8	+1.0%
Market Rate Deposits	6.3	-4.1%	-4.4%	6.6	-1.5%
	31.12.17	%Var/ 31.12.16	%Var/ 30.09.17		
€bn					
OFF BALANCE SHEET SAVINGS					
Life Insurance	89.1	+4.2%	+0.9%		
Mutual Funds	42.2	-8.7%	+5.0%		

- Loans: +8.0% vs. 4Q16, rise in loans to individual and corporate customers
- Deposits: +11.1% vs. 4Q16, strong growth in current accounts
- Off balance sheet savings:
 - Good growth in life insurance outstandings
 - Decrease in money market funds



Domestic Markets

BNL banca commerciale - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	732	745	-1.7%	719	+1.7%	2,907	2,972	-2.2%
Operating Expenses and Dep.	-457	-543	-15.9%	-445	+2.6%	-1,801	-1,885	-4.5%
Gross Operating Income	275	202	+36.5%	274	+0.3%	1,106	1,086	+1.8%
Cost of Risk	-218	-229	-4.5%	-203	+7.5%	-871	-959	-9.2%
Operating Income	57	-27	n.s.	71	-20.0%	235	127	+85.2%
Non Operating Items	0	0	+12.1%	0	+18.4%	1	0	n.s.
Pre-Tax Income	57	-27	n.s.	71	-19.9%	236	127	+85.5%
Income Attributable to Wealth and Asset Management	-11	-10	+16.5%	-9	+26.5%	-44	-37	+18.7%
Pre-Tax Income of BNL bc	46	-36	n.s.	63	-26.5%	192	90	n.s.
Cost/Income	62.4%	72.9%	-10.5 pt	61.9%	+0.5 pt	62.0%	63.4%	-1.4 pt
Allocated Equity (€bn)						5.8	5.7	+1.7%

Including 100% of the Italian Private Banking for the Revenues to Pre-tax income line items

- Revenues: -1.7% vs. 4Q16
 - Net interest income: -6.2% vs. 4Q16, impact of the low interest rate environment
 - Fees: +6.4% vs. 4Q16, increase related to the good growth in off balance sheet savings and private banking
- Operating expenses: -15.9% vs. 4Q16
 - 4Q16 reminder: impact of non-recurring items*
- Cost of risk: -4.5% vs. 4Q16
 - Continued decrease in the cost of risk

* Additional compulsory contribution to the resolution process of 4 Italian banks (-€47m) and one-off transformation costs(-€50m)



Domestic Markets

BNL banca commerciale - Volumes

Average outstandings (€bn)	Outstandings 4Q17	%Var/4Q16	%Var/3Q17	Outstandings 2017	%Var/2016
LOANS	78.1	-0.6%	+0.4%	78.3	+0.6%
Individual Customers	40.1	+1.8%	+0.2%	40.1	+2.5%
Incl. Mortgages	25.0	+1.8%	-0.3%	25.0	+0.9%
Incl. Consumer Lending	4.2	+0.3%	+0.6%	4.2	+1.3%
Corporates	38.0	-3.0%	+0.6%	38.2	-1.4%
DEPOSITS AND SAVINGS	42.8	+7.3%	+2.3%	41.6	+9.5%
Individual Deposits	28.3	+6.9%	+1.5%	27.8	+8.8%
Incl. Current Accounts	28.0	+7.1%	+1.6%	27.5	+9.0%
Corporate Deposits	14.6	+8.2%	+3.8%	13.8	+10.9%

€bn	31.12.17	%Var/ 31.12.16	%Var/ 30.09.17
OFF BALANCE SHEET SAVINGS			
Life Insurance	19.6	+6.8%	+2.8%
Mutual Funds	15.7	+13.6%	+3.4%

- Loans: -0.6% vs. 4Q16
 - +0.6% excluding the impact of the sale of a portfolio of non-performing loans in 1Q17*
- Deposits: +7.3% vs. 4Q16
 - Individuals and corporates: strong rise in current accounts
- Off balance sheet savings: good asset inflows, strong rise in mutual fund outstandings

* Sale of a portfolio of non-performing loans comprising corporates and mortgages loans for a total of €1bn



Domestic Markets

Belgian Retail Banking - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	894	908	-1.6%	921	-3.0%	3,677	3,661	+0.4%
Operating Expenses and Dep.	-601	-661	-9.2%	-570	+5.4%	-2,554	-2,582	-1.1%
Gross Operating Income	293	247	+18.8%	351	-16.6%	1,123	1,079	+4.0%
Cost of Risk	-15	-9	+61.4%	-23	-36.9%	-65	-98	-33.8%
Operating Income	278	237	+17.1%	328	-15.2%	1,058	981	+7.8%
Non Operating Items	3	2	n.s.	20	-83.9%	28	6	n.s.
Pre-Tax Income	281	239	+17.7%	347	-19.1%	1,085	987	+10.0%
Income Attributable to Wealth and Asset Management	-19	-17	+16.3%	-18	+4.8%	-73	-69	+5.3%
Pre-Tax Income of Belgian Retail Banking	262	222	+17.8%	329	-20.4%	1,013	918	+10.3%
Cost/Income	67.2%	72.8%	-5.6 pt	61.9%	+5.3 pt	69.5%	70.5%	-1.0 pt
Allocated Equity (€bn)						5.3	4.7	+12.2%

Including 100% of Belgian Private Banking for the Revenues to Pre-tax income line items

- Revenues: -1.6% vs. 4Q16
 - Net interest income: -4.8% vs. 4Q16, impact of the low interest rate environment
 - Fees: +8.4% vs. 4Q16, rise in financial fees
- Operating expenses: -9.2% vs. 4Q16
 - Stable vs. 4Q16 excluding non-recurring items*
 - Effect of the cost saving measures
- Pre-tax income: +17.8% vs. 4Q16

* Restructuring costs: -€20m in 4Q17 (-€80m in 4Q16)



Domestic Markets

Belgian Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 4Q17	%Var/4Q16	%Var/3Q17	Outstandings 2017	%Var/2016
LOANS	103.0	+6.2%	+0.6%	101.9	+6.1%
Individual Customers	67.1	+2.5%	+0.2%	66.8	+3.1%
Incl. Mortgages	48.4	+3.2%	+0.4%	48.0	+4.0%
Incl. Small Businesses	18.7	+0.6%	-0.1%	18.6	+1.1%
Corporates and Local Governments	35.8	+13.9%	+1.6%	35.1	+12.2%
DEPOSITS AND SAVINGS	121.3	+2.9%	+0.4%	119.8	+3.2%
Current Accounts	49.5	+4.4%	+1.2%	47.9	+5.5%
Savings Accounts	68.8	+2.5%	+0.1%	68.4	+2.9%
Term Deposits	3.0	-9.4%	-3.6%	3.4	-16.6%
	31.12.17	%Var/	%Var/		
€bn		31.12.16	30.09.17		
OFF BALANCE SHEET SAVINGS					
Life Insurance	24.2	-2.1%	-0.6%		
Mutual Funds	32.7	+7.4%	+2.1%		

- Loans: +6.2% vs. 4Q16
 - Individuals: +2.5% vs. 4Q16, rise in particular in mortgage loans
 - Corporates: +13.9% vs. 4Q16, strong increase in loans to SME
- Deposits: +2.9% vs. 4Q16
 - Individuals and corporates: good growth in current accounts



Domestic Markets: Other Activities - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	730	666	+9.7%	692	+5.4%	2,782	2,681	+3.8%
Operating Expenses and Dep.	-420	-374	+12.5%	-400	+5.0%	-1,608	-1,488	+8.1%
Gross Operating Income	310	292	+6.1%	292	+6.1%	1,174	1,193	-1.6%
Cost of Risk	-30	-37	-17.4%	-19	+57.6%	-89	-115	-23.0%
Operating Income	279	255	+9.4%	273	+2.5%	1,085	1,078	+0.7%
Share of Earnings of Equity-Method Entities	5	10	-52.2%	5	+2.1%	38	43	-10.3%
Other Non Operating Items	0	-6	n.s.	0	n.s.	4	5	-18.5%
Pre-Tax Income	284	260	+9.3%	277	+2.4%	1,127	1,125	+0.2%
Income Attributable to Wealth and Asset Management	-1	0	n.s.	-1	+64.2%	-3	-2	+54.4%
Pre-Tax Income of Other Domestic Markets	283	259	+9.0%	277	+2.2%	1,124	1,123	+0.1%
Cost/Income	57.6%	56.1%	+1.5 pt	57.8%	-0.2 pt	57.8%	55.5%	+2.3 pt
Allocated Equity (€bn)						4.0	3.8	+6.2%

Including 100% of Private Banking in Luxembourg for the Revenues to Pre-tax income line items

- Revenues*: +9.7% vs. 4Q16
 - Scope effects and good development of the businesses' activity
- Operating expenses*: +12.5% vs. 4Q16
 - Scope effects and impact of businesses' development
 - Costs to launch new digital services in particular at Leasing Solutions and Arval
- Pre-tax income**: +9.0% vs. 4Q16
 - Decrease in the cost of risk

* Including 100% of Private Banking in Luxembourg; ** Including 2/3 of Private Banking in Luxembourg



Domestic Markets

LRB - Personal Investors

> Luxembourg Retail Banking (LRB)

Average outstandings (€bn)	4Q17	%Var/4Q16	%Var/3Q17	2017	%Var/2016
LOANS	9.4	+9.8%	+1.3%	9.0	+7.4%
Individual Customers	6.5	+7.0%	+2.2%	6.3	+4.4%
Corporates and Local Governments	2.9	+16.9%	-0.6%	2.7	+15.1%
DEPOSITS AND SAVINGS	20.1	+14.8%	+5.1%	18.9	+15.4%
Current Accounts	10.0	+15.9%	+5.8%	9.3	+25.0%
Savings Accounts	9.1	+10.6%	+4.1%	8.6	+8.1%
Term Deposits	1.1	+49.0%	+6.3%	0.9	+1.8%
€bn	31.12.17	%Var/ 31.12.16	%Var/ 30.09.17		
OFF BALANCE SHEET SAVINGS					
Life Insurance	1.0	+3.4%	-4.9%		
Mutual Funds	1.7	+1.3%	+0.0%		



- Loans vs. 4Q16: good growth in corporate and mortgage loans
- Deposits vs. 4Q16: strong increase in sight deposits and savings accounts particularly in the corporate client segment
- Off balance sheet savings: growth in life insurance
- Digital: 1st bank in Luxembourg to offer digital and automated management of the authorised credit card limit (2017 innovation award)

> Personal Investors

Average outstandings (€bn)	4Q17	%Var/4Q16	%Var/3Q17	2017	%Var/2016
LOANS	0.6	+34.7%	+20.7%	0.5	+13.3%
DEPOSITS	22.3	+9.0%	+3.2%	21.6	+8.1%
€bn	31.12.17	%Var/ 31.12.16	%Var/ 30.09.17		
ASSETS UNDER MANAGEMENT	95.8	+14.1%	+5.1%		
European Customer Orders (millions)	4.6	+10.2%	+9.2%		



- Deposits vs. 4Q16: good level of new client acquisition
- Assets under management vs. 31.12.16: effect of the rise of financial markets and good asset inflows
- Digital: new digital interfaces (websites and mobile apps) to enhance the customer experience; Consorsbank! named *Online-Broker 2017* by *Euro am Sonntag*



Domestic Markets

Arval - Leasing Solutions - Compte Nickel

> Arval

Average outstandings (€bn)	4Q17	%Var*/4Q16	%Var*/3Q17	2017	%Var*/2016
Consolidated Outstandings	16.1	+10.2%	+2.6%	15.2	+11.0%
Financed vehicles ('000 of vehicles)	1,104	+7.4%	+2.1%	1,073	+7.7%

- Consolidated outstandings: +10.2%* vs. 4Q16, strong growth in all regions
- Financed vehicles: > 1.1 million vehicles (+7.4%* vs. 4Q16), very good sales and marketing drive

> Leasing Solutions

Average outstandings (€bn)	4Q17	%Var*/4Q16	%Var*/3Q17	2017	%Var*/2016
Consolidated Outstandings	18.0	+5.8%	+1.2%	17.5	+5.8%

- Consolidated outstandings: +5.8%* vs. 4Q16, good business development

> Compte Nickel



- Acquisition finalised on 12 July 2017
- Close to 800,000 accounts as at 31 December 2017 (+70% vs. 31 December 2016; +12% vs. 30 September 2017)

* At constant scope and exchange rates



International Financial Services - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	4,126	4,025	+2.5%	3,928	+5.0%	15,899	15,479	+2.7%
Operating Expenses and Dep.	-2,519	-2,481	+1.5%	-2,330	+8.1%	-9,722	-9,544	+1.9%
Gross Operating Income	1,608	1,544	+4.1%	1,598	+0.6%	6,177	5,935	+4.1%
Cost of Risk	-353	-425	-16.9%	-352	+0.3%	-1,351	-1,496	-9.7%
Operating Income	1,254	1,118	+12.1%	1,246	+0.7%	4,826	4,439	+8.7%
Share of Earnings of Equity-Method Entities	141	116	+20.8%	140	+0.7%	561	477	+17.7%
Other Non Operating Items	54	1	n.s.	358	-84.9%	433	8	n.s.
Pre-Tax Income	1,449	1,236	+17.2%	1,744	-16.9%	5,820	4,924	+18.2%
Cost/Income	61.0%	61.6%	-0.6 pt	59.3%	+1.7 pt	61.1%	61.7%	-0.6 pt
Allocated Equity (€bn)						26.8	26.1	+2.8%

- Foreign exchange effect due in particular to the depreciation of the dollar and Turkish lira
 - TRY vs. EUR*: -20.8% vs. 4Q16, -7.8% vs. 3Q17, -18.8% vs. 2016
 - USD vs. EUR*: -8.5% vs. 4Q16, -0.2% vs. 3Q17, -2.1% vs. 2016
- At constant scope and exchange rates vs. 4Q16
 - Revenues: +5.7%; growth in all the businesses
 - Operating expenses: +3.4%; as a result of business development
 - Operating income: +16.3%
 - Pre-tax income: +17.4%

* Average rates



International Financial Services

Personal Finance - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	1,280	1,185	+8.0%	1,222	+4.7%	4,923	4,679	+5.2%
Operating Expenses and Dep.	-639	-598	+6.8%	-575	+11.1%	-2,427	-2,298	+5.6%
Gross Operating Income	641	587	+9.2%	647	-1.0%	2,496	2,381	+4.8%
Cost of Risk	-271	-269	+0.7%	-273	-0.5%	-1,009	-979	+3.0%
Operating Income	369	317	+16.4%	375	-1.4%	1,487	1,401	+6.1%
Share of Earnings of Equity-Method Entities	19	18	+6.2%	21	-10.4%	91	42	n.s.
Other Non Operating Items	0	-2	n.s.	24	-99.9%	29	-1	n.s.
Pre-Tax Income	389	334	+16.4%	420	-7.4%	1,607	1,442	+11.4%
Cost/Income	49.9%	50.5%	-0.6 pt	47.0%	+2.9 pt	49.3%	49.1%	+0.2 pt
Allocated Equity (€bn)						5.8	4.9	+17.3%

- Acquisition on 31 October 2017 together with PSA Group of General Motors Europe's financing activities (€9.4bn outstanding loans*)
- At constant scope and exchange rates vs.4Q16
 - Revenues: +6.3%, in connection with the rise in volumes and the positioning on products with a better risk profile; good revenue growth in particular in Italy and Spain
 - Operating expenses: +1.4%, as a result of the development of the business; good cost containment (positive jaws effect)
 - Pre-tax income: +16.3%

* Outstanding loans at end 2017



International Financial Services

Personal Finance - Volumes and risks

	Outstandings	%Var/4Q16		%Var/3Q17 at constant scope and exchange rates		Outstandings	%Var/2016	
	4Q17	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	2017	historical	at constant scope and exchange rates
<i>Average outstandings (€bn)</i>								
TOTAL CONSOLIDATED OUTSTANDINGS	76.3	+16.8%	+12.1%	+10.0%	+1.0%	70.7	+12.2%	+13.1%
TOTAL OUTSTANDINGS UNDER MANAGEMENT (1)	87.3	+15.3%	+10.3%	+10.3%	+1.0%	80.9	+10.6%	+10.9%

(1) Including 100% of outstandings of subsidiaries not fully owned as well as of all partnerships

> Cost of risk / outstandings

<i>Annualised cost of risk/outstandings as at beginning of period</i>	4Q16	1Q17	2Q17	3Q17	4Q17
France	1.46%	1.59%	1.65%	1.04%	0.98%
Italy	1.44%	0.55%	0.87%	1.70%	1.53%
Spain	1.93%	1.84%	1.17%	1.63%	1.77%
Other Western Europe	1.47%	1.22%	0.85%	1.29%	1.42%
Eastern Europe	1.77%	0.59%	0.31%	1.24%	1.91%
Brazil	6.15%	6.63%	4.82%	5.35%	5.11%
Others	1.89%	2.00%	1.95%	2.41%	2.58%
Personal Finance	1.70%	1.46%	1.31%	1.54%	1.57%



International Financial Services Europe-Mediterranean - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	581	630	-7.8%	573	+1.5%	2,337	2,513	-7.0%
Operating Expenses and Dep.	-414	-431	-3.9%	-403	+2.8%	-1,661	-1,705	-2.6%
Gross Operating Income	167	200	-16.1%	170	-1.6%	675	808	-16.5%
Cost of Risk	-62	-127	-51.0%	-60	+4.1%	-259	-437	-40.8%
Operating Income	105	73	+44.7%	110	-4.7%	416	371	+12.2%
Non Operating Items	53	48	+9.8%	48	+9.3%	202	197	+2.7%
Pre-Tax Income	158	121	+30.8%	159	-0.4%	619	568	+8.9%
Income Attributable to Wealth and Asset Management	-1	-1	-24.4%	0	n.s.	-2	-2	+1.4%
Pre-Tax Income of EUROPE-MEDITERRANEAN	157	120	+31.2%	158	-0.6%	616	566	+8.9%
Cost/Income	71.2%	68.3%	+2.9 pt	70.3%	+0.9 pt	71.1%	67.8%	+3.3 pt
Allocated Equity (€bn)						4.9	5.2	-5.7%

Including 100% of Turkish Private Banking for the Revenue to Pre-tax income line items

- Foreign exchange effect due in particular to the depreciation of the Turkish lira
 - TRY vs. EUR*: -20.8% vs. 4Q16, -7.8% vs. 3T17, -18.8% vs. 2016
- At constant scope and exchange rates vs. 4Q16
 - Revenues**: +3.2%, effect of the rise in volumes but impact in Turkey of the rise of rates on deposit margins not yet offset by gradual repricing of loans
 - Operating expenses** : +4.4%, as a result of the good business development
 - Cost of risk**: -44.0%, decrease in the cost of risk in Turkey
 - Pre-tax income***: +57.0%

* Average rates; ** Including 100% of Turkish Private Banking; *** Including 2/3 of Turkish Private Banking

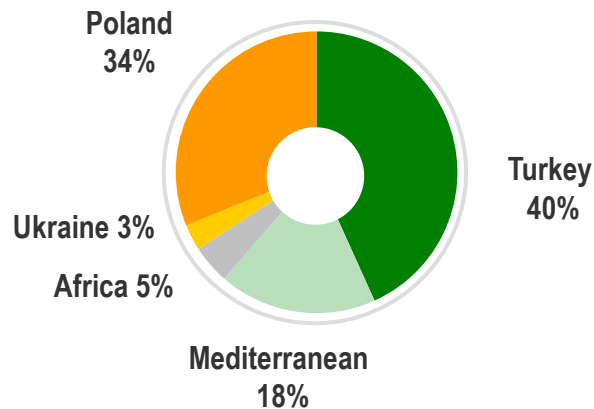


International Financial Services

Europe-Mediterranean - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/4Q16 at constant scope and exchange rates		%Var/3Q17 at constant scope and exchange rates		Outstandings	%Var/2016 at constant scope and exchange rates	
	4Q17	historical		historical		2017	historical	
LOANS	36.6	-4.0%	+5.1%	-1.0%	+1.3%	37.1	-3.3%	+5.2%
DEPOSITS	33.9	-4.6%	+4.6%	-0.4%	+2.7%	34.5	-1.2%	+7.2%

Geographic distribution of 4Q17 outstanding loans



Cost of risk / outstandings

Annualised cost of risk/outstandings as at beginning of period	4Q16	1Q17	2Q17	3Q17	4Q17
Turkey	1.77%	1.67%	1.67%	0.97%	0.53%
Ukraine	-2.12%	0.28%	2.81%	-6.07%	-1.08%
Poland	0.77%	0.73%	0.31%	0.33%	0.73%
Others	1.47%	-1.02%	-0.57%	1.19%	0.98%
Europe-Mediterranean	1.29%	0.70%	0.73%	0.62%	0.66%



International Financial Services

BancWest - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	738	795	-7.1%	734	+0.6%	2,994	2,984	+0.3%
Operating Expenses and Dep.	-483	-521	-7.2%	-482	+0.2%	-2,035	-2,038	-0.1%
Gross Operating Income	255	274	-7.0%	251	+1.4%	959	947	+1.3%
Cost of Risk	-20	-23	-13.7%	-32	-38.5%	-111	-85	+31.2%
Operating Income	235	251	-6.4%	219	+7.3%	848	862	-1.6%
Non Operating Items	1	4	-87.2%	3	-79.5%	3	16	-79.0%
Pre-Tax Income	236	255	-7.7%	222	+6.2%	851	878	-3.0%
Income Attributable to Wealth and Asset Management	-6	-5	+25.1%	-5	+25.4%	-21	-15	+35.9%
Pre-Tax Income of BANCWEST	230	251	-8.4%	217	+5.8%	830	862	-3.7%
Cost/Income	65.5%	65.5%	+0.0 pt	65.8%	-0.3 pt	68.0%	68.3%	-0.3 pt
Allocated Equity (€bn)						6.4	6.3	+0.7%

Including 100% of U.S Private Banking for the Revenues to Pre-tax income line items

- Foreign exchange effect USD vs. EUR*: -8.5% vs. 4Q16, -0.2% vs. 3Q17, -2.1% vs. 2016
- At constant scope and exchange rates vs. 4Q16
 - Revenues**: +1.5% vs. 4Q16
 - Operating expenses**: +1.2% vs. 4Q16 (positive jaws effect)
 - Operating income**: +2.8% vs. 4Q16
 - Pre-tax income***: +0.6% vs. 4Q16

* Average rates; ** Including 100% of Private Banking in the United States; *** Including 2/3 of Private Banking in the United States



International Financial Services

BancWest - Volumes

Average outstandings (€bn)	Outstandings	%Var/4Q16 at constant scope and exchange rates		%Var/3Q17 at constant scope and exchange rates		Outstandings	%Var/2016 at constant scope and exchange rates	
	4Q17	historical		historical		2017	historical	
LOANS	61.6	-5.3%	+3.5%	-0.2%	-0.0%	63.5	+4.0%	+6.1%
Individual Customers	26.8	-6.6%	+2.1%	-1.7%	-1.6%	27.9	+3.6%	+5.6%
Incl. Mortgages	11.3	-1.6%	+7.5%	+1.6%	+1.8%	11.5	+6.7%	+8.9%
Incl. Consumer Lending	15.4	-9.9%	-1.5%	-4.0%	-3.9%	16.4	+1.5%	+3.5%
Commercial Real Estate	17.6	-1.4%	+7.8%	+1.2%	+1.3%	17.8	+6.3%	+8.5%
Corporate Loans	17.2	-7.1%	+1.6%	+0.9%	+1.1%	17.8	+2.5%	+4.6%
DEPOSITS AND SAVINGS	69.0	-1.0%	+8.3%	+1.9%	+2.1%	69.6	+7.7%	+9.9%
Deposits Excl. Jumbo CDs	58.2	-1.0%	+8.2%	+0.8%	+1.0%	58.7	+6.4%	+8.6%

- Loans: +3.5%* vs. 4Q16
 - Increase in individual and corporate loans
- Deposits: +8.3%* vs. 4Q16
 - Good growth in current and savings accounts

* At constant scope and exchange rates



International Financial Services Insurance and WAM* - Business

	31.12.17	31.12.16	%Var/ 31.12.16	30.09.17	%Var/ 30.09.17
<u>Assets under management (€bn)</u>	<u>1.051</u>	<u>1.010</u>	<u>+4.0%</u>	<u>1.041</u>	<u>+0.9%</u>
Asset Management	424	416	+1.8%	425	-0.3%
Wealth Management	364	344	+5.9%	358	+1.7%
Real Estate Services	26	24	+8.4%	24	+7.0%
Insurance	237	226	+4.9%	235	+1.1%
	4Q17	4Q16	%Var/ 4Q16	3Q17	%Var/ 3Q17
<u>Net asset flows (€bn)</u>	<u>2.0</u>	<u>2.0</u>	<u>-0.2%</u>	<u>4.5</u>	<u>-56.3%</u>
Asset Management	-3.7	-2.7	+33.7%	1.9	n.s.
Wealth Management	3.8	3.6	+6.5%	1.2	n.s.
Real Estate Services	0.8	0.3	n.s.	0.0	n.s.
Insurance	1.0	0.8	+17.9%	1.5	-32.1%

- Assets under management: +€9.2bn vs. 30.09.17, including in particular
 - Net asset flows: +€2.0bn, good net asset inflows in Wealth Management, Real Estate Services and Insurance; net asset outflows from money market funds in Asset Management
 - Performance effect: +€11.1bn
 - Foreign exchange effect: -€3.5bn, due to the appreciation of the euro

* Wealth and Asset Management

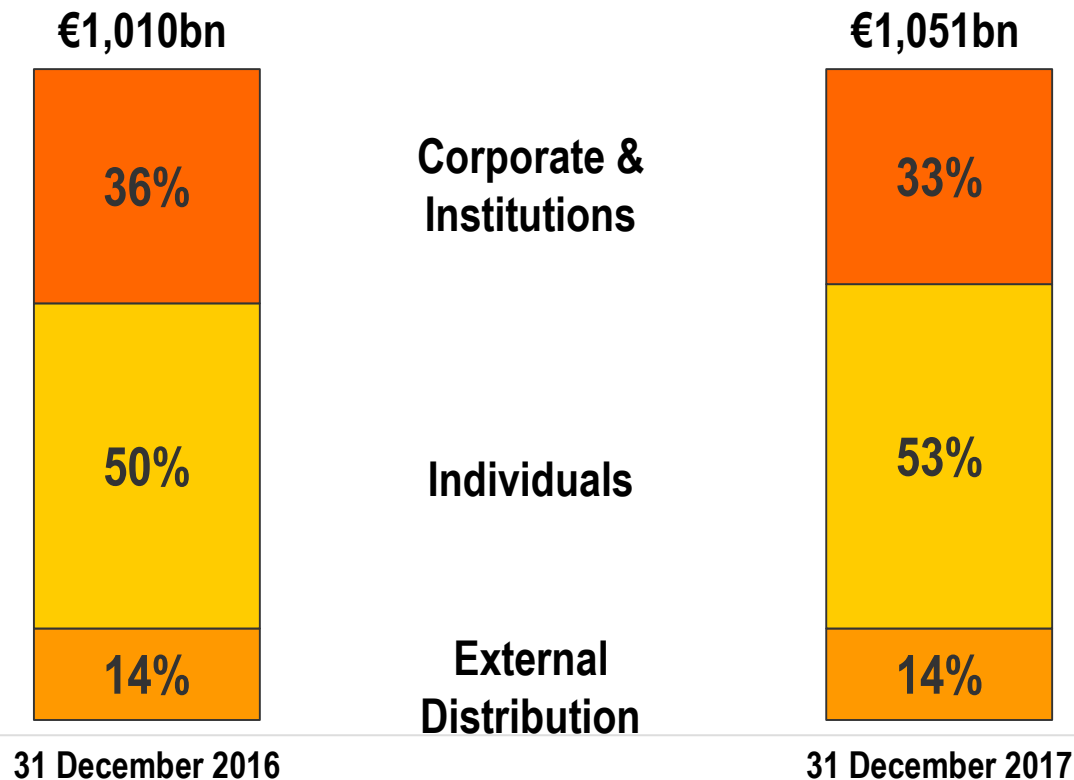


International Financial Services - Insurance & WAM

Breakdown of Assets by Customer Segment

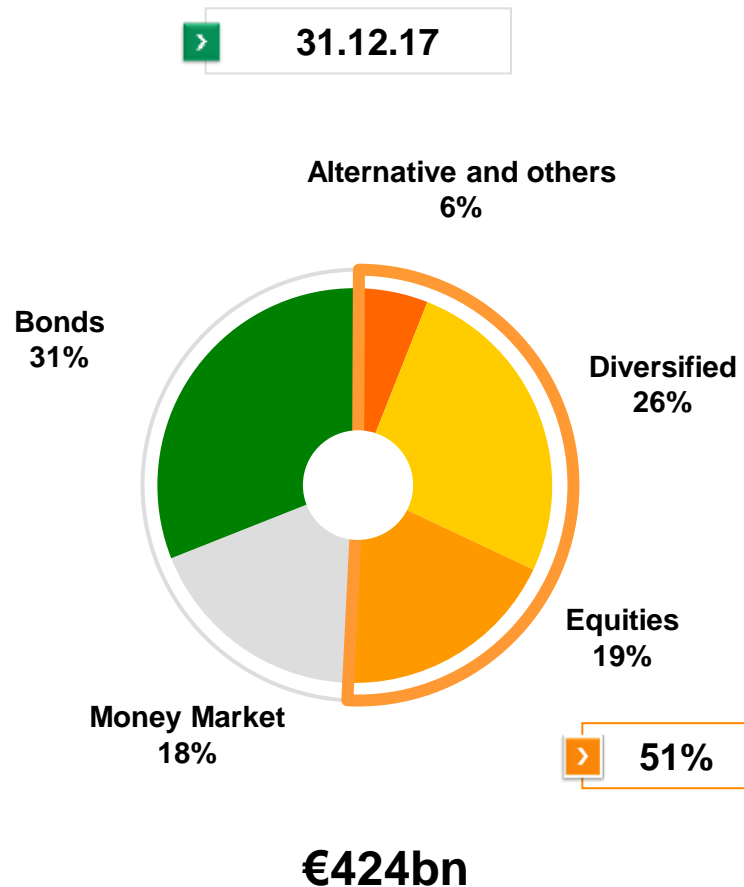


Breakdown of assets by customer segment



International Financial Services - Asset Management

Breakdown of Managed Assets



International Financial Services Insurance - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	636	636	-0.1%	662	-3.9%	2,514	2,382	+5.6%
Operating Expenses and Dep.	-317	-315	+0.5%	-311	+2.0%	-1,251	-1,201	+4.2%
Gross Operating Income	319	321	-0.7%	351	-9.2%	1,263	1,181	+7.0%
Cost of Risk	5	-1	n.s.	1	n.s.	4	2	+81.7%
Operating Income	324	320	+1.1%	352	-8.0%	1,267	1,183	+7.1%
Share of Earnings of Equity-Method Entities	53	36	+47.1%	63	-16.1%	225	189	+19.3%
Other Non Operating Items	49	0	n.s.	325	-84.9%	375	-3	n.s.
Pre-Tax Income	425	356	+19.6%	740	-42.5%	1,867	1,369	+36.4%
Cost/Income	49.9%	49.6%	+0.3 pt	47.0%	+2.9 pt	49.8%	50.4%	-0.6 pt
Allocated Equity (€bn)						7.8	7.5	+4.2%

- Technical reserves: +5.0 % vs. 4Q16
- Revenues: -0.1% vs. 4Q16
 - Good performance of the business but less favourable evolution of financial markets vs. 4Q16
 - Reminder: revenues up by +5.6% vs. 2016
- Operating expenses: +0.5% vs. 4Q16
 - Good cost containment
- Non operating items
 - Good performance of the associated companies
 - Booking of a capital gain related to taking full control of Cargeas in Italy



International Financial Services Wealth and Asset Management - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	907	794	+14.3%	753	+20.6%	3,193	2,977	+7.3%
Operating Expenses and Dep.	-675	-626	+7.9%	-569	+18.6%	-2,387	-2,341	+2.0%
Gross Operating Income	233	168	+38.4%	183	+26.8%	806	636	+26.8%
Cost of Risk	-5	-5	-4.5%	12	n.s.	24	3	n.s.
Operating Income	228	163	+39.7%	195	+16.7%	831	639	+30.0%
Share of Earnings of Equity-Method Entities	19	13	+44.9%	8	n.s.	48	46	+3.0%
Other Non Operating Items	1	0	n.s.	5	-77.1%	21	0	n.s.
Pre-Tax Income	248	176	+40.8%	208	+19.0%	899	685	+31.2%
Cost/Income	74.4%	78.8%	-4.4 pt	75.6%	-1.2 pt	74.7%	78.6%	-3.9 pt
Allocated Equity (€bn)						1.9	2.1	-8.8%

- Revenues: +14.3% vs. 4Q16
 - Rise driven by the very good performance of Asset Management and Real Estate Services (sharp rise in fees earned this quarter)
- Operating expenses: +7.9% vs. 4Q16
 - As a result of the growth in activity
 - Largely positive jaws effect



Corporate and Institutional Banking - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	2,626	2,821	-6.9%	2,658	-1.2%	11,704	11,469	+2.1%
Operating Expenses and Dep.	-1,883	-1,914	-1.6%	-1,897	-0.7%	-8,273	-8,309	-0.4%
Gross Operating Income	744	907	-18.0%	761	-2.3%	3,431	3,160	+8.6%
Cost of Risk	-264	-70	n.s.	10	n.s.	-81	-217	-62.5%
Operating Income	480	837	-42.7%	772	-37.8%	3,350	2,943	+13.8%
Share of Earnings of Equity-Method Entities	13	9	+46.1%	-2	n.s.	24	20	+16.5%
Other Non Operating Items	-1	-5	-72.4%	8	n.s.	22	-1	n.s.
Pre-Tax Income	491	841	-41.6%	778	-36.9%	3,395	2,962	+14.6%
Cost/Income	71.7%	67.8%	+3.9 pt	71.4%	+0.3 pt	70.7%	72.4%	-1.7 pt
Allocated Equity (€bn)						21.1	22.2	-4.9%

- Revenues: -6.9% vs. 4Q16
 - -3.7% at constant scope and exchange rates (unfavourable foreign exchange effect)
 - Decrease at Global Markets (-13.7%*) in a challenging market context this quarter, significant rise at Securities Services (+9.7%*) and rise at Corporate Banking (+2.5%* compared to a good 4Q16)
- Operating expenses: -1.6% vs. 4Q16
 - +2.9% at constant scope and exchange rates
 - Impact this quarter at Corporate Banking of a specific project (€25m) and of costs linked to targeted developments
- Cost of risk:
 - Impact of two specific clients this quarter

* At constant scope and exchange rates



Corporate and Institutional Banking

Global Markets - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	1,073	1,284	-16.4%	1,234	-13.0%	5,584	5,650	-1.2%
<i>incl. FICC</i>	<i>592</i>	<i>838</i>	<i>-29.4%</i>	<i>801</i>	<i>-26.1%</i>	<i>3,450</i>	<i>3,860</i>	<i>-10.6%</i>
<i>incl. Equity & Prime Services</i>	<i>482</i>	<i>446</i>	<i>+8.0%</i>	<i>433</i>	<i>+11.3%</i>	<i>2,135</i>	<i>1,791</i>	<i>+19.2%</i>
Operating Expenses and Dep.	-875	-967	-9.5%	-958	-8.7%	-4,255	-4,355	-2.3%
Gross Operating Income	198	317	-37.4%	276	-28.0%	1,330	1,295	+2.7%
Cost of Risk	-57	44	n.s.	6	n.s.	-15	72	n.s.
Operating Income	142	361	-60.8%	281	-49.6%	1,315	1,367	-3.8%
Share of Earnings of Equity-Method Entities	5	-3	n.s.	-6	n.s.	-3	8	n.s.
Other Non Operating Items	1	-8	n.s.	6	-80.5%	9	-3	n.s.
Pre-Tax Income	147	350	-57.9%	281	-47.5%	1,321	1,372	-3.7%
Cost/Income	81.5%	75.3%	+6.2 pt	77.7%	+3.8 pt	76.2%	77.1%	-0.9 pt
Allocated Equity (€bn)						7.8	9.0	-13.2%

- Revenues: -16.4% vs. 4Q16
 - -13.7% at constant scope and exchange rates (unfavourable foreign exchange effect)
 - Decrease of FICC (-27.4%*) in a very challenging context this quarter for rates, forex and credit (low volatility and limited client business)
 - Significant rise at Equity & Prime Services (+12.1%*) driven by the rise in volumes at Prime Services
- Operating expenses: -9.5% vs. 4Q16
 - -4.9% at constant scope and exchange rates
 - Effect of the cost saving measures
- Cost of risk: impact of a specific client this quarter
 - Reminder: provisions more than offset by write-backs in 4Q16

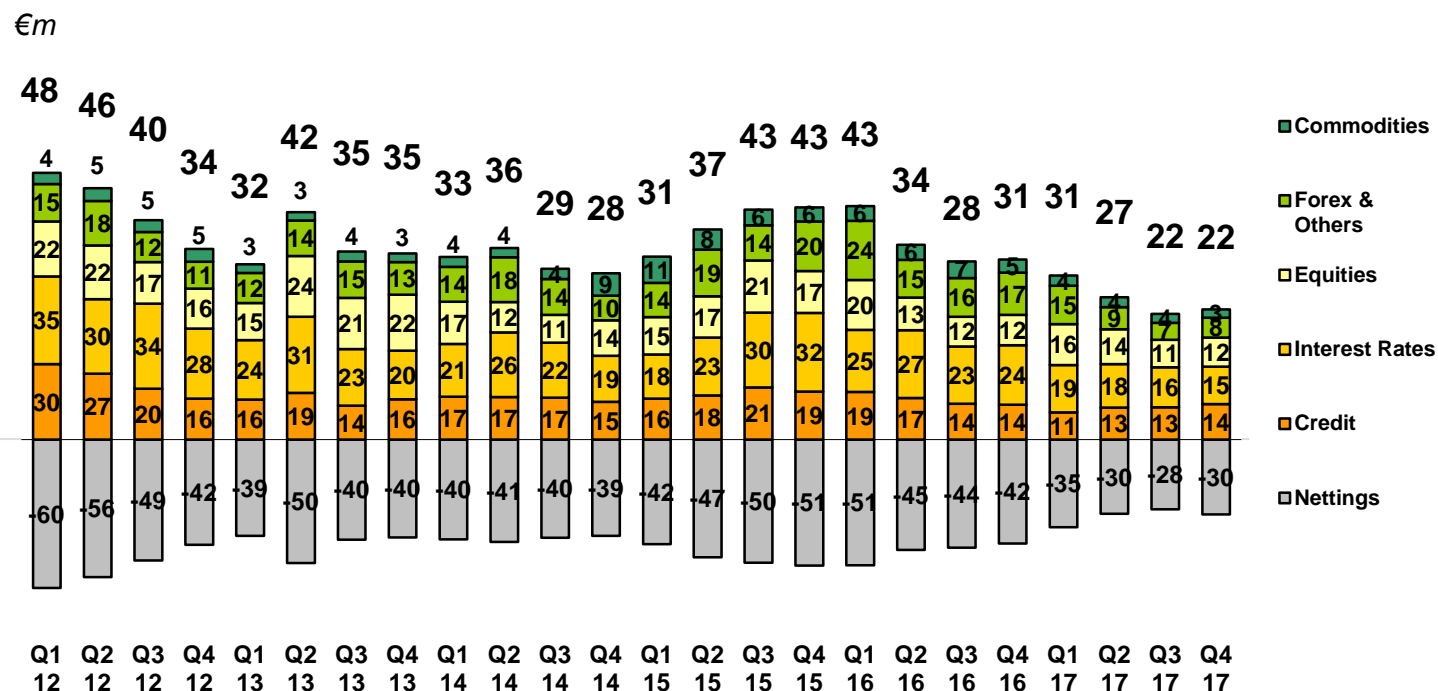
* At constant scope and exchange rates



Corporate and Institutional Banking

Market risks - 4Q17

Average 99% 1-day interval Var



- VaR stable this quarter, still at a particularly low level*

- No backtesting event reported this quarter
- Reminder: only 16 days of losses greater than VaR since 01.01.2007, or less than 2 per year over a long period including the crisis, confirming the soundness of the internal VaR calculation model (1 day, 99%)

* VaR calculated for the monitoring of market limits



Corporate and Institutional Banking

Corporate Banking - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	1,050	1,071	-2.0%	948	+10.7%	4,165	3,994	+4.3%
Operating Expenses and Dep.	-603	-567	+6.3%	-546	+10.4%	-2,430	-2,451	-0.8%
Gross Operating Income	447	504	-11.3%	402	+11.1%	1,735	1,544	+12.4%
Cost of Risk	-209	-115	+81.2%	4	n.s.	-70	-292	-76.1%
Operating Income	238	388	-38.7%	407	-41.5%	1,665	1,251	+33.1%
Non Operating Items	5	14	-63.5%	6	-21.6%	37	13	n.s.
Pre-Tax Income	243	402	-39.6%	413	-41.2%	1,703	1,265	+34.6%
Cost/Income	57.4%	52.9%	+4.5 pt	57.6%	-0.2 pt	58.3%	61.4%	-3.1 pt
Allocated Equity (€bn)						12.4	12.4	+0.0%

- Revenues: -2.0% vs. 4Q16
 - +2.5% at constant scope and exchange rates (unfavourable foreign exchange effect)
 - Solid performance in all regions
 - Good rise in the transaction businesses in Europe
- Operating expenses: +6.3% vs. 4Q16
 - +12.4 % at constant scope and exchange rates
 - Impact this quarter of a specific project (€25m) and costs linked to selected development, in particular in Europe
- Cost of risk: impact of two specific clients this quarter
 - Cost of risk still low excluding this impact
 - Reminder: provisions more than offset by write-backs in the first 3 quarters of 2017

* At constant scope and exchange rates



Corporate and Institutional Banking Securities Services - 4Q17











€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	503	466	+8.1%	476	+5.7%	1,955	1,824	+7.2%
Operating Expenses and Dep.	-405	-380	+6.6%	-392	+3.2%	-1,588	-1,503	+5.7%
Gross Operating Income	98	86	+14.4%	84	+17.4%	366	321	+14.1%
Cost of Risk	2	2	+9.1%	0	n.s.	3	3	-0.5%
Operating Income	100	87	+14.3%	84	+19.3%	369	324	+13.9%
Non Operating Items	0	1	-29.3%	0	+44.2%	1	1	+23.5%
Pre-Tax Income	100	88	+14.0%	84	+19.4%	371	325	+14.0%
Cost/Income	80.5%	81.6%	-1.1 pt	82.4%	-1.9 pt	81.3%	82.4%	-1.1 pt
Allocated Equity (€bn)						0.9	0.8	+14.0%

	31.12.17	31.12.16	%Var/ 31.12.16	30.09.17	%Var/ 30.09.17
Securities Services					
Assets under custody (€bn)	9,423	8,610	+9.4%	9,300	+1.3%
Assets under administration (€bn)	2,310	1,962	+17.7%	2,309	+0.0%
	4Q17	4Q16	4Q17/4Q16	3Q17	4Q17/3Q17
Number of transactions (in million)	22.8	21.8	+4.7%	21.9	+3.7%

- Revenues: +9.7 % vs. 4Q16 at constant scope and exchange rates
 - Due to the growth of outstandings and transaction volumes
- Operating expenses: +8.4% vs. 4Q16 at constant scope and exchange rates
 - As a result of business growth
 - Improved operating efficiency



Corporate and Institutional Banking Transactions - Q417

	UK – Vodafone Group PLC EUR 2.5bn Triple-tranche transaction targeting the longer end of the curve with tenors of 8years, 12years and 20years. Joint Bookrunner <i>November 2017</i>		Luxembourg – European Investment Bank Juncker Plan: three qualified transactions concluded in partnership with BNP Paribas to boost European investments with over EUR 1bn financing <i>December 2017</i>
 United Kingdom Debt Management Office	UK – Debt Management Office (DMO) GBP 3bn inflation-linked bond due 2048 Record demand with a GBP 23.7bn (nominal) order book, making the new 2048 gilt 8 times oversubscribed Joint Bookrunner. <i>November 2017</i>		USA – Avangrid USD 600m 3.150% Green Senior Unsecured Notes (7years). Joint Active Bookrunner <i>November 2017</i>
	France – Danone EUR 1.25bn inaugural hybrid perpetual bond issue Global Coordinator and Joint Bookrunner <i>October 2017</i>		Japan – Toyota Financial Services EUR 1.2bn Dual-Tranche Senior Unsecured Reg S Green Bond Joint Bookrunner <i>November 2017</i>
	Netherlands – Ahold Pensioenfonds EUR 4.5bn – Appointed to provide Global Custody, Investment Accounting & Compliance, Financial & Regulatory, Performance & Risk Reporting services <i>September 2017</i>		China – China Development Bank USD 500m 5-yr 2.75% Green Bond Issuance Joint Bookrunner / Joint Lead Arranger <i>November 2017</i>
	Italy – Pirelli EUR 2.4bn IPO, the largest EMEA IPO of the year Joint Bookrunner <i>October 2017</i>		Hong Kong – China Agri-Industries Holdings Ltd. HKD 8.579bio Disposal of Interests in Biochemical and Biofuel business. Exclusive Advisor to China Agri-Industries <i>December 2017</i>



Corporate and Institutional Banking Ranking and Awards - 2017

- **World's Best Bank for Corporates, Best Digital Bank in Western Europe** (*Euromoney, September 2017*)
- **Global Markets:**
 - Derivatives House of the Year, Equity Derivatives House of the Year, (*IFR Awards, December 2017*)
 - Euro Bond House of the Year, Europe IG Corporate Bond House of the Year (*IFR Awards, December 2017*)
 - #1 All bonds in EUR and #1 Corporate bonds in EUR (*Dealogic, 2017*)
 - #9 All International bonds All Currencies (*Dealogic 2017*)
 - RMB House of the Year, (*Asia Risk Awards, September 2017*)
- **Securities Services:**
 - European Custodian of the Year, European Hedge Fund Administrator of the Year and European Alternative Administrator of the Year (*Funds Europe Awards 2017 – November 2017*)
 - Custodian of the Year and Custodian of the Year: France, Germany, Italy, Australia (*Custody Risk Global Awards – November 2017*)
 - Best Global Custodian – Asia Pacific (*AAM Best of the Best Awards, 2017*)
- **Corporate Banking:**
 - #2 EMEA Syndicated Loan Bookrunner by volume and #1 by number of deals (*Dealogic, 2017*)
 - #1 EMEA Equity-Linked Bookrunner by number of deals and # 3 by volume (*Dealogic, 2017*)
 - #9 EMEA All ECM Bookrunner by volume (*Dealogic, 2017*)
 - Best Trade Finance Provider (*Global Finance, January 2018*)



Corporate Centre - 4Q17

€m	4Q17	4Q16	3Q17	2017	2016
Revenues	12	70	22	394	1,294
Operating Expenses and Dep.	-637	-330	-382	-1,627	-1,189
<i>Incl. Restructuring and Transformation Costs</i>	-456	-154	-222	-957	-561
Gross Operating income	-625	-260	-361	-1,234	105
Cost of Risk	1	-56	-16	-121	-39
Operating Income	-625	-316	-377	-1,355	66
Share of Earnings of Equity-Method Entities	15	13	-10	68	83
Other non operating items	-33	-136	-139	-177	-204
Pre-Tax Income	-642	-440	-525	-1,464	-55

- Revenues

- Own Credit Adjustment (OCA)* and own credit risk included in derivatives (DVA)*: €11m (-€18m in 4Q16)
- Impact of a specific item this quarter and lesser contribution from Principal Investments

- Operating expenses

- Restructuring costs related to the acquisitions (LaSer, Bank BGZ, DAB Bank, GE LLD): -€48m (-€48m in 4Q16)
- Transformation costs: -€408m (€0m in 4Q16)
- 4Q16 reminder: CIB adaptation costs: -€98m in 4Q16

- Other non operating items

- 4Q16 reminder: full impairment of BGZ's goodwill: -€127m

* Fair value takes into account any change in value attributable to issuer risk relating to the BNP Paribas Group. It is the replacement value of instruments, calculated by discounting the expected liabilities' profile, stemming from derivatives or securities issued by the Bank, using a discount rate corresponding to that of a similar instrument that could be issued by the BNP Paribas Group at the closing date



Corporate Centre - 2017

● Revenues

- Own Credit Adjustment (OCA)* and own credit risk included in derivatives (DVA)*: -€175m (-€59m in 2016)
- Capital gain from the sale of Shinhan (+€148m) and Euronext shares (+€85m)
- 2016 reminder: capital gain from the sale of Visa shares: +€597m
- Very good contribution of Principal Investments in 2017 and 2016

● Operating expenses

- Restructuring costs related to the acquisitions (in particular LaSer, Bank BGZ, DAB Bank and GE LLD): -€101m (-€158m in 2016)
- Transformation costs: -€856m (0 M€ in 2016)
- 2016 reminder: adaptation costs at CIB (-€395m in 2016)

● Other non operating items

- Full impairment of TEB's goodwill (-€172m)
- 2016 reminder: goodwill impairments of subsidiaries' shares: -€181m, of which -€127m for the full goodwill impairment of BGZ

* Fair value takes into account any change in value attributable to issuer risk relating to the BNP Paribas Group. It is the replacement value of instruments, calculated by discounting the expected liabilities' profile, stemming from derivatives or securities issued by the Bank, using a discount rate corresponding to that of a similar instrument that could be issued by the BNP Paribas Group at the closing date



Breakdown of the Transformation Costs of the Businesses Presented in the Corporate Centre - 2017

<i>m€</i>	2017	4T17	3T17	2T17	1T17
Retail Banking & Services	-464	-201	-125	-93	-45
Domestic Markets	-200	-93	-48	-42	-17
French Retail Banking	-129	-58	-31	-28	-12
BNL bc	-17	-9	-5	-2	-1
Belgian Retail Banking	-33	-17	-6	-8	-2
Other Activities	-22	-9	-6	-5	-2
International Financial Services	-264	-109	-76	-51	-28
Personal Finance	-64	-27	-16	-14	-7
International Retail Banking	-102	-37	-31	-20	-13
Insurance	-46	-20	-16	-6	-3
Wealth and Asset Management	-53	-25	-14	-10	-5
Corporate & Institutional Banking	-301	-117	-80	-61	-43
Corporate Banking	-96	-52	-15	-17	-12
Global Markets	-149	-41	-49	-35	-24
Securities Services	-56	-24	-16	-9	-7
Corporate Centre	-91	-90	-0	1	-1
TOTAL	-856	-408	-205	-153	-90



Group Results

Division Results

Good Start of the 2020 Plan

4Q17 Detailed Results

Appendix



BNP Paribas Group - 2017

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	10,532	10,656	-1.2%	10,394	+1.3%	43,161	43,411	-0.6%
Operating Expenses and Dep.	-7,621	-7,444	+2.4%	-7,133	+6.8%	-29,944	-29,378	+1.9%
Gross Operating Income	2,911	3,212	-9.4%	3,261	-10.7%	13,217	14,033	-5.8%
Cost of Risk	-985	-950	+3.7%	-668	+47.5%	-2,907	-3,262	-10.9%
Operating Income	1,926	2,262	-14.9%	2,593	-25.7%	10,310	10,771	-4.3%
Share of Earnings of Equity-Method Entities	175	151	+15.9%	150	+16.7%	713	633	+12.6%
Other Non Operating Items	21	-146	n.s.	230	-90.9%	287	-194	n.s.
Non Operating Items	196	5	n.s.	380	-48.4%	1,000	439	n.s.
Pre-Tax Income	2,122	2,267	-6.4%	2,973	-28.6%	11,310	11,210	+0.9%
Corporate Income Tax	-580	-721	-19.6%	-828	-30.0%	-3,103	-3,095	+0.3%
Net Income Attributable to Minority Interests	-116	-104	+11.5%	-102	+13.7%	-448	-413	+8.5%
Net Income Attributable to Equity Holders	1,426	1,442	-1.1%	2,043	-30.2%	7,759	7,702	+0.7%
Cost/Income	72.4%	69.9%	+2.5 pt	68.6%	+3.8 pt	69.4%	67.7%	+1.7 pt

- Corporate income tax: average tax rate of 29% in 2017
 - Positive effect of lower tax rates on capital gains from sales of Shinhan, Euronext and SBI Life shares
 - Negligible impact in 4Q17 of the reduction in corporate taxes in the United States due to a very marginal amount of deferred tax losses
- Operating divisions:
 - Revenues: +1.5% vs. 2016
 - Operating expenses: +0.5% vs. 2016
 - Gross operating income: +3.8% vs. 2016
 - Cost of risk: -13.5% vs. 2016
 - Pre-tax income: +13.4% vs. 2016



Number of Shares and Earnings per Share

> Number of Shares

<i>in millions</i>	31-Dec-17	31-Dec-16
Number of Shares (end of period)	1,249	1,247
Number of Shares excluding Treasury Shares (end of period)	1,248	1,246
Average number of Shares outstanding excluding Treasury Shares	1,246	1,244

> Earnings per Share

<i>in millions</i>	31-Dec-17	31-Dec-16
Average number of Shares outstanding excluding Treasury Shares	1,246	1,244
Net income attributable to equity holders	7,759	7,702
Remuneration net of tax of Undated Super Subordinated Notes	-286	-357
Exchange rate effect on reimbursed Undated Super Subordinated Notes	64	125
Net income attributable to equity holders, after remuneration and exchange rate effect on Undated Super Subordinated Notes	7,537	7,470
Net Earnings per Share (EPS) in euros	6.05	6.00



Capital Ratios and Book Value per Share

> Capital Ratios

	31-Dec-17	31-Dec-16
Total Capital Ratio (a)	14.8%	14.5%
Tier 1 Ratio (a)	13.2%	12.9%
Common equity Tier 1 ratio (a)	11.9%	11.6%

(a) Basel 3 (CRD4), taking into consideration CRR transitory provisions (but with full deduction of goodwill), on risk-weighted assets of €638 bn as at 31.12.16 and €641bn as at 31.12.17. Subject to the provisions of article 26.2 of (EU) regulation n°575/2013. As at 31.12.17 the capital surplus of the financial conglomerate was estimated at €22.4bn

> Book value per Share

in millions of euros

	31-Dec-17	31-Dec-16	
Shareholders' Equity Group share	101,983	100,665	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	3,198	6,169	
of which Undated Super Subordinated Notes	8,172	8,430	(2)
of which remuneration net of tax payable to holders of Undated Super Subordinated Notes	66	91	(3)
Net Book Value (a)	93,745	92,144	(1)-(2)-(3)
Goodwill and intangibles	12,443	13,218	
Tangible Net Book Value (a)	81,302	78,926	
Number of Shares excluding Treasury Shares (end of period) in millions	1,248	1,246	
Book Value per Share (euros)	75.1	73.9	
<i>of which book value per share excluding valuation reserve (euros)</i>	<i>72.6</i>	<i>69.0</i>	
Net Tangible Book Value per Share (euros)	65.1	63.3	

(a) Excluding Undated Super Subordinated Notes and remuneration net of tax payable to holders of Undated Super Subordinated Notes



Return on Equity and Permanent Shareholders' Equity

> Calculation of Return on Equity

<i>in millions of euros</i>	31-Dec-17	31-Dec-16	
Net income Group share	7,759	7,702	(1)
Remuneration net of tax of Undated Super Subordinated Notes	-286	-357	(2)
Exchange rate effect on reimbursed Undated Super Subordinated Notes	64	125	(3)
Restated Net income Group share used for the calculation of ROE/ROTE	7,537	7,470	(4) = (1)+(2)+(3)
Exceptional items (after tax) (a)	-390	-100	(5)
Restated Net income Group share used for the calculation of ROE/ROTE excluding exceptional items	7,927	7,570	(6) = (4)-(5)
Average permanent shareholders' equity, not revaluated (b)	84,695	80,657	
Return on Equity	8.9%	9.3%	
Return on Equity excluding exceptionals	9.4%	9.4%	
Average tangible permanent shareholders' equity, not revaluated (d)	71,864	67,338	
Return on Tangible Equity	10.5%	11.1%	
Return on Tangible Equity excluding exceptionals	11.0%	11.2%	

(a) See slide 5

(b) Average Permanent shareholders' equity: average of beginning of the year and end of the period (Permanent Shareholders' equity = Shareholders' equity attributable to shareholders - changes in assets and liabilities recognised directly in equity - Undated Super Subordinated Notes - remuneration net of tax payable to holders of Undated Super Subordinated Notes - proposed dividend distribution);

(c) Average Tangible permanent shareholders' equity: average of beginning of the year and end of the period (Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)

> Permanent Shareholders' Equity Group share, not revaluated (used for the calculation of Return on Equity)

<i>in millions of euros</i>	31-Dec-17	31-Dec-16	
Net Book Value	93,745	92,144	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	3,198	6,169	(2)
of which 2016 dividend		3,364	(3)
of which 2017 proposed dividend distribution	3,769		(4)
Permanent shareholders' equity, not revaluated (a)	86,778	82,611	(5) = (1)-(2)-(3)-(4)
Goodwill and intangibles	12,443	13,218	
Tangible permanent shareholders' equity, not revaluated (a)	74,335	69,393	

(a) Excluding Undated Super Subordinated Notes, remuneration net of tax payable to holders of Undated Super Subordinated Notes and after proposed dividend distribution



A Solid Financial Structure

> Doubtful loans/gross outstandings

	31-Dec-17	31-Dec-16
Doubtful loans (a) / Loans (b)	3.3%	3.8%
(a) Doubtful loans to customers and credit institutions excluding repos, netted of guarantees		
(b) Gross outstanding loans to customers and credit institutions excluding repos		

> Coverage ratio

€bn	31-Dec-17	31-Dec-16
Doubtful loans (a)	27.9	31.2
Allowance for loan losses (b)	25.3	27.8
Coverage ratio	91%	89%
(a) Gross doubtful loans, balance sheet and off-balance sheet, netted of guarantees and collaterals		
(b) Specific and on a portfolio basis		

> Immediately available liquidity reserve

€bn	31-Dec-17	31-Dec-16
Immediately available liquidity reserve (counterbalancing capacity) (a)	285	305
(a) Liquid market assets or eligible to central banks taking into account prudential standards, notably US standards, minus intra-day payment systems needs		



Ratio Common Equity Tier 1

> Basel 3 fully loaded common equity Tier 1 ratio* (Accounting capital to prudential capital reconciliation)

€bn	31-Dec-17	30-Sep-17	31-Dec-16
Consolidated Equity	107.2	105.2	105.2
Undated super subordinated notes	-8.2	-7.8	-8.4
Project of dividend distribution	-3.8**	-3.0	-3.4
Regulatory adjustments on equity***	-1.3	-1.5	-1.8
Regulatory adjustments on minority interests	-2.9	-2.7	-2.6
Goodwill and intangible assets	-12.8	-12.8	-13.4
Deferred tax assets related to tax loss carry forwards	-0.8	-0.7	-0.9
Other regulatory adjustments	-1.7	-1.4	-1.1
Common Equity Tier One capital	75.7	75.3	73.6
Risk-weighted assets	642	636	641
Common Equity Tier 1 Ratio	11.8%	11.8%	11.5%

* CRD4, taking into account all the rules of the CRD4 with no transitory provisions. Subject to the provisions of article 26.2 of (EU) regulation n°575/2013;

** Subject to the approval of Annual General Meeting on 24 May 2018; *** Including Prudent Valuation Adjustment

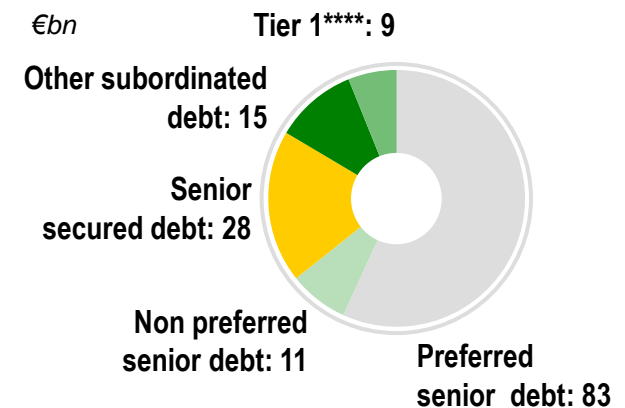


Wholesale Medium/Long Term Funding 2017 Programme

> 2017 MLT funding programme:

- Capital instruments: €2.1bn issued
 - Tier 1: \$750m, perpetual Non Call 10, issued in November 2017, 5.125% coupon
 - Tier 2: \$1.25bn, 10 year bullet, issued in March 2017, at Treasuries +215 bp
 - Reminder: total target objective of 3% of RWAs by 2020*
- Senior Debt: €30.9bn** issued
 - Average maturity of 4.5 years, mid-swap +54 bp on average
 - Of which €11.1bn of non preferred senior debt issued in various currencies (EUR, USD, JPY, SGD, AUD,...)
 - Of which €14.3bn of structured products
 - Of which €2.1bn of senior secured debt (covered bonds and securitisations)

> Wholesale MLT funding structure breakdown***: €146bn as at 31.12.2017



> 2017 programme completed at very favourable conditions

* Subject to market conditions; ** As at 18 January 2018; *** Figures restated according to the new broader definition of wholesale funding covering all funds, excluding those provided by retail customers, SMEs and corporates, institutional clients for their operating needs, monetary policy and funding secured by market assets; **** Debt qualified prudentially as Tier 1 booked as subordinated debt or as equity



Wholesale Medium/Long Term Funding 2018 Programme

> 2018 MLT funding programme : €28bn

- Of which issuances of capital instruments to be carried out with a total target objective of 3% of RWA by 2020*:
 - Reminder as of 31.12.17**: Additional Tier1: 1.3% and Tier 2: 1.6%
- Of which non-preferred senior debt: €10bn
 - Issuances already made in January 2018***: €3.4bn, average maturity of 7.3 years, mid-swap+ 56 bp
 - ✓ \$2bn, 7 years at Treasuries, +103 bp,
 - ✓ €1.25bn, long 8 years, at mid-swap +47 bp
 - ✓ €0.5bn, 7 year Floating Rate Notes, at mid-swap +25 bp
- Remaining part of the programme to be completed with structured products and, to a lesser extent, with secured funding (covered bonds and securitisations)

> Evolution of existing Tier 1 and Tier 2 debt (outstanding as at 01.01.2018); eligible or admitted to grandfathering)****

in €bn	01.01.2018	01.01.2019	01.01.2020
AT1	8	8	7
T2	13	13	13



2018 issuance programme: €28bn

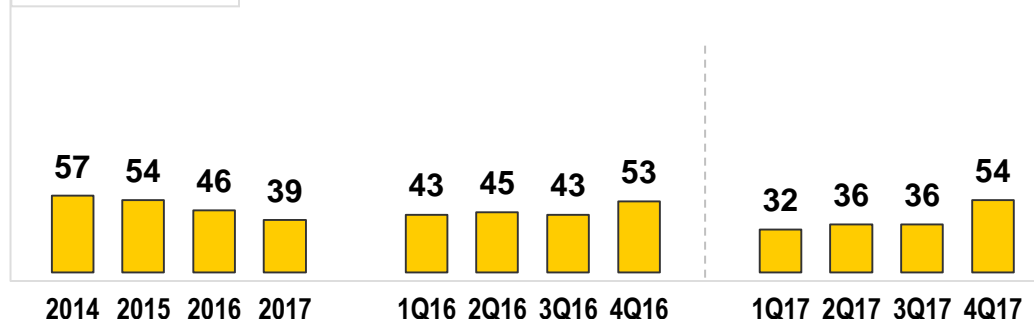
**** Evolution taking into account prudential amortisation of instruments outstanding as at 01.01.18, excluding future issuances, assuming callable institutional instruments are called at the first call date



Variation in the Cost of Risk by Business Unit (1/3)

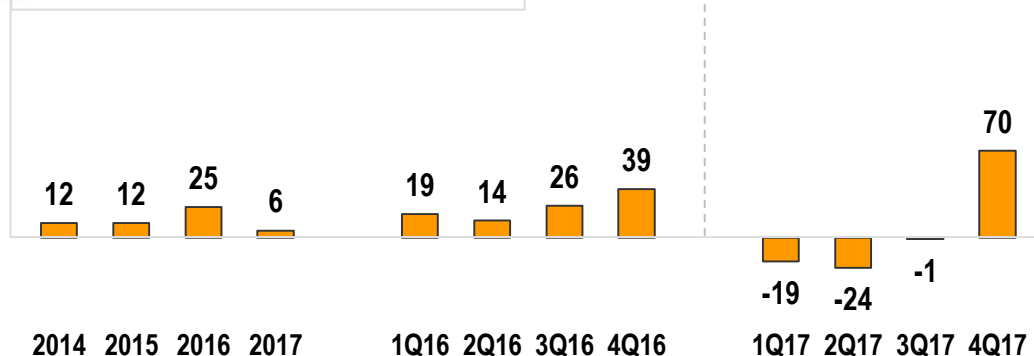
Cost of risk vs. Customer loans at the beginning of the period (in annualised bp)

> Group



- Cost of risk: €985m
 - +€317m vs. 3Q17
 - +€35m vs. 4Q16
- Impact of two specific clients at CIB
- Cost of risk still low excluding this impact

> CIB - Corporate Banking



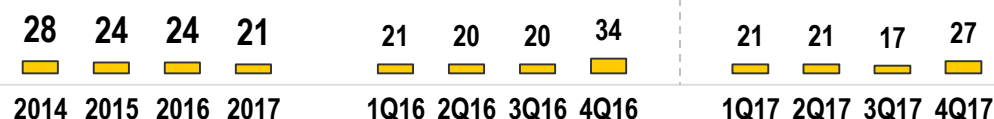
- Cost of risk: €209m
 - +€213m vs. 3Q17
 - +€94m vs. 4Q16
- Impact of two specific clients this quarter
- Cost of risk still low excluding this impact
- Reminder: provisions more than offset by write-backs in 9M17



Variation in the Cost of Risk by Business Unit (2/3)

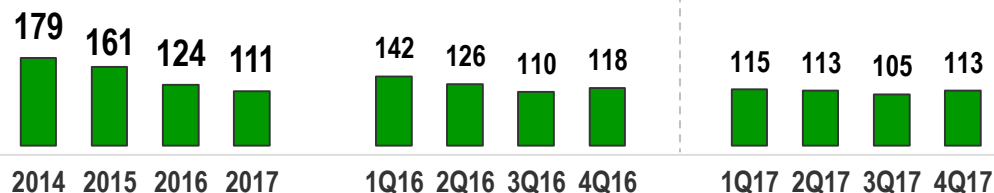
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

> FRB



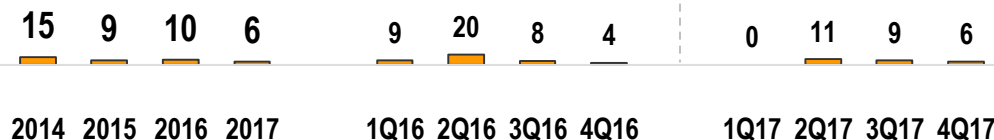
- Cost of risk: €107m
 - +€42m vs. 3Q17
 - -€17m vs. 4Q16
- Cost of risk still low

> BNL bc



- Cost of risk: €218m
 - +€15m vs. 3Q17
 - -€10m vs. 4Q16
- Continued decrease in the cost of risk

> BRB

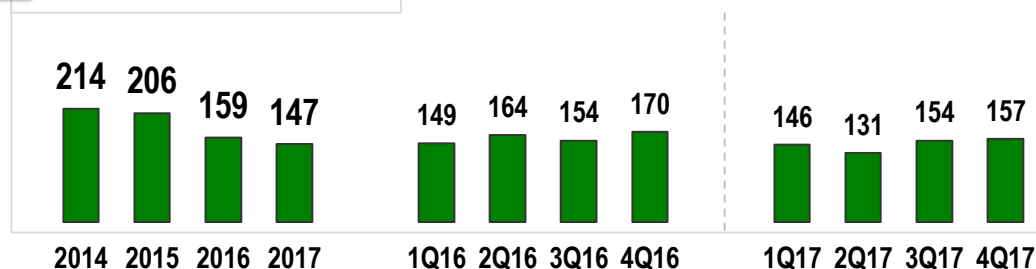


- Cost of risk: €15m
 - -€8m vs. 3Q17
 - +€6m vs. 4Q16
- Very low cost of risk

Variation in the Cost of Risk by Business Unit (3/3)

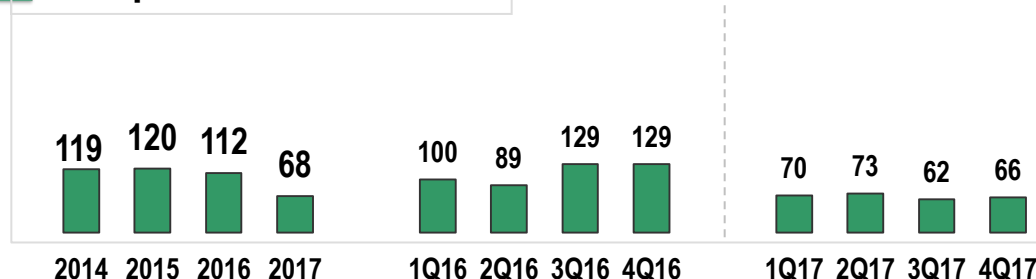
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

> Personal Finance



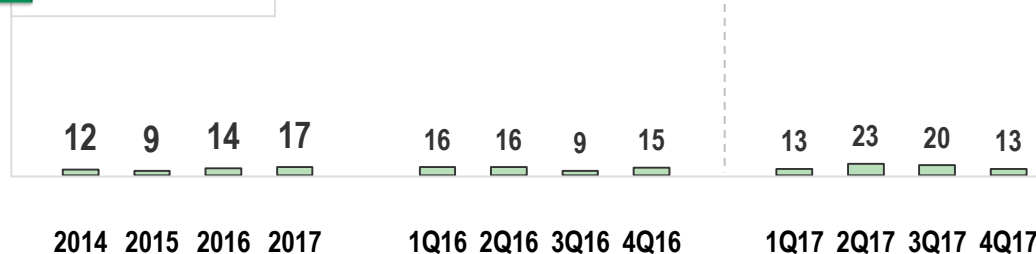
- Cost of risk: €271m
 - -€2m vs. 3Q17
 - +€2m vs. 4Q16
- Low cost of risk
 - Effect of the low interest rates and the growing positioning on products with a better risk profile

> Europe-Mediterranean



- Cost of risk: €62m
 - +€2m vs. 3Q17
 - -€65m vs. 4Q16
- 4Q16 reminder: increase in the cost of risk in Turkey

> BancWest



- Cost of risk: €20m
 - -€12m vs. 3Q17
 - -€3m vs. 4Q16
- Cost of risk still low



Cost of Risk on Outstandings (1/2)

> Cost of risk/Customer loans at the beginning of the period *(in annualised bp)*

	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	4Q17	2017
Domestic Markets*												
Loan outstandings as of the beg. of the quarter (€bn)	335.2	339.2	341.4	341.1	347.2	348.0	344.4	356.4	359.2	365.6	367.8	362.3
Cost of risk (€m)	2,074	1,812	399	388	329	399	1,515	319	355	311	370	1,356
Cost of risk (in annualised bp)	62	53	47	46	38	46	44	36	40	34	40	37
FRB*												
Loan outstandings as of the beg. of the quarter (€bn)	143.4	144.7	142.9	142.0	145.4	146.8	144.3	151.5	154.2	158.2	159.6	155.9
Cost of risk (€m)	402	343	73	72	72	124	342	79	80	65	107	331
Cost of risk (in annualised bp)	28	24	21	20	20	34	24	21	21	17	27	21
BNL bc*												
Loan outstandings as of the beg. of the quarter (€bn)	78.1	77.4	77.3	76.9	78.1	77.4	77.4	79.4	78.5	77.6	77.6	78.3
Cost of risk (€m)	1,398	1,248	274	242	215	229	959	228	222	203	218	871
Cost of risk (in annualised bp)	179	161	142	126	110	118	124	115	113	105	113	111
BRB*												
Loan outstandings as of the beg. of the quarter (€bn)	88.4	91.5	95.0	96.1	97.4	97.1	96.4	98.7	99.3	102.0	101.7	100.4
Cost of risk (€m)	131	85	21	49	19	9	98	-1	28	23	15	65
Cost of risk (in annualised bp)	15	9	9	20	8	4	10	0	11	9	6	6

*With Private Banking at 100%



Cost of Risk on Outstandings (2/2)

> Cost of risk/Customer loans at the beginning of the period (in annualised bp)

	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	4Q17	2017
BancWest*												
Loan outstandings as of the beg. of the quarter (€bn)	43.3	55.0	60.1	58.0	61.1	61.8	60.3	67.3	66.7	63.5	62.2	64.9
Cost of risk (€m)	50	50	25	23	14	23	85	22	38	32	20	111
Cost of risk (in annualised bp)	12	9	16	16	9	15	14	13	23	20	13	17
Europe-Mediterranean*												
Loan outstandings as of the beg. of the quarter (€bn)	30.0	38.8	38.6	39.0	39.5	39.3	39.1	38.3	38.3	38.3	37.9	38.2
Cost of risk (€m)	357	466	96	87	127	127	437	67	70	60	62	259
Cost of risk (in annualised bp)	119	120	100	89	129	129	112	70	73	62	66	68
Personal Finance												
Loan outstandings as of the beg. of the quarter (€bn)	51.3	57.0	59.4	60.6	62.3	63.4	61.4	65.9	68.9	70.9	68.9	68.7
Cost of risk (€m)	1,095	1,176	221	248	240	269	979	240	225	273	271	1,009
Cost of risk (in annualised bp)	214	206	149	164	154	170	159	146	131	154	157	147
CIB - Corporate Banking												
Loan outstandings as of the beg. of the quarter (€bn)	105.3	116.5	117.9	118.2	120.4	118.3	118.7	123.4	128.6	122.8	119.2	123.5
Cost of risk (€m)	131	138	55	42	79	115	292	-57	-78	-4	209	70
Cost of risk (in annualised bp)	12	12	19	14	26	39	25	-19	-24	-1	70	6
Group**												
Loan outstandings as of the beg. of the quarter (€bn)	647.2	698.9	703.2	702.2	717.5	716.1	709.8	737.6	742.9	739.1	734.9	738.6
Cost of risk (€m)	3,705	3,797	757	791	764	950	3,262	592	662	668	985	2,907
Cost of risk (in annualised bp)	57	54	43	45	43	53	46	32	36	36	54	39

* With Private Banking at 100%; ** Including cost of risk of market activities, Investment Solutions (until end 2014), International Financial Services and Corporate Centre



Basel 3 Risk-Weighted Assets*

- Basel 3 risk-weighted assets*: €642bn as at 31.12.17 (€636bn as at 30.09.17)
 - Rise in particular of risk-weighted assets related to credit risk

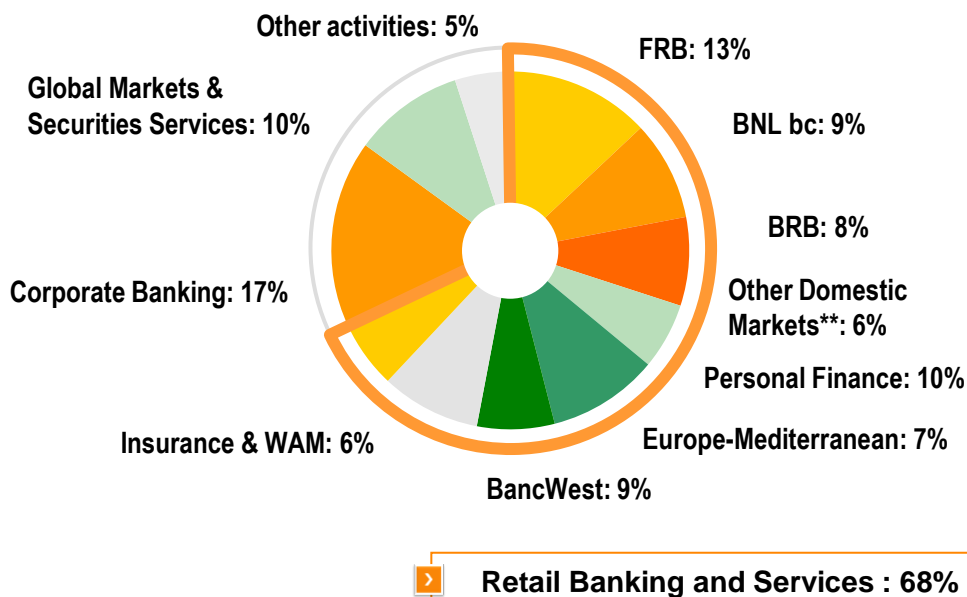
€bn	31.12.17	30.09.17	30.06.17
Credit Risk	513	502	505
Operational Risk	66	65	64
Counterparty Risk	27	29	29
Market / Foreign exchange Risk	17	18	20
Securitisation positions in the banking book	3	5	5
Others**	16	17	18
Total of Basel 3* RWA	642	636	640

* CRD4; ** Including the DTAs and significant investments in entities in the financial sector subject to 250% weighting



Basel 3* Risk-Weighted Assets by Business

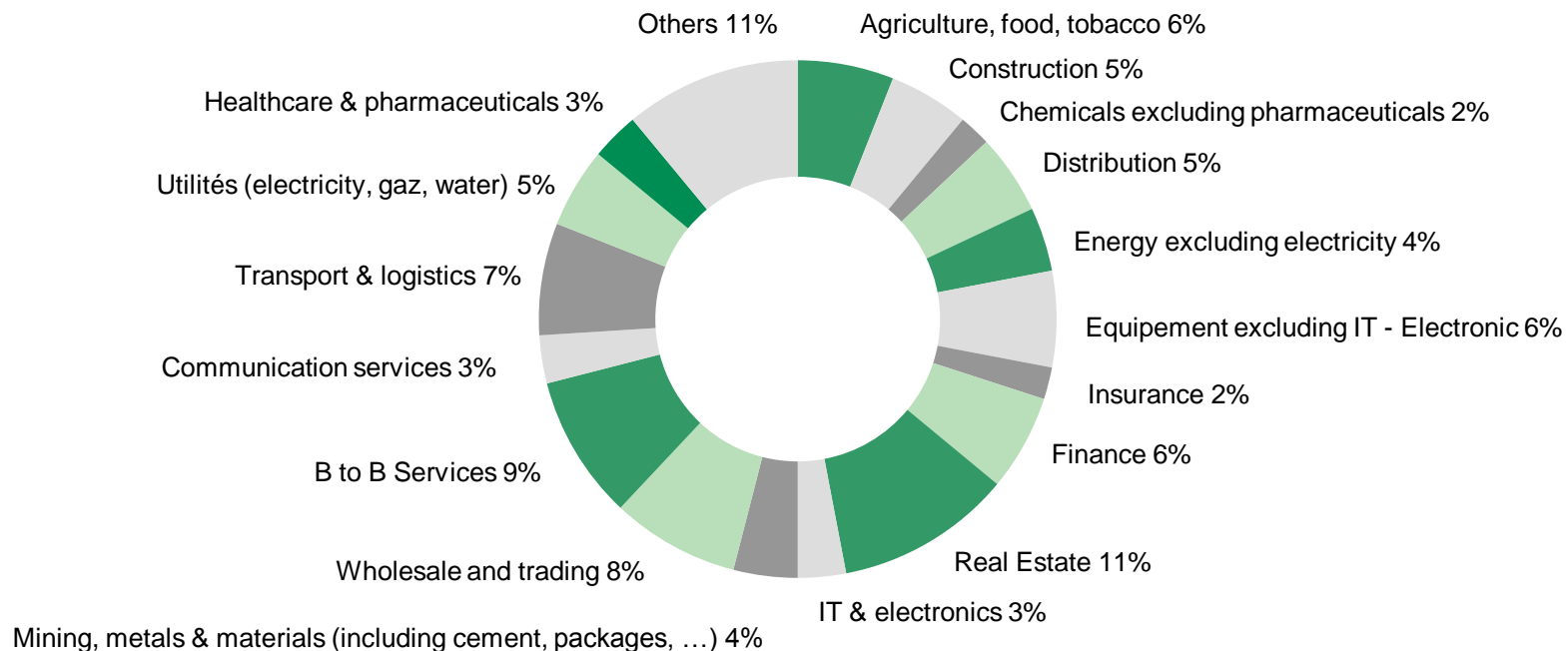
> **Basel 3 risk-weighted assets*
by business as at 31.12.2017**



* CRD4 ; ** Including Luxembourg



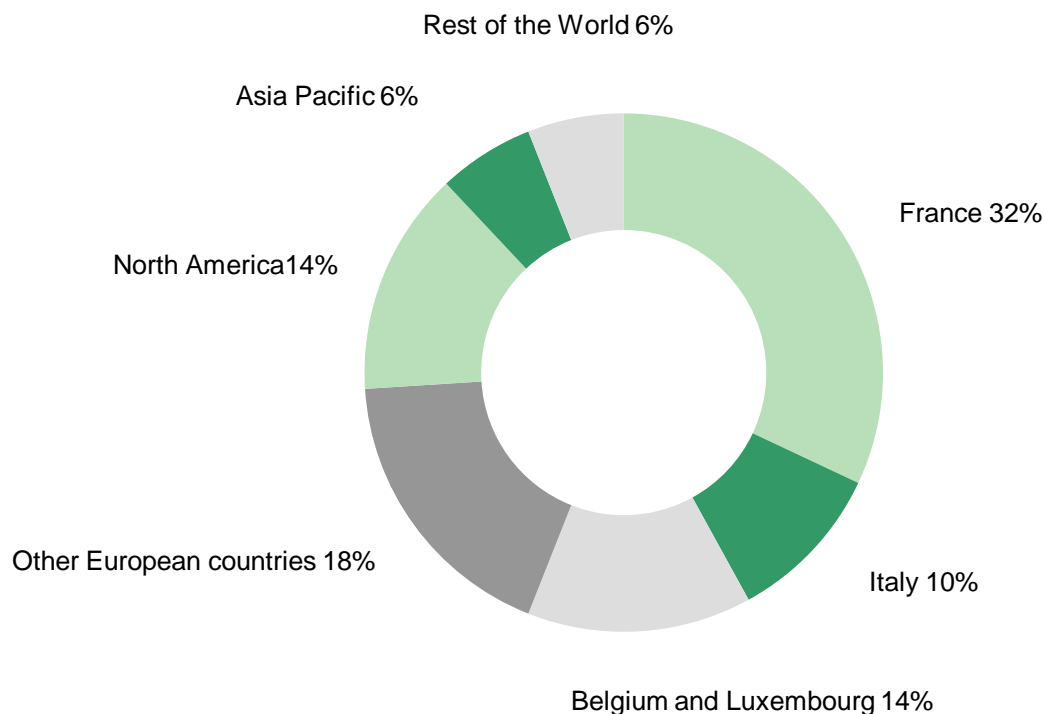
Breakdown of Commitments by Industry (Corporate Asset Class)



**Total gross commitments on and off balance sheet, unweighted
(corporate asset class) = €631bn as at 31.12.2017**



Breakdown of Commitments by Region



**Total gross commitments on and off balance sheet,
unweighted = €1,493bn as at 31.12.2017**



**PUBLICATION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BNP
PARIBAS FOR THE YEAR ENDED 31 DECEMBER 2017**

BNP Paribas have released the following audited Consolidated Financial Statements for the year ended 31 December 2017 on 6 March 2018.

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2017



BNP PARIBAS

The bank
for a changing
world

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS	4
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017	4
STATEMENT OF NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY	5
BALANCE SHEET AT 31 DECEMBER 2017	6
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017	7
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY BETWEEN 1 JAN. 2016 AND 31 DEC. 2017	8
NOTES TO THE FINANCIAL STATEMENTS	10
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP	10
1.a Accounting standards	10
1.b Consolidation	16
1.c Financial assets and financial liabilities	20
1.d Accounting standards specific to the insurance business	31
1.e Property, plant, equipment and intangible assets	33
1.f Leases	34
1.g Non-current assets held for sale and discontinued operations	35
1.h Employee benefits	36
1.i Share-based payments	37
1.j Provisions recorded under liabilities	38
1.k Current and deferred taxes	39
1.l Cash flow statement	39
1.m Use of estimates in the preparation of the financial statements	40
2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017	41
2.a Net interest income	41
2.b Commission income and expense	42
2.c Net gain on financial instruments at fair value through profit or loss	42
2.d Net gain on available-for-sale financial assets and other financial assets not measured at fair value	43
2.e Net income from other activities	43
2.f Other operating expenses	44
2.g Cost of risk	45
2.h Corporate income tax	47
3. SEGMENT INFORMATION	48
4. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2017	51
4.a Financial assets, financial liabilities and derivatives at fair value through profit or loss	51
4.b Derivatives used for hedging purposes	53
4.c Available-for-sale financial assets	53
4.d Measurement of the fair value of financial instruments	55
4.e Reclassification of financial instruments initially recognised as at fair value through profit or loss held for trading purposes or as available-for-sale assets	66
4.f Interbank and money-market items	67
4.g Customer items	67
4.h Past-due and doubtful loans	68
4.i Debt securities and subordinated debt	70
4.j Held-to-maturity financial assets	73
4.k Current and deferred taxes	74
4.l Accrued income/expense and other assets/liabilities	75
4.m Equity-method investments	76
4.n Property, plant, equipment and intangible assets used in operations, investment property	77
4.o Goodwill	78
4.p Technical reserves of insurance companies	82
4.q Provisions for contingencies and charges	83
4.r Offsetting of financial assets and liabilities	84
4.s Transfers of financial assets	87

5.	FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS	88
5.a	Financing commitments given or received	88
5.b	Guarantee commitments given by signature	88
5.c	Other guarantee commitments	89
6.	SALARIES AND EMPLOYEE BENEFITS	90
6.a	Salary and employee benefit expenses	90
6.b	Post-employment benefits	90
6.c	Other long-term benefits	98
6.d	Termination benefits	99
6.e	Share-based payments	99
7.	ADDITIONAL INFORMATION	102
7.a	Changes in share capital and earnings per share	102
7.b	Contingent liabilities : legal proceedings and arbitration	106
7.c	Business combinations	108
7.d	Minority interests	109
7.e	Significant restrictions in subsidiaries, joint ventures and associates	111
7.f	Structured entities	112
7.g	Compensation and benefits awarded to the Group's corporate officers	115
7.h	Other related parties	116
7.i	Fair value of financial instruments carried at amortised cost	118
7.j	Scope of consolidation	120
7.k	Fees paid to the statutory auditors	126

CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

The consolidated financial statements of the BNP Paribas Group are presented for the years ended 31 December 2017 and 31 December 2016. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for 2015 are provided in the registration document filed with the Autorité des marchés financiers on 7 March 2017 under number D.17-0132.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

In millions of euros	Notes	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Interest income	2.a	40,785	40,894
Interest expense	2.a	(19,011)	(18,518)
Commission income	2.b	13,231	12,765
Commission expense	2.b	(5,777)	(5,563)
Net gain on financial instruments at fair value through profit or loss	2.c	5,733	6,189
Net gain on available-for-sale financial assets and other financial assets not measured at fair value	2.d	2,338	2,211
Income from other activities	2.e	42,041	36,532
Expense on other activities	2.e	(36,179)	(31,099)
REVENUES		43,161	43,411
Salary and employee benefit expense	6.a	(16,496)	(16,402)
Other operating expenses	2.f	(11,729)	(11,279)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	4.n	(1,719)	(1,697)
GROSS OPERATING INCOME		13,217	14,033
Cost of risk	2.g	(2,907)	(3,262)
OPERATING INCOME		10,310	10,771
Share of earnings of equity-method entities	4.m	713	633
Net gain on non-current assets		488	(12)
Goodwill	4.o	(201)	(182)
PRE-TAX INCOME		11,310	11,210
Corporate income tax	2.h	(3,103)	(3,095)
NET INCOME		8,207	8,115
Net income attributable to minority interests		448	413
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		7,759	7,702
Basic earnings per share	7.a	6.05	6.00
Diluted earnings per share	7.a	6.05	6.00

STATEMENT OF NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Net income for the period	8,207	8,115
Changes in assets and liabilities recognised directly in equity	(3,019)	(805)
Items that are or may be reclassified to profit or loss	(3,171)	(589)
- Changes in exchange rate items	(2,589)	332
- Changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables	436	493
- Changes in fair value of available-for-sale financial assets reported in net income, including those reclassified as loans and receivables	(862)	(1,366)
- Changes in fair value of hedging instruments	(237)	(405)
- Changes in fair value of hedging instruments reported in net income	4	(1)
- Income tax	426	441
- Changes in equity-method investments	(349)	(83)
Items that will not be reclassified to profit or loss	152	(216)
- Remeasurement gains (losses) related to post-employment benefit plans	177	(302)
- Income tax	(25)	100
- Changes in equity-method investments		(14)
Total	5,188	7,310
- Attributable to equity shareholders	4,956	6,925
- Attributable to minority interests	232	385

BALANCE SHEET AT 31 DECEMBER 2017

In millions of euros	Notes	31 December 2017	31 December 2016
ASSETS			
Cash and amounts due from central banks		178,446	160,400
Financial instruments at fair value through profit or loss			
Trading securities	4.a	119,452	123,679
Loans and repurchase agreements	4.a	143,558	152,242
Instruments designated as at fair value through profit or loss	4.a	96,932	87,644
Derivative financial instruments	4.a	230,230	328,162
Derivatives used for hedging purposes	4.b	13,756	18,133
Available-for-sale financial assets	4.c	231,975	267,559
Loans and receivables due from credit institutions	4.f	45,670	47,411
Loans and receivables due from customers	4.g	727,675	712,233
Remeasurement adjustment on interest-rate risk hedged portfolios		3,064	4,664
Held-to-maturity financial assets	4.j	4,792	6,100
Current and deferred tax assets	4.k	6,568	7,966
Accrued income and other assets	4.l	107,211	115,967
Equity-method investments	4.m	6,812	6,910
Investment property	4.n	7,065	1,911
Property, plant and equipment	4.n	24,148	22,523
Intangible assets	4.n	3,327	3,239
Goodwill	4.o	9,571	10,216
TOTAL ASSETS		1,960,252	2,076,959
LIABILITIES			
Due to central banks		1,471	233
Financial instruments at fair value through profit or loss			
Trading securities	4.a	69,313	70,326
Borrowings and repurchase agreements	4.a	172,147	183,206
Instruments designated as at fair value through profit or loss	4.a	53,441	54,076
Derivative financial instruments	4.a	228,019	318,740
Derivatives used for hedging purposes	4.b	15,682	19,626
Due to credit institutions	4.f	76,503	75,660
Due to customers	4.g	766,890	765,953
Debt securities	4.i	148,156	153,422
Remeasurement adjustment on interest-rate risk hedged portfolios		2,372	4,202
Current and deferred tax liabilities	4.k	2,466	3,087
Accrued expenses and other liabilities	4.l	86,135	99,407
Technical reserves of insurance companies	4.p	203,436	193,626
Provisions for contingencies and charges	4.q	11,061	11,801
Subordinated debt	4.i	15,951	18,374
TOTAL LIABILITIES		1,853,043	1,971,739
CONSOLIDATED EQUITY			
Share capital, additional paid-in capital and retained earnings		91,094	86,794
Net income for the period attributable to shareholders		7,759	7,702
Total capital, retained earnings and net income for the period attributable to shareholders		98,853	94,496
Changes in assets and liabilities recognised directly in equity		3,130	6,169
Shareholders' equity		101,983	100,665
Retained earnings and net income for the period attributable to minority interests		5,352	4,460
Changes in assets and liabilities recognised directly in equity		(126)	95
Total minority interests		5,226	4,555
TOTAL CONSOLIDATED EQUITY		107,209	105,220
TOTAL LIABILITIES AND EQUITY		1,960,252	2,076,959

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

In millions of euros	Notes	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Pre-tax income		11,310	11,210
Non-monetary items included in pre-tax net income and other adjustments		19,811	12,474
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		4,550	4,444
Impairment of goodwill and other non-current assets		190	155
Net addition to provisions		10,021	10,241
Share of earnings of equity-method entities		(713)	(633)
Net expense (income) from investing activities		(453)	56
Net expense from financing activities		355	1,232
Other movements		5,861	(3,021)
Net increase (decrease) in cash related to assets and liabilities generated by operating activities		(2,154)	1,977
Net increase (decrease) in cash related to transactions with credit institutions		5,771	(19,515)
Net increase (decrease) in cash related to transactions with customers		(16,024)	25,749
Net increase in cash related to transactions involving other financial assets and liabilities		16,079	3,045
Net decrease in cash related to transactions involving non-financial assets and liabilities		(6,107)	(5,163)
Taxes paid		(1,873)	(2,139)
NET INCREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		28,967	25,661
Net increase in cash related to acquisitions and disposals of consolidated entities		527	468
Net decrease related to property, plant and equipment and intangible assets		(1,347)	(1,485)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		(820)	(1,017)
Decrease in cash and equivalents related to transactions with shareholders		(3,457)	(1,834)
Increase (decrease) in cash and equivalents generated by other financing activities		308	(2,608)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		(3,149)	(4,442)
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		(5,900)	2,587
NET INCREASE IN CASH AND EQUIVALENTS		19,098	22,789
Balance of cash and equivalent accounts at the start of the period		155,963	133,174
Cash and amounts due from central banks		160,400	134,547
Due to central banks		(233)	(2,385)
On demand deposits with credit institutions	4.f	6,513	9,346
On demand loans from credit institutions	4.f	(10,775)	(8,527)
Deduction of receivables and accrued interest on cash and equivalents		58	193
Balance of cash and equivalent accounts at the end of the period		175,061	155,963
Cash and amounts due from central banks		178,446	160,400
Due to central banks		(1,471)	(233)
On demand deposits with credit institutions	4.f	8,063	6,513
On demand loans from credit institutions	4.f	(9,906)	(10,775)
Deduction of receivables and accrued interest on cash and equivalents		(71)	58
NET INCREASE IN CASH AND EQUIVALENTS		19,098	22,789

STATEMENT OF CHANGES IN SHAREHOLDERS'

In millions of euros	Capital and retained earnings						
	Attributable to shareholders				Minority interests		
	Share capital and additional paid-in capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Capital and retained earnings	Preferred shares eligible as Tier 1 capital	Total
Capital and retained earnings at 31 December 2015	26,897	7,855	54,781	89,533	3,618	73	3,691
Appropriation of net income for 2015			(2,877)	(2,877)	(112)		(112)
Increases in capital and issues	29	2,035	(5)	2,059			-
Reduction or redemption of capital	(3)	(1,437)	125	(1,315)			-
Movements in own equity instruments	25	(23)	3	5			-
Share-based payment plans			1	1			-
Remuneration on preferred shares and undated super subordinated notes			(365)	(365)	(2)		(2)
Impact of internal transactions on minority shareholders (note 7.d)			4	4	(4)		(4)
Movements in consolidation scope impacting minority shareholders				-	3		3
Acquisitions of additional interests or partial sales of interests (note 7.d)			(32)	(32)	494		494
Change in commitments to repurchase minority shareholders' interests			(2)	(2)	(7)		(7)
Other movements			(7)	(7)	(10)		(10)
Changes in assets and liabilities recognised directly in equity			(210)	(210)	(6)		(6)
Net income for 2016			7,702	7,702	413		413
Capital and retained earnings at 31 December 2016	26,948	8,430	59,118	94,496	4,387	73	4,460
Appropriation of net income for 2016			(3,369)	(3,369)	(131)		(131)
Increases in capital and issues	88	636	(2)	722			-
Reduction or redemption of capital		(927)	64	(863)			-
Movements in own equity instruments	15	33	(10)	38			-
Share-based payment plans			3	3	2		2
Remuneration on preferred shares and undated super subordinated notes			(311)	(311)	(2)		(2)
Impact of internal transactions on minority shareholders (note 7.d)			1	1	(1)		(1)
Movements in consolidation scope impacting minority shareholders				-	493		493
Acquisitions of additional interests or partial sales of interests (note 7.d)			253	253	115		115
Change in commitments to repurchase minority shareholders' interests				-	(8)		(8)
Other movements			(34)	(34)	23		23
Changes in assets and liabilities recognised directly in equity			158	158	(6)		(6)
Net income for 2017			7,759	7,759	448		448
Interim dividend payments				-	(41)		(41)
Capital and retained earnings at 31 December 2017	27,051	8,172	63,630	98,853	5,279	73	5,352

EQUITY BETWEEN 1 JAN. 2016 AND 31 DEC. 2017

Changes in assets and liabilities recognised directly in equity					Total equity
Attributable to shareholders				Minority interests	
Exchange rates	Financial assets available for sale and reclassified as loans and receivables	Derivatives used for hedging purposes	Total		
325	5,066	1,345	6,736	117	100,077
			-		(2,989)
			-		2,059
			-		(1,315)
			-		5
			-		1
			-		(367)
			-		-
			-		3
			-		462
			-		(9)
			-		(17)
320	(694)	(193)	(567)	(22)	(805)
			-		8,115
645	4,372	1,152	6,169	95	105,220
			-		(3,500)
			-		722
			-		(863)
			-		38
			-		5
			-		(313)
			-		-
			-		493
(89)	10	1	(78)	(11)	279
			-		(8)
			-		(11)
(2,748)	(198)	(15)	(2,961)	(210)	(3,019)
			-		8,207
			-		(41)
(2,192)	4,184	1,138	3,130	(126)	107,209

NOTES TO THE FINANCIAL STATEMENTS

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

1.a ACCOUNTING STANDARDS

1.a.1 APPLICABLE ACCOUNTING STANDARDS

The consolidated financial statements of the BNP Paribas Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as adopted for use in the European Union¹. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded, and certain recent texts have not yet undergone the approval process.

The introduction of standards and amendments which are mandatory as of 1 January 2017 has no effect on the 2017 financial statements.

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union, whose application in 2017 was optional.

Information on the nature and extent of risks relating to financial instruments as required by IFRS 7 “Financial Instruments: Disclosures” and to insurance contracts as required by IFRS 4 “Insurance Contracts”, along with information on regulatory capital required by IAS 1 “Presentation of Financial Statements” are presented in Chapter 5 of the Registration document. This information, which is an integral part of the notes to the BNP Paribas Group’s consolidated financial statements, is covered by the opinion of the Statutory Auditors concerning the consolidated financial statements, and is identified in the Annual Report by the word “Audited”.

1.a.2 NEW MAJOR ACCOUNTING STANDARDS, PUBLISHED BUT NOT YET APPLICABLE

IFRS 9 “Financial Instruments”

IFRS 9 “Financial Instruments”, issued by the IASB in July 2014, will replace IAS 39 “Financial Instruments: Recognition and Measurement”, related to the classification and measurement of financial instruments. It sets out the new principles for the classification and measurement of financial instruments, for impairment for credit risk on debt instruments measured at amortised cost or at fair value through shareholders’ equity, loan commitments given, financial guarantee contracts, lease receivables and contract assets, as well as for general hedge accounting (i.e. micro hedging).

IFRS 9, which was adopted by the European Union on 22 November 2016, is mandatory for annual periods beginning on or after 1 January 2018.

⁽¹⁾ The full set of standards adopted for use in the European Union can be found on the website of the European Commission at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

Applying IFRS 9 to insurance activities

On 12 September 2016, the IASB published amendments to IFRS 4 “Insurance Contracts”: “*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*”. These amendments apply for annual periods beginning on or after 1 January 2018.

The amendments to IFRS 4 permit entities that predominantly undertake insurance activities the option to defer the effective date of IFRS 9 until 1 January 2021. The effect of such a deferral is that the entities concerned may continue to report their financial statements under the existing standard IAS 39.

This temporary exemption from IFRS 9, which was limited to groups that predominantly undertook insurance activities according to the IASB amendments, has been extended by the European Union on 3 November 2017 to the insurance sector of financial conglomerates. This exemption is subject to conditions, notably the temporary prohibition on internal transfer of financial instruments, other than financial instruments that are measured at fair value through profit and loss, between insurance entities and other entities of the financial conglomerate.

BNP Paribas Group will apply the amendments as adopted by the European Union to all its insurance entities, including funds related to this activity, which will apply IAS 39 “Financial instruments: Recognition and Measurement” until 31 December 2020.

Amendments to IFRS 9

On 12 October 2017, the IASB issued amendments to IFRS 9: “*Prepayment Features with Negative Compensation*” that precise the classification of financial assets with prepayment options at the borrower’s initiative leading the borrower to prepay the instrument at an amount less than the unpaid principal and interest owed.

These amendments will be mandatory for annual periods beginning on or after 1 January 2019. An early application will be possible after adoption by the European Union. In this case, BNP Paribas Group will apply these amendments as at 1 January 2018.

Classification and measurement

According to IFRS 9, classification and measurement of financial assets will depend on the business model and the contractual characteristics of the instruments. On initial recognition, financial assets will be measured at amortised cost, at fair value through shareholders’ equity (on a separate line), or at fair value through profit or loss.

It will no longer be possible to recognise derivatives embedded in financial assets separately from the host contract.

Application of the criteria relating to the business model and the contractual characteristics of the instruments will lead to different classification and measurement of financial assets from those selected under IAS 39.

Debt instruments (loans, receivables or debt securities) will be classified at amortised cost, at fair value through shareholders’ equity (on a separate line), or at fair value through profit or loss.

- They will be classified at amortised cost if the business model objective is to hold the financial assets in order to collect contractual cash flows, and if the contractual cash flows solely consist of payments relating to principal and interest on the principal.
- They will be classified at fair value through shareholders’ equity if the business model is achieved by both holding the financial assets in order to collect contractual cash flows and selling the assets and if the cash flows solely consist of payments relating to principal and interest on the principal. Upon disposal, amounts previously recognised in shareholders’ equity will be transferred to profit or loss.

- All debt instruments not eligible for classification at amortised cost or at fair value through shareholders' equity will be presented at fair value through profit or loss.

Debt instruments may only be designated as at fair value through profit or loss using the fair value option, if the use of this option enables the entity to eliminate or significantly reduce an accounting mismatch in profit or loss.

Investments in equity instruments such as shares will be classified as instruments at fair value through profit or loss, or, as an option, as instruments at fair value through shareholders' equity (on a separate line). In the latter case, upon disposal of equity instruments classified at fair value through shareholders' equity, amounts previously recognised in shareholders' equity shall not be transferred to profit or loss. Only dividends will be recognised in profit or loss.

With respect to financial liabilities, the main change introduced by IFRS 9 relates to recognition of changes in fair value attributable to changes in the credit risk of the liabilities designated as at fair value through profit or loss (fair value option), which will be recognised on a separate line in shareholders' equity and no longer through profit or loss.

The provisions of IAS 39 concerning the derecognition of financial assets and financial liabilities have been maintained in IFRS 9 without any modification. Moreover, IFRS 9 provides details on the accounting treatment of modified assets, depending on whether they are derecognised or not.

Based on analysed business models and characteristics of financial assets held by the Group, the main classifications expected as at 1 January 2018 are as follows:

- Loans and receivables due from credit institutions and customers and reverse repurchase agreements recognised in "Loans and receivables" under IAS 39 are mostly eligible to Amortised cost under IFRS 9, except for those not complying with the contractual characteristics criterion and those for which a disposal is envisaged;
- "available-for-sale financial assets" under IAS 39, held by non-insurance entities:
 - o Treasury bills, Government bonds and other fixed-income securities will be recognised, depending on the business model, at amortised cost for EUR 54 billion and at fair value through shareholders' equity for the remainder. By way of exception, those not complying with the contractual characteristics criterion will be measured at fair value through profit and loss;
 - o EUR 5 billion in investments in equity instruments will be reclassified as instruments at fair value through profit or loss.
- Financial assets classified as at "Fair value through profit or loss" under IAS 39 will remain in this category under IFRS 9.

Impairment

IFRS 9 establishes a new credit risk impairment model based on expected losses.

This model will apply to loans and debt instruments measured at amortised cost or at fair value through shareholders' equity (on a separate line), to loan commitments and financial guarantees not recognised at fair value, as well as to lease receivables.

Under the impairment model in IAS 39 based on incurred loss, an impairment loss is recognised when there is an objective evidence of a decrease in value. Counterparties that are not individually impaired are risk-assessed on the basis of portfolios with similar characteristics, and groups of counterparties which, as a result of events occurring since inception of the loans, present objective indication of impairment, are subject to a portfolio-based impairment. Moreover, the Group may recognise additional collective impairment with respect to a given economic sector or geographic area affected by exceptional economic events.

The new impairment model under IFRS 9 requires accounting for 12-month expected credit losses (that result from the risk of default in the next 12 months) on the financial instruments issued or acquired, as of the date of initial recognition on the balance sheet.

Expected credit losses at maturity (that result from the risk of default over the life of the financial instrument) will be recognised if the credit risk has increased significantly since initial recognition.

Financial assets for which a 12-month expected credit loss will be recognised, will be included in "Stage 1". Interest income will be measured according to the effective interest method using the financial asset's gross value (before impairment).

Financial assets for which the credit risk has increased significantly since the initial recognition will be included in "Stage 2". Interest income will be measured according to the effective interest method using the financial asset's gross value (before impairment).

Significant increase in the credit risk will be assessed on an individual basis or on a collective basis (by grouping the financial instruments according to common credit risk characteristics) by taking into consideration all reasonable and supportable information and comparing the default risk of the financial instrument at the reporting date with the default risk on the date of its initial recognition.

Assessment of deterioration will be measured by comparing probability of default/ratings on the date of initial recognition and those existing on the reporting date.

Under the standard, there is also a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The standard suggests that it may be assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if this risk is considered to be low on the reporting date (for example, a financial instrument which has an 'investment grade' rating). This provision may be applied to debt securities.

Financial assets for which there is objective evidence of a decrease in value as a result of an event occurring after inception of the loan or acquisition of the asset will be considered as impaired and be recognised in "Stage 3". Criteria for identifying impaired assets are similar to those prevailing under IAS 39. Interest income will be measured according to the effective interest method using the financial asset's net value (after impairment).

The measurement of expected credit losses is based on 3 main parameters: the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") in light of amortisation profiles. Expected credit losses are measured as the product of the PD, LGD and EAD.

The methodology developed by the Group for the implementation of IFRS 9 is based on existing concepts and methods (in particular the Basel framework) on exposures for which the capital requirement for credit risk is measured according to the IRBA methodology. This method is also applied to portfolios for which the capital requirement for credit risk is measured according to the standardised approach. Besides, the Basel framework needs to be supplemented with the specific provisions of IFRS 9, in particular the use of forward-looking information.

The amount of expected credit loss will be measured on the basis of probability-weighted scenarios, in view of past events, current conditions and reasonable and supportable economic forecasts.

The new impairment model will result in an increase in impairment for credit risk since all financial assets will be subject to a 12-month expected credit loss measurement and since the measurement of expected losses will include the impact of prospective scenarios. Moreover, the scope of assets for which there is a significant increase in credit risk will be different from the scope of assets for which portfolio-based impairment was recognised under IAS 39.

Treatment of restructuring for financial difficulties is likely to remain similar to that prevailing under IAS 39.

The estimated amount of credit risk impairment according to IFRS 9 as at 1 January 2018 is EUR 29.3 billion, compared to EUR 26 billion as at 31 December 2017 under IAS 39.

Hedge accounting

The Group will maintain the hedge accounting principles under IAS 39, as allowed by the standard until the new macro-hedging standard comes into force. Additional information required by IFRS 7 as amended by IFRS 9 concerning risk management and the impacts of hedge accounting on the financial statements will be disclosed in the notes to the financial statements. Besides, IFRS 9 does not explicitly address the fair value hedge of the interest rate risk on a portfolio of financial assets or liabilities. The provisions of IAS 39 for these portfolio hedges, as adopted by the European Union, will continue to apply.

Transition

The IFRS 9 classification and measurement provisions, as well as its new impairment model, are applicable retrospectively as at 1 January 2018, and the standard introduces the option not to restate the comparative figures for prior periods. BNP Paribas Group will retain this option.

IFRS 9 allows early application of the requirements for the presentation of gains and losses attributable to changes in the credit risk of the financial liabilities designated as at fair value through profit or loss (fair value option). However, the Group decided not to apply these requirements before 1 January 2018.

Global impact expected for the first IFRS 9 application

Subject to control and validation works in progress, IFRS 9 application at 1 January 2018 should trigger an estimated net impact on shareholders' equity of EUR -2.5 billion.

IFRS 15 Revenue from contracts with customers

IFRS 15 "Revenue from Contracts with Customers", issued in May 2014, will supersede a number of standards and interpretations on revenue recognition (in particular IAS 18 "Revenue" and IAS 11 "Construction Contracts"). Revenues from lease contracts, insurance contracts or financial instruments are excluded from the scope of this standard.

Adopted by the European Union on 22 September 2016, IFRS 15 will become mandatory for years beginning on, or after, 1 January 2018.

IFRS 15 defines a single model for recognising revenue based on five-step principles. These five steps make it notably possible to identify the distinct performance obligations in the contracts with customers and to allocate the transaction price to them. The transaction price amounts that are allocated to the different performance obligations are recognised as revenue when the performance obligations are satisfied, namely when the control of the promised goods or services has been transferred.

Revenues from net banking income falling within the scope of application concern in particular the commissions received for banking and similar services provided (except those arising from the effective interest rate), revenues from property development and revenues from services provided in connection with lease contracts.

Transition

IFRS 15 is applicable retrospectively as at 1 January 2018 and introduces the option not to restate the comparative figures for prior periods. BNP Paribas Group will retain this option.

The post-tax impact of IFRS 15 application on shareholders' equity as at 1 January 2018 is estimated at EUR -24 million.

This impact is generated by:

- a change in the timing of recognition of revenues derived from maintenance services offered by operating lease entities;
- a change in the timing of recognition of revenues derived from real estate programmes.

IFRS 16 Leases

IFRS 16 “Leases”, issued in January 2016, will supersede IAS 17 “Leases” and the interpretations relating to the accounting of such contracts. The new definition of leases relies on both the identification of an asset and the right to control the identified asset by the lessee.

From the lessor's point of view, the expected impact should be limited, as the requirements of IFRS 16 remain mostly unchanged from the current IAS 17.

For the lessee, IFRS 16 will require recognition in the balance sheet of all leases, in the form of a right-of-use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right-of-use assets will be amortised on a straight-line basis and the financial liabilities will be amortised on an actuarial basis over the lease period. The main change induced by this new standard is related to contracts which, under IAS 17, met the definition of operating leases, and as such, did not require recognition in the balance sheet of the leased assets.

Adopted for use in the European Union as at 31 October 2017, IFRS 16 will become mandatory for annual periods beginning on or after 1 January 2019. Following the publication of the standard, the Group has started to analyse the standard and define its potential impacts.

IFRS 17 Insurance Contracts

IFRS 17 “Insurance Contracts”, issued in May 2017, will replace IFRS 4 “Insurance Contracts” and will become mandatory for annual periods beginning on or after 1 January 2021, after its adoption by the European Union for application in Europe.

1.b CONSOLIDATION

1.b.1 SCOPE OF CONSOLIDATION

The consolidated financial statements of BNP Paribas include entities that are controlled by the Group, jointly controlled, and under significant influence, with the exception of those entities whose consolidation is regarded as immaterial to the Group. Companies that hold shares in consolidated companies are also consolidated.

Subsidiaries are consolidated from the date on which the Group obtains effective control. Entities under temporary control are included in the consolidated financial statements until the date of disposal.

1.b.2 CONSOLIDATION METHODS

Controlled enterprises are fully consolidated. The Group controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For entities governed by voting rights, the Group generally controls the entity if it directly or indirectly holds the majority of voting rights and if there are no other agreements altering the power of these voting rights.

Structured entities are defined as entities that are not governed by voting rights, such as when those voting rights relate to administrative tasks only, whereas the relevant activities are directed by means of contractual arrangements. They often have the following features or attributes: restricted activities, a narrow and well-defined objective and insufficient equity to permit them to finance their activities without subordinated financial support.

For these entities, the analysis of control shall consider the purpose and design of the entity, the risks to which the entity is designed to be exposed and to what extent the Group absorbs the related variability. The assessment of control shall consider all facts and circumstances able to determine the Group's practical ability to make decisions that could significantly affect its returns, even if such decisions are contingent on uncertain future events or circumstances.

In assessing whether it has power, the Group considers only substantive rights which it holds or which are held by third parties. For a right to be substantive, the holder must have the practical ability to exercise that right when decisions about the relevant activities of the entity need to be made.

Control shall be reassessed if facts and circumstances indicate that there are changes to one or more of the elements of control.

Where the Group contractually holds the decision-making power, for instance where the Group acts as fund manager, it shall determine whether it is acting as agent or principal. Indeed, when associated with a certain level of exposure to the variability of returns, this decision-making power may indicate that the Group is acting on its own account and that it thus has control over those entities.

Where the Group carries out an activity with one or more partners, sharing control by virtue of a contractual agreement which requires unanimous consent on relevant activities (those that significantly affect the entity's returns), the Group exercises joint control over the activity. Where the jointly controlled activity is structured through a separate vehicle in which the partners have rights to the net assets, this joint venture is accounted for using the equity method. Where the jointly controlled activity is not structured through a separate vehicle or where the partners have rights to the assets and obligations for the liabilities of the jointly controlled activity, the Group accounts for its share of the assets, liabilities, revenues and expenses in accordance with the applicable IFRSs.

Enterprises over which the Group exercises significant influence (associates) are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of an enterprise without exercising control. Significant influence is presumed to exist when the Group holds, directly or indirectly, 20% or more of the voting power of an enterprise. Interests of less than 20% are excluded from consolidation unless they represent a strategic investment and the Group effectively exercises significant influence. This applies to companies developed in partnership with other groups, where the BNP Paribas Group participates in strategic decisions of the enterprise through representation on the Board of Directors or equivalent governing body, exercises influence over the enterprise's operational management by supplying management systems or senior managers, or provides technical assistance to support the enterprise's development.

Changes in the net assets of associates (companies accounted for under the equity method) are recognised on the assets side of the balance sheet under "Investments in equity-method entities" and in the relevant component of shareholders' equity. Goodwill on associates is also included under "Investments in equity-method entities".

Whenever there is an indication of impairment, the carrying amount of the investment consolidated under the equity method (including goodwill) is subjected to an impairment test, by comparing its recoverable value (the higher of value-in-use and market value less costs to sell) to its carrying amount. Where appropriate, impairment is recognised under "Share of earnings of equity-method entities" in the consolidated income statement and can be reversed at a later date.

If the Group's share of losses of an equity-method entity equals or exceeds the carrying amount of its investment in this entity, the Group discontinues including its share of further losses. The investment is reported at nil value. Additional losses of the equity-method entity are provided for only to the extent that the Group has a legal or constructive obligation to do so, or has made payments on behalf of this entity.

Minority interests are presented separately in the consolidated profit and loss account and balance sheet within consolidated equity. The calculation of minority interests takes into account the outstanding cumulative preferred shares classified as equity instruments issued by subsidiaries, when such shares are held outside the Group.

As regards fully consolidated funds, units held by third-party investors are recognised as debts at fair value through profit or loss, inasmuch as they are redeemable at market value at the subscriber's initiative.

For transactions resulting in a loss of control, any equity interest retained by the Group is remeasured at its fair value through profit or loss.

Realised gains and losses on investments in consolidated undertakings are recognised in the profit and loss account under "Net gain on non-current assets".

1.b.3 CONSOLIDATION PROCEDURES

The consolidated financial statements are prepared using uniform accounting policies for reporting like transactions and other events in similar circumstances.

- **Elimination of intragroup balances and transactions**

Intragroup balances arising from transactions between consolidated enterprises, and the transactions themselves (including income, expenses and dividends), are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired. Unrealised gains and losses included in the value of available-for-sale assets are maintained in the consolidated financial statements.

- **Translation of financial statements expressed in foreign currencies**

The consolidated financial statements of BNP Paribas are prepared in euros.

The financial statements of enterprises whose functional currency is not the euro are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average rate for the period.

The same method is applied to the financial statements of enterprises located in hyperinflationary economies, after adjusting for the effects of inflation by applying a general price index.

Differences arising from the translation of balance sheet items and profit and loss items are recorded in shareholders' equity under "Changes in assets and liabilities recognised directly in equity - Exchange rates" for the portion attributable to shareholders, and in "Minority interests" for the portion attributable to outside investors. Under the optional treatment permitted by IFRS 1, the Group has reset to zero all translation differences, by booking all cumulative translation differences attributable to shareholders and to minority interests in the opening balance sheet at 1 January 2004 to retained earnings.

On liquidation or disposal of some or all of an interest held in a foreign enterprise located outside the euro zone, leading to a change in the nature of the investment (loss of control, loss of significant influence or loss of joint control without keeping a significant influence), the cumulative translation adjustment at the date of liquidation or sale, determined according to the step method, is recognised in the profit and loss account.

Should the interest percentage held change without any modification in the nature of the investment, the translation adjustment is reallocated between the portion attributable to shareholders and that attributable to minority interests, if the enterprise is fully consolidated. For enterprises consolidated under the equity method, the portion related to the interest sold is recognised in the profit and loss account.

1.b.4 BUSINESS COMBINATIONS AND MEASUREMENT OF GOODWILL

- **Business combinations**

Business combinations are accounted for using the purchase method.

Under this method, the acquiree's identifiable assets and liabilities assumed are measured at fair value at the acquisition date except for non-current assets classified as assets held for sale, which are accounted for at fair value less costs to sell.

The acquiree's contingent liabilities are not recognised in the consolidated balance sheet unless they represent a present obligation on the acquisition date and their fair value can be measured reliably.

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued to obtain control of the acquiree. Costs directly attributable to the business combination are treated as a separate transaction and recognised through profit or loss.

Any contingent consideration is included in the cost, as soon as control is obtained, at fair value on the date when control was acquired. Subsequent changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss.

The Group may recognise any adjustments to the provisional accounting within 12 months of the acquisition date.

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets and liabilities of the acquiree at the acquisition date. Positive goodwill is recognised in the acquirer's balance sheet, while negative goodwill is recognised immediately in profit or loss, on the acquisition date. Minority interests are measured at their share of the fair value of the acquiree's identifiable assets and liabilities. However, for each business combination, the Group can elect to measure minority interests at fair value, in which case a proportion of goodwill is allocated to them. To date, the Group has never used this latter option.

Goodwill is recognised in the functional currency of the acquiree and translated at the closing exchange rate.

On the acquisition date, any previously held equity interest in the acquiree is remeasured at its fair value through profit or loss. In the case of a step acquisition, the goodwill is therefore determined by reference to the acquisition-date fair value.

Since the revised IFRS 3 is applied prospectively, business combinations completed prior to 1 January 2010 were not restated for the effects of changes to IFRS 3.

As permitted under IFRS 1, business combinations that took place before 1 January 2004 and were recorded in accordance with the previously applicable accounting standards (French GAAP), have not been restated in accordance with the principles of IFRS 3.

- **Measurement of goodwill**

The BNP Paribas Group tests goodwill for impairment on a regular basis.

- Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating units² representing major business lines. This split is consistent with the Group's organisational structure and management methods, and reflects the independence of each unit in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

- Testing cash-generating units for impairment

Goodwill allocated to cash-generating units is tested for impairment annually and whenever there is an indication that a unit may be impaired, by comparing the carrying amount of the unit with its recoverable amount. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

- Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit less costs to sell, and its value in use.

Fair value is the price that would be obtained from selling the unit at the market conditions prevailing at the date of measurement, as determined mainly by reference to actual prices of recent transactions involving similar entities or on the basis of stock market multiples for comparable companies.

Value in use is based on an estimate of the future cash flows to be generated by the cash-generating unit, derived from the annual forecasts prepared by the unit's management and approved by Group Executive Management, and from analyses of changes in the relative positioning of the unit's activities on their market. These cash flows are discounted at a rate that reflects the return that investors would require from an investment in the business sector and region involved.

⁽²⁾ As defined by IAS 36.

1.c FINANCIAL ASSETS AND FINANCIAL LIABILITIES

1.c.1 LOANS AND RECEIVABLES

Loans and receivables include credit provided by the Group, the Group's share in syndicated loans, and purchased loans that are not quoted in an active market, unless they are held for trading purposes. Loans that are quoted in an active market are classified as "Available-for-sale financial assets" and measured using the methods applicable to this category.

Loans and receivables are initially measured at fair value or equivalent, which is usually the net amount disbursed at inception including directly attributable origination costs and certain types of fees or commission (syndication commission, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

Loans and receivables are subsequently measured at amortised cost. The income from the loan, representing interest plus transaction costs and fees/commission included in the initial value of the loan, is calculated using the effective interest method and taken to profit or loss over the life of the loan.

Commission earned on financing commitments prior to the inception of a loan is deferred and included in the value of the loan when the loan is made.

Commission earned on financing commitments when the probability of drawdown is low, or when there is uncertainty as to the timing and amount of drawdowns, is recognised on a straight-line basis over the life of the commitment.

1.c.2 REGULATED SAVINGS AND LOAN CONTRACTS

Home savings accounts (*Comptes Épargne-Logement* – "CEL") and home savings plans (*Plans d'Épargne Logement* – "PEL") are government-regulated retail products sold in France. They combine a savings phase and a loan phase which are inseparable, with the loan phase contingent upon the savings phase.

These products contain two types of obligations for BNP Paribas: an obligation to pay interest on the savings for an indefinite period, at a rate set by the government at the inception of the contract (in the case of PEL products) or at a rate reset every six months using an indexation formula set by law (in the case of CEL products); and an obligation to lend to the customer (at the customer's option) an amount contingent upon the rights acquired during the savings phase, at a rate set at the inception of the contract (in the case of PEL products) or at a rate contingent upon the savings phase (in the case of CEL products).

The Group's future obligations with respect to each generation (in the case of PEL products, a generation comprises all products with the same interest rate at inception; in the case of CEL products, all such products constitute a single generation) are measured by discounting potential future earnings from at-risk outstandings for that generation.

At-risk outstandings are estimated on the basis of a historical analysis of customer behaviour, and are equivalent to:

- for the loan phase: statistically probable loans outstanding and actual loans outstanding;
- for the savings phase: the difference between statistically probable outstandings and minimum expected outstandings, with minimum expected outstandings being deemed equivalent to unconditional term deposits.

Earnings for future periods from the savings phase are estimated as the difference between the reinvestment rate and the fixed savings interest rate on at-risk savings outstanding for the period in question. Earnings for future periods from the loan phase are estimated as the difference between the refinancing rate and the fixed loan interest rate on at-risk loans outstanding for the period in question.

The reinvestment rate for savings and the refinancing rate for loans are derived from the swap yield curve and from the spreads expected on financial instruments of similar type and maturity. Spreads are

determined on the basis of actual spreads on fixed rate home loans in the case of the loan phase and products offered to individual clients in the case of the savings phase. In order to reflect the uncertainty of future interest rate trends, and the impact of such trends on customer behaviour models and on at-risk outstandings, the obligations are estimated using the Monte-Carlo method.

Where the sum of the Group's estimated future obligations with respect to the savings and loan phases of any generation of contracts indicates a potentially unfavourable situation for the Group, a provision is recognised (with no offset between generations) in the balance sheet in "Provisions for contingencies and charges". Movements in this provision are recognised as interest income in the profit and loss account.

1.c.3 SECURITIES

• Categories of securities

Securities held by the Group are classified into one of four categories.

- Financial assets at fair value through profit or loss

Apart from derivative instruments, financial assets at fair value through profit or loss are composed of:

- financial assets held for trading purposes;
- financial assets that the Group has designated, on initial recognition, at fair value through profit or loss using the fair value option available under IAS 39. The conditions for applying the fair value option are set out in section 1.c.11.

Securities in this category are measured at fair value at the balance sheet date. Transaction costs are directly posted in the profit and loss account. Changes in fair value (excluding accrued interest on fixed-income securities) are presented in the profit and loss account under "Net gain/loss on financial instruments at fair value through profit or loss", along with dividends from variable-income securities and realised gains and losses on disposal.

Income earned on fixed-income securities classified into this category is shown under "Interest income" in the profit and loss account.

- Loans and receivables

Securities with fixed or determinable payments that are not traded on an active market, apart from securities for which the owner may not recover almost all of its initial investment due to reasons other than credit deterioration, are classified as "Loans and receivables" if they do not meet the criteria to be classified as "Financial assets at fair value through profit or loss". These securities are measured and recognised as described in section 1.c.1.

- Held-to-maturity financial assets

Held-to-maturity financial assets are investments with fixed or determinable payments and fixed maturity that the Group has the intention and ability to hold until maturity. Hedges contracted to cover assets in this category against interest rate risk do not qualify for hedge accounting as defined in IAS 39.

Assets in this category are accounted for at amortised cost using the effective interest method, which builds in amortisation of premium and discount (corresponding to the difference between the purchase price and redemption value of the asset) and acquisition costs (where material). Income earned from this category of assets is included in "Interest income" in the profit and loss account.

- Available-for-sale financial assets

Available-for-sale financial assets are fixed-income and variable-income securities other than those classified as “fair value through profit or loss” or “held-to-maturity” or “loans and receivables”.

Assets included in the available-for-sale category are initially recorded at fair value, plus transaction costs where material. At the balance sheet date, they are remeasured at fair value, with changes in fair value (excluding accrued interest) shown on a separate line in shareholders' equity. Upon disposal, these unrealised gains and losses are transferred from shareholders' equity to the profit and loss account, where they are shown on the line “Net gain/loss on available-for-sale financial assets”. The same applies in the event of impairment.

Income recognised using the effective interest method for fixed-income available-for-sale securities is recorded under “Interest income” in the profit and loss account. Dividend income from variable-income securities is recognised under “Net gain/loss on available-for-sale financial assets” when the Group's right to receive payment is established.

- **Repurchase agreements and securities lending/borrowing**

Securities temporarily sold under repurchase agreements continue to be recorded in the Group's balance sheet in the category of securities to which they belong. The corresponding liability is recognised in the appropriate debt category on the balance sheet except in the case of repurchase agreements contracted for trading purposes where the corresponding liability is classified under “Financial liabilities at fair value through profit or loss”.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised under “Loans and receivables” except in the case of reverse repurchase agreements contracted for trading purposes, where the corresponding receivable is recognised under “Financial assets at fair value through profit or loss”.

Securities lending transactions do not result in derecognition of the lent securities, and securities borrowing transactions do not result in recognition of the borrowed securities on the balance sheet. In cases where the borrowed securities are subsequently sold by the Group, the obligation to deliver the borrowed securities on maturity is recognised on the balance sheet under “Financial liabilities at fair value through profit or loss”.

- **Date of recognition for securities transactions**

Securities classified as at fair value through profit or loss, held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (at fair value through profit or loss, loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date. For reverse repurchase agreements and repurchase agreements, a financing commitment, respectively given and received, is recognized between the trade date and the settlement date when the transactions are recognised, respectively, as “Loans and receivables” and “Liabilities”. When reverse repurchase agreements and repurchase agreements are recognised, respectively, as “Financial assets at fair value through profit or loss” and “Financial liabilities at fair value through profit or loss”, the repurchase commitment is recognised as a derivative financial instrument.

Securities transactions are carried on the balance sheet until the Group's rights to receive the related cash flows expire, or until the Group has substantially transferred all the risks and rewards related to ownership of the securities.

1.c.4 FOREIGN CURRENCY TRANSACTIONS

The methods used to account for assets and liabilities relating to foreign currency transactions entered into by the Group, and to measure the foreign exchange risk arising on such transactions, depend on whether the asset or liability in question is classified as a monetary or a non-monetary item.

- Monetary assets and liabilities³ expressed in foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the profit and loss account, except for those arising from financial instruments designated as a cash flow hedge or a net foreign investment hedge, which are recognised in shareholders' equity.

- Non-monetary assets and liabilities expressed in foreign currencies

Non-monetary assets may be measured either at historical cost or at fair value. Non-monetary assets expressed in foreign currencies are translated using the exchange rate at the date of the transaction if they are measured at historical cost, and at the closing rate if they are measured at fair value.

Translation differences on non-monetary assets expressed in foreign currencies and measured at fair value (variable-income securities) are recognised in the profit and loss account if the asset is classified under "Financial assets at fair value through profit or loss", and in shareholders' equity if the asset is classified under "Available-for-sale financial assets", unless the financial asset in question is designated as an item hedged against foreign exchange risk in a fair value hedging relationship, in which case the translation difference is recognised in the profit and loss account.

1.c.5 IMPAIRMENT AND RESTRUCTURING OF FINANCIAL ASSETS

• **Doubtful assets**

Doubtful assets are defined as assets where the Bank considers that there is a risk that the debtors will be unable to honour all or part of their commitments.

• **Impairment of loans and receivables and held-to-maturity financial assets, provisions for financing and guarantee commitments**

An impairment loss is recognised against loans and held-to-maturity financial assets where (i) there is objective evidence of a decrease in value as a result of an event occurring after inception of the loan or acquisition of the asset; (ii) the event affects the amount or timing of future cash flows; and (iii) the consequences of the event can be reliably measured. Loans are initially assessed for evidence of impairment on an individual basis, and subsequently on a portfolio basis. Similar principles are applied to financing and guarantee commitments given by the Group, with the probability of drawdown taken into account in any assessment of financing commitments.

⁽³⁾ Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

At an individual level, objective evidence that a financial asset is impaired includes observable data regarding the following events:

- the existence of accounts that are more than three months past due;
- knowledge or indications that the borrower meets significant financial difficulty, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments;
- concessions with respect to the credit terms granted to the borrower that the lender would not have considered had the borrower not been meeting financial difficulty (see section "Restructuring of assets classified as "Loans and receivables").

The amount of the impairment is the difference between the carrying amount before impairment and the present value, discounted at the original effective interest rate of the asset, of those components (principal, interest, collateral, etc.) regarded as recoverable. Changes in the amount of impairment losses are recognised in the profit and loss account under "Cost of risk". Any subsequent decrease in an impairment loss that can be related objectively to an event occurring after the impairment loss was recognised is credited to the profit and loss account, also under "Cost of risk". Once an asset has been impaired, the theoretical income earned on the carrying amount of the asset calculated at the original effective interest rate used to discount the estimated recoverable cash flows is recognised under "Interest income" in the profit and loss account.

Impairment losses on loans and receivables are usually recorded in a separate provision account which reduces the amount for which the loan or receivable was recorded in assets upon initial recognition. Provisions relating to off-balance sheet financial instruments, financing and guarantee commitments or disputes are recognised in liabilities. Impaired receivables are written off in whole or in part and the corresponding provision is reversed for the amount of the loss when all other means available to the Bank for recovering the receivables or guarantees have failed, or when all or part of the receivables have been waived.

Counterparties that are not individually impaired are risk-assessed on a portfolio basis with similar characteristics. This assessment draws upon an internal rating system based on historical data, adjusted as necessary to reflect circumstances prevailing at the balance sheet date. It enables the Group to identify groups of counterparties which, as a result of events occurring since inception of the loans, have collectively acquired a probability of default at maturity that provides objective evidence of impairment of the entire portfolio, but without it being possible at that stage to allocate the impairment to individual counterparties. This assessment also estimates the amount of the loss on the portfolios in question, taking account of trends in the economic cycle during the assessment period. Changes in the amount of portfolio impairments are recognised in the profit and loss account under "Cost of risk".

Based on the experienced judgement of the Bank's divisions or Risk Management, the Group may recognise additional collective impairment provisions with respect to a given economic sector or geographic area affected by exceptional economic events. This may be the case when the consequences of these events cannot be measured with sufficient accuracy to adjust the parameters used to determine the collective provision recognised against affected portfolios of loans with similar characteristics.

• **Impairment of available-for-sale financial assets**

Impairment of available-for-sale financial assets (which mainly comprise securities) is recognised on an individual basis if there is objective evidence of impairment as a result of one or more events occurring since acquisition.

In the case of variable-income securities quoted in an active market, the control system identifies securities that may be impaired on a long term basis and is based on criteria such as a significant decline in quoted price below the acquisition cost or a prolonged decline, which prompts the Group to carry out an additional individual qualitative analysis. This may lead to the recognition of an impairment loss calculated on the basis of the quoted price.

Apart from the identification criteria, the Group has determined three indications of impairment, one being a significant decline in price, defined as a fall of more than 50% of the acquisition price, another being a prolonged decline over two consecutive years and the final one being a decline on average of at least 30% over an observation period of one year. The Group believes that a period of two years is what is necessary for a moderate decline in price below the purchase cost to be considered as something more than just the effect of random volatility inherent in the stock markets or a cyclical change lasting a few years, but which represents a lasting phenomenon justifying an impairment.

A similar method is applied for variable-income securities not quoted in an active market. Any impairment is then determined based on the model value.

In the case of fixed-income securities, impairment is assessed based on the same criteria applied to individually impaired loans and receivables. For securities quoted in an active market, impairment is determined based on the quoted price. For all the others, it is determined based on model value.

Impairment losses taken against variable-income securities are recognised as a component of Revenues on the line "Net gain/loss on available-for-sale financial assets", and may not be reversed through the profit and loss account until these securities are sold. Any subsequent decline in fair value constitutes an additional impairment loss, recognised in the profit and loss account.

Impairment losses taken against fixed-income securities are recognised under "Cost of risk", and may be reversed through the profit and loss account in the event of an increase in fair value that relates objectively to an event occurring after the last impairment was recognised.

- **Restructuring of assets classified as "Loans and receivables"**

The restructuring of an asset classified in loans and receivables is considered to be a troubled debt restructuring when the Bank, for economic or legal reasons related to the borrower's financial difficulties, agrees to a modification of terms of the original transaction that it would not otherwise consider, resulting in the borrower's contractual obligation to the Bank, measured at present value, being reduced compared with the original terms.

At the time of restructuring, a discount is applied to the loan to reduce its carrying amount to the present value of the new expected future cash flows discounted at the original effective interest rate.

The decrease in the asset value is recognised in the profit and loss account under "Cost of risk".

When the restructuring consists of a partial or full settlement with other substantially different assets, the original debt (see note 1.c.14) and the assets received in settlement are recognised at their fair value on the settlement date. The difference in value is recognised in profit or loss under "Cost of risk".

1.c.6 RECLASSIFICATION OF FINANCIAL ASSETS

The only authorised reclassifications of financial assets are the following:

- For a non-derivative financial asset which is no longer held for the purposes of selling it in the near-term, out of "Financial assets at fair value through profit or loss" and into:
 - "Loans and receivables" if the asset meets the definition for this category and the Group has the intention and ability to hold the asset for the foreseeable future or until maturity; or
 - Other categories only under rare circumstances when justified and provided that the reclassified assets meet the conditions applicable to the host portfolio.

- Out of “Available-for-sale financial assets” and into:
 - “Loans and receivables” with the same conditions as set out above for “Financial assets at fair value through profit or loss”;
 - “Held-to-maturity financial assets,” for assets that have a maturity, or “Financial assets at cost,” for unlisted variable-income assets.

Financial assets are reclassified at fair value, or at the value calculated by a model, on the reclassification date. Any derivatives embedded in the reclassified financial assets are recognised separately and changes in fair value are recognised through profit or loss.

After reclassification, assets are recognised according to the provisions applied to the host portfolio. The transfer price on the reclassification date is deemed to be the initial cost of the asset for the purpose of determining any impairment.

In the event of reclassification from “Available-for-sale financial assets” to another category, gains or losses previously recognised through equity are amortised to profit or loss over the residual life of the instrument using the effective interest method.

Any upward revisions to the estimated recoverable amounts are recognised through an adjustment to the effective interest rate as of the date on which the estimate is revised. Downward revisions are recognised through an adjustment to the financial asset's carrying amount.

1.c.7 ISSUES OF DEBT SECURITIES

Financial instruments issued by the Group are qualified as debt instruments if the Group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group, or to deliver a variable number of the Group's own equity instruments.

Issues of debt securities are initially recognised at the issue value including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

1.c.8 OWN EQUITY INSTRUMENTS AND OWN EQUITY INSTRUMENT DERIVATIVES

The term “own equity instruments” refers to shares issued by the parent company (BNP Paribas SA) and by its fully consolidated subsidiaries. External costs that are directly attributable to an issue of new shares are deducted from equity net of all related taxes.

Own equity instruments held by the Group, also known as treasury shares, are deducted from consolidated shareholders' equity irrespective of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated profit and loss account.

When the Group acquires equity instruments issued by subsidiaries under the exclusive control of BNP Paribas, the difference between the acquisition price and the share of net assets acquired is recorded in retained earnings attributable to BNP Paribas shareholders. Similarly, the liability corresponding to put options granted to minority shareholders in such subsidiaries, and changes in the value of that liability, are offset initially against minority interests, with any surplus offset against retained earnings attributable to BNP Paribas shareholders. Until these options have been exercised, the portion of net income attributable to minority interests is allocated to minority interests in the profit and loss account. A decrease in the Group's interest in a fully consolidated subsidiary is recognised in the Group's accounts as a change in shareholders' equity.

Own equity instrument derivatives are treated as follows, depending on the method of settlement:

- as equity instruments if they are settled by physical delivery of a fixed number of own equity instruments for a fixed amount of cash or other financial asset. Such instruments are not revalued;
- as derivatives if they are settled in cash, or by choice, depending on whether they are settled by physical delivery of the shares or in cash. Changes in value of such instruments are taken to the profit and loss account.

If the contract includes an obligation, whether contingent or not, for the bank to repurchase its own shares, the bank must recognise the debt at its present value with an offsetting entry in equity.

1.c.9 DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

All derivative instruments are recognised in the balance sheet on the trade date at the transaction price, and are remeasured to fair value on the balance sheet date.

• Derivatives held for trading purposes

Derivatives held for trading purposes are recognised in the balance sheet in “Financial assets at fair value through profit or loss” when their fair value is positive, and in “Financial liabilities at fair value through profit or loss” when their fair value is negative. Realised and unrealised gains and losses are recognised in the profit and loss account on the line “Net gain/loss on financial instruments at fair value through profit or loss”.

• Derivatives and hedge accounting

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

Fair value hedges are particularly used to hedge interest rate risk on fixed rate assets and liabilities, both for identified financial instruments (securities, debt issues, loans, borrowings) and for portfolios of financial instruments (in particular, demand deposits and fixed rate loans).

Cash flow hedges are particularly used to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risks on highly probable forecast foreign currency revenues.

At the inception of the hedge, the Group prepares formal documentation which details the hedging relationship, identifying the instrument, or portion of the instrument, or portion of risk that is being hedged, the hedging strategy and the type of risk hedged, the hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

On inception and at least quarterly, the Group assesses, in consistency with the original documentation, the actual (retrospective) and expected (prospective) effectiveness of the hedging relationship. Retrospective effectiveness tests are designed to assess whether the ratio of actual changes in the fair value or cash flows of the hedging instrument to those in the hedged item is within a range of 80% to 125%. Prospective effectiveness tests are designed to ensure that expected changes in the fair value or cash flows of the derivative over the residual life of the hedge adequately offset those of the hedged item. For highly probable forecast transactions, effectiveness is assessed largely on the basis of historical data for similar transactions.

Under IAS 39 as adopted by the European Union, which excludes certain provisions on portfolio hedging, interest rate risk hedging relationships based on portfolios of assets or liabilities qualify for fair value hedge accounting as follows:

- the risk designated as being hedged is the interest rate risk associated with the interbank rate component of interest rates on commercial banking transactions (loans to customers, savings accounts and demand deposits);

- the instruments designated as being hedged correspond, for each maturity band, to a portion of the interest rate gap associated with the hedged underlyings;
- the hedging instruments used consist exclusively of “plain vanilla” swaps;
- prospective hedge effectiveness is established by the fact that all derivatives must, on inception, have the effect of reducing interest rate risk in the portfolio of hedged underlyings. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlyings specifically associated with that hedge for each maturity band (due to prepayment of loans or withdrawals of deposits).

The accounting treatment of derivatives and hedged items depends on the hedging strategy.

In a fair value hedging relationship, the derivative instrument is remeasured at fair value in the balance sheet, with changes in fair value recognised in profit or loss in “Net gain/loss on financial instruments at fair value through profit or loss”, symmetrically with the remeasurement of the hedged item to reflect the hedged risk. In the balance sheet, the fair value remeasurement of the hedged component is recognised in accordance with the classification of the hedged item in the case of a hedge of identified assets and liabilities, or under “Remeasurement adjustment on interest rate risk hedged portfolios” in the case of a portfolio hedging relationship.

If a hedging relationship ceases or no longer fulfils the effectiveness criteria, the hedging instrument is transferred to the trading book and accounted for using the treatment applied to this category. In the case of identified fixed-income instruments, the remeasurement adjustment recognised in the balance sheet is amortised at the effective interest rate over the remaining life of the instrument. In the case of interest rate risk hedged fixed-income portfolios, the adjustment is amortised on a straight-line basis over the remainder of the original term of the hedge. If the hedged item no longer appears in the balance sheet, in particular due to prepayments, the adjustment is taken to the profit and loss account immediately.

In a cash flow hedging relationship, the derivative is measured at fair value in the balance sheet, with changes in fair value taken to shareholders’ equity on a separate line, “Unrealised or deferred gains or losses”. The amounts taken to shareholders’ equity over the life of the hedge are transferred to the profit and loss account under “Net interest income” as and when the cash flows from the hedged item impact profit or loss. The hedged items continue to be accounted for using the treatment specific to the category to which they belong.

If the hedging relationship ceases or no longer fulfils the effectiveness criteria, the cumulative amounts recognised in shareholders’ equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts profit or loss, or until it becomes clear that the transaction will not occur, at which point they are transferred to the profit and loss account.

If the hedged item ceases to exist, the cumulative amounts recognised in shareholders’ equity are immediately taken to the profit and loss account.

Whatever the hedging strategy used, any ineffective portion of the hedge is recognised in the profit and loss account under “Net gain/loss on financial instruments at fair value through profit or loss”.

Hedges of net foreign currency investments in subsidiaries and branches are accounted for in the same way as cash flow hedges. Hedging instruments may be currency derivatives or any other non-derivative financial instrument.

• **Embedded derivatives**

Derivatives embedded in hybrid financial instruments are separated from the value of the host contract and accounted for separately as a derivative if the hybrid instrument is not recorded as a financial asset or liability at fair value through profit or loss, and if the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.

1.c.10 DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market or most advantageous market, at the measurement date.

The Group determines the fair value of financial instruments either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (e.g. discounted cash flows, Black-Scholes model, and interpolation techniques). They maximize the use of observable inputs and minimize the use of unobservable inputs. They are calibrated to reflect current market conditions and valuation adjustments are applied as appropriate, when some factors such as model, liquidity and credit risks are not captured by the models or their underlying inputs but are nevertheless considered by market participants when setting the exit price.

The unit of measurement is generally the individual financial asset or financial liability but a portfolio-based measurement can be elected, subject to certain conditions. Accordingly, the Group retains this portfolio-based measurement exception to determine the fair value when some group of financial assets and financial liabilities and other contracts within the scope of the standard relating to financial instruments with substantially similar and offsetting market risks or credit risks are managed on the basis of a net exposure, in accordance with the documented risk management strategy.

Assets and liabilities measured or disclosed at fair value are categorised into the three following levels of the fair value hierarchy:

- Level 1: fair values are determined using directly quoted prices in active markets for identical assets and liabilities. Characteristics of an active market include the existence of a sufficient frequency and volume of activity and of readily available prices.
- Level 2: fair values are determined based on valuation techniques for which significant inputs are observable market data, either directly or indirectly. These techniques are regularly calibrated and the inputs are corroborated with information from active markets.
- Level 3: fair values are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due for instance to illiquidity of the instrument and significant model risk. An unobservable input is a parameter for which there are no market data available and that is therefore derived from proprietary assumptions about what other market participants would consider when assessing fair value. The assessment of whether a product is illiquid or subject to significant model risks is a matter of judgment.

The level in the fair value hierarchy within which the asset or liability is categorised in its entirety is based upon the lowest level input that is significant to the entire fair value.

For financial instruments disclosed in Level 3 of the fair value hierarchy, a difference between the transaction price and the fair value may arise at initial recognition. This “Day One Profit” is deferred and released to the profit and loss account over the period during which the valuation parameters are expected to remain non-observable. When parameters that were originally non-observable become observable, or when the valuation can be substantiated in comparison with recent similar transactions in an active market, the unrecognised portion of the day one profit is released to the profit and loss account.

1.c.11 FINANCIAL ASSETS AND LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS (FAIR VALUE OPTION)

Financial assets or financial liabilities may be designated on initial recognition as at fair value through profit or loss, in the following cases:

- hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately;
- where using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would arise if they were to be classified in separate categories;
- when a group of financial assets and/or financial liabilities is managed and measured on the basis of fair value, in accordance with a documented risk management and investment strategy.

1.c.12 INCOME AND EXPENSES ARISING FROM FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Income and expenses arising from financial instruments measured at amortised cost and from fixed-income securities classified in “Available-for-sale financial assets” are recognised in the profit and loss account using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the asset or liability in the balance sheet. The effective interest rate calculation takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

The method used by the Group to recognise service-related commission income and expenses depends on the nature of the service. Commission treated as an additional component of interest is included in the effective interest rate, and is recognised in the profit and loss account in “Net interest income”. Commission payable or receivable on execution of a significant transaction is recognised in the profit and loss account in full on execution of the transaction, under “Commission income and expense”. Commission payable or receivable for recurring services is recognised over the term of the service, also under “Commission income and expense”.

Commission received in respect of financial guarantee commitments is regarded as representing the fair value of the commitment. The resulting liability is subsequently amortised over the term of the commitment, under commission income in Revenues.

1.c.13 COST OF RISK

Cost of risk includes movements in provisions for impairment of fixed-income securities and loans and receivables due from customers and credit institutions, movements in provisions for financing and guarantee commitments given, losses on irrecoverable loans and amounts recovered on loans written off. This caption also includes impairment losses recorded with respect to default risk incurred on counterparties for over-the-counter financial instruments, as well as expenses relating to fraud and to disputes inherent to the financing business.

1.c.14 DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group derecognises all or part of a financial asset either when the contractual rights to the cash flows from the asset expire or when the Group transfers the contractual rights to the cash flows from the asset and substantially all the risks and rewards of ownership of the asset. Unless these conditions are fulfilled, the Group retains the asset in its balance sheet and recognises a liability for the obligation created as a result of the transfer of the asset.

The Group derecognises all or part of a financial liability when the liability is extinguished in full or in part.

1.c.15 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Repurchase agreements and derivatives traded with clearing houses that meet the two criteria set out in the accounting standard are offset in the balance sheet.

1.d ACCOUNTING STANDARDS SPECIFIC TO THE INSURANCE BUSINESS

The specific accounting policies relating to assets and liabilities generated by insurance contracts and financial contracts with a discretionary participation feature written by fully consolidated insurance companies are retained for the purposes of the consolidated financial statements. These policies comply with IFRS 4.

All other insurance company assets and liabilities are accounted for using the policies applied to the Group's assets and liabilities generally, and are included in the relevant balance sheet and profit and loss account headings in the consolidated financial statements.

1.d.1 ASSETS

Financial assets and property are accounted for using the policies described elsewhere in this note. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date with changes in fair value taken to profit or loss.

Financial assets and property representing technical provisions related to unit-linked business are shown respectively in "Financial assets at fair value through profit or loss" and in "Investment property", and are stated at the realisable value of the underlying assets at the balance sheet date.

1.d.2 LIABILITIES

The Group's obligations to policyholders and beneficiaries are shown in "Technical reserves of insurance companies" and are comprised of liabilities relating to insurance contracts carrying a significant insurance risk (e.g., mortality or disability) and to financial contracts with a discretionary participation feature, which are covered by IFRS 4. A discretionary participation feature is one which gives life policyholders the right to receive a share of actual profits as a supplement to guaranteed benefits.

Liabilities relating to other financial contracts, which are covered by IAS 39, are shown in "Due to customers".

Unit-linked contract liabilities are measured in reference to the fair value of the underlying assets at the balance sheet date.

The benefits offered for life insurance relate mainly to the risk of death (term life insurance, annuities, loan repayment, guaranteed minimum on unit-linked contracts) and, for borrowers' insurance, to disability, incapacity and unemployment risks. These types of risks are controlled by the use of appropriate mortality tables (certified tables in the case of annuity-holders), medical screening appropriate to the level of benefit offered, statistical monitoring of insured populations, and reinsurance programmes.

For life insurance, technical reserves consist mainly of mathematical reserves which correspond, as a minimum, to the surrender value of the contract.

Non-life technical reserves consist of unearned premium reserves (corresponding to the portion of written premiums relating to future periods) and outstanding claims reserves, inclusive of claims handling costs.

The adequacy of technical reserves (net of unamortised acquisition costs) is tested at the balance sheet date by comparing them with the average value of future cash flows as derived from stochastic analyses. Any adjustments to technical reserves are taken to the profit and loss account for the period.

A capitalisation reserve is set up in individual statutory accounts of French life-insurance companies on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, this reserve is reclassified into "Policyholders' surplus" on the liabilities side of the consolidated balance sheet, to the extent that it is highly probable it will be used.

The policyholders' surplus reserve also includes amounts resulting from the application of shadow accounting representing the interest of policyholders, mainly within French life insurance subsidiaries, in unrealised gains and losses on assets where the benefit paid under the policy is linked to the return on those assets. This interest is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

In the event of an unrealised loss on shadow accounted assets, a policyholders' loss reserve is recognised on the assets side of the consolidated balance sheet in an amount equal to the probable deduction from the policyholders' future profit share. The recoverability of the policyholders' loss reserve is assessed prospectively, taking into account policyholders' surplus reserves recognised elsewhere, capital gains on financial assets that are not shadow accounted due to accounting elections made (held-to-maturity financial assets and property investments measured at cost) and the company's ability and intention to hold the assets carrying the unrealised loss. The policyholders' loss reserve is recognised symmetrically with the corresponding assets and shown on the assets side of the balance sheet under the line item "Accrued income and other assets".

1.d.3 PROFIT AND LOSS ACCOUNT

Income and expenses arising on insurance contracts written by the Group are recognised in the profit and loss account under “Income from other activities” and “Expense on other activities”.

Other insurance company income and expenses are included in the relevant profit and loss account item. Consequently, movements in the policyholders’ surplus reserve are shown on the same line as gains and losses on the assets that generated the movements.

1.e PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets shown in the consolidated balance sheet are composed of assets used in operations and investment property.

Assets used in operations are those used in the provision of services or for administrative purposes, and include non-property assets leased by the Group as lessor under operating leases.

Investment property comprises property assets held to generate rental income and capital gains.

Property, plant and equipment and intangible assets are initially recognised at purchase price plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service.

Software developed internally by the BNP Paribas Group that fulfils the criteria for capitalisation is capitalised at direct development cost, which includes external costs and the labour costs of employees directly attributable to the project.

Subsequent to initial recognition, property, plant and equipment and intangible assets are measured at cost less accumulated depreciation or amortisation and any impairment losses. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date, with changes in fair value taken to profit or loss.

The depreciable amount of property, plant and equipment and intangible assets is calculated after deducting the residual value of the asset. Only assets leased by the Group as the lessor under operating leases are presumed to have a residual value, as the useful life of property, plant and equipment and intangible assets used in operations is generally the same as their economic life.

Property, plant and equipment and intangible assets are depreciated or amortised using the straight-line method over the useful life of the asset. Depreciation and amortisation expense is recognised in the profit and loss account under “Depreciation, amortisation and impairment of property, plant and equipment and intangible assets”.

Where an asset consists of a number of components which may require replacement at regular intervals, or which have different uses or generate economic benefits at different rates, each component is recognised separately and depreciated using a method appropriate to that component. The BNP Paribas Group has adopted the component-based approach for property used in operations and for investment property.

The depreciation periods used for office property are as follows: 80 years or 60 years for the shell (for prime and other property respectively); 30 years for facades; 20 years for general and technical installations; and 10 years for fixtures and fittings.

Software is amortised, depending on its type, over periods of no more than 8 years in the case of infrastructure developments and 3 years or 5 years in the case of software developed primarily for the purpose of providing services to customers.

Software maintenance costs are expensed as incurred. However, expenditure that is regarded as upgrading the software or extending its useful life is included in the initial acquisition or production cost.

Depreciable property, plant and equipment and intangible assets are tested for impairment if there is an indication of potential impairment at the balance sheet date. Non-depreciable assets are tested for impairment at least annually, using the same method as for goodwill allocated to cash-generating units.

If there is an indication of impairment, the new recoverable amount of the asset is compared with the carrying amount. If the asset is found to be impaired, an impairment loss is recognised in the profit and loss account. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment losses are taken to the profit and loss account in “Depreciation, amortisation and impairment of property, plant and equipment and intangible assets”.

Gains and losses on disposals of property, plant and equipment and intangible assets used in operations are recognised in the profit and loss account in “Net gain on non-current assets”.

Gains and losses on disposals of investment property are recognised in the profit and loss account in “Income from other activities” or “Expense on other activities”.

1.f LEASES

Group companies may either be the lessee or the lessor in a lease agreement.

1.f.1 LESSOR ACCOUNTING

Leases contracted by the Group as lessor are categorised as either finance leases or operating leases.

- **Finance leases**

In a finance lease, the lessor transfers substantially all the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable. The net income earned from the lease by the lessor is equal to the amount of interest on the loan, and is taken to the profit and loss account under “Interest income”. The lease payments are spread over the lease term, and are allocated to reduction of the principal and to interest such that the net income reflects a constant rate of return on the net investment outstanding in the lease. The rate of interest used is the rate implicit in the lease.

Individual and portfolio impairments of lease receivables are determined using the same principles as applied to other loans and receivables.

- **Operating leases**

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor’s balance sheet and depreciated on a straight-line basis over its useful life. The depreciable amount excludes the residual value of the asset. The lease payments are taken to the profit and loss account in full on a straight-line basis over the lease term. Lease payments and depreciation expenses are taken to the profit and loss account under “Income from other activities” and “Expense on other activities”.

1.f.2 LESSEE ACCOUNTING

Leases contracted by the Group as lessee are categorised as either finance leases or operating leases.

- **Finance leases**

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of its fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease. A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets, after deducting the residual value from the amount initially recognised, over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. The lease obligation is accounted for at amortised cost.

- **Operating leases**

The asset is not recognised in the balance sheet of the lessee. Lease payments made under operating leases are taken to the profit and loss account of the lessee on a straight-line basis over the lease term.

1.g NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Where the Group decides to sell non-current assets and it is highly probable that the sale will occur within 12 months, these assets are shown separately in the balance sheet, on the line “Non-current assets held for sale”. Any liabilities associated with these assets are also shown separately in the balance sheet, on the line “Liabilities associated with non-current assets held for sale”.

Once classified in this category, non-current assets and groups of assets and liabilities are measured at the lower of carrying amount or fair value less costs to sell.

Such assets are no longer depreciated. If an asset or group of assets and liabilities becomes impaired, an impairment loss is recognised in the profit and loss account. Impairment losses may be reversed.

Where a group of assets and liabilities held for sale represents a cash generating unit, it is categorised as a “discontinued operation”. Discontinued operations include operations that are held for sale, operations that have been shut down, and subsidiaries acquired exclusively with a view to resell.

All gains and losses related to discontinued operations are shown separately in the profit and loss account, on the line “Post-tax gain/loss on discontinued operations and assets held for sale”. This line includes the post-tax profits or losses of discontinued operations, the post-tax gain or loss arising from remeasurement at fair value less costs to sell, and the post-tax gain or loss on disposal of the operation.

1.h EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

- short-term benefits, such as salary, annual leave, incentive plans, profit-sharing and additional payments;
- long-term benefits, including compensated absences, long-service awards, and other types of cash-based deferred compensation;
- termination benefits;
- post-employment benefits, including top-up banking industry pensions and retirement bonuses in France and pension plans in other countries, some of which are operated through pension funds.

- **Short-term benefits**

The Group recognises an expense when it has used services rendered by employees in exchange for employee benefits.

- **Long-term benefits**

These are benefits, other than short-term benefits, post-employment benefits and termination benefits. This relates, in particular, to compensation deferred for more than 12 months and not linked to the BNP Paribas share price, which is accrued in the financial statements for the period in which it is earned.

The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that the revaluation items are recognised in the profit and loss account and not in equity.

- **Termination benefits**

Termination benefits are employee benefits payable in exchange for the termination of an employee's contract as a result of either a decision by the Group to terminate a contract of employment before the legal retirement age, or a decision by an employee to accept voluntary redundancy in exchange for these benefits. Termination benefits due more than 12 months after the balance sheet date are discounted.

- **Post-employment benefits**

In accordance with IFRS, the BNP Paribas Group draws a distinction between defined-contribution plans and defined-benefit plans.

Defined-contribution plans do not give rise to an obligation for the Group and do not require a provision. The amount of the employer's contributions payable during the period is recognised as an expense.

Only defined-benefit schemes give rise to an obligation for the Group. This obligation must be measured and recognised as a liability by means of a provision.

The classification of plans into these two categories is based on the economic substance of the plan, which is reviewed to determine whether the Group has a legal or constructive obligation to pay the agreed benefits to employees.

Post-employment benefit obligations under defined-benefit plans are measured using actuarial techniques that take demographic and financial assumptions into account.

The net liability recognised with respect to post-employment benefit plans is the difference between the present value of the defined-benefit obligation and the fair value of any plan assets.

The present value of the defined-benefit obligation is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This method takes into account various parameters, specific to each country or Group entity, such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

When the value of the plan assets exceeds the amount of the obligation, an asset is recognised if it represents a future economic benefit for the Group in the form of a reduction in future contributions or a future partial refund of amounts paid into the plan.

The annual expense recognised in the profit and loss account under “Salaries and employee benefits”, with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability (asset), the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

Remeasurements of the net defined-benefit liability (asset) are recognised in shareholders' equity and are never reclassified to profit or loss. They include actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling (excluding amounts included in net interest on the defined-benefit liability or asset).

1.i SHARE-BASED PAYMENTS

Share-based payment transactions are payments based on shares issued by the Group, whether the transaction is settled in the form of equity or cash of which the amount is based on trends in the value of BNP Paribas shares.

IFRS 2 requires share-based payments granted after 7 November 2002 to be recognised as an expense. The amount recognised is the value of the share-based payment granted to the employee.

The Group grants employees stock subscription option plans and deferred share-based or share price-linked cash-settled compensation plans, and also offers them the possibility to purchase specially-issued BNP Paribas shares at a discount, on condition that they retain the shares for a specified period.

- **Stock option and share award plans**

The expense related to stock option and share award plans is recognised over the vesting period, if the benefit is conditional upon the grantee's continued employment.

Stock options and share award expenses are recorded under salary and employee benefits expenses, with a corresponding adjustment to shareholders' equity. They are calculated on the basis of the overall plan value, determined at the date of grant by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account any performance conditions related to the BNP Paribas share price. The total expense of a plan is determined by multiplying the unit value per option or share awarded by the estimated number of options or shares awarded vested at the end of the vesting period, taking into account the conditions regarding the grantee's continued employment.

The only assumptions revised during the vesting period, and hence resulting in a remeasurement of the expense, are those relating to the probability that employees will leave the Group and those relating to performance conditions that are not linked to the price value of BNP Paribas shares.

- **Share price-linked cash-settled deferred compensation plans**

The expense related to these plans is recognised in the year during which the employee rendered the corresponding services.

If the payment of share-based variable compensation is explicitly subject to the employee's continued presence at the vesting date, the services are presumed to have been rendered during the vesting period and the corresponding compensation expense is recognised on a pro rata basis over that period. The expense is recognised under salary and employee benefits expenses with a corresponding liability in the balance sheet. It is revised to take into account any non-fulfilment of the continued presence or performance conditions and the change in BNP Paribas share price.

If there is no continued presence condition, the expense is not deferred, but recognised immediately with a corresponding liability in the balance sheet. This is then revised on each reporting date until settlement to take into account any performance conditions and the change in the BNP Paribas share price.

- **Share subscriptions or purchases offered to employees under the company savings plan**

Share subscriptions or purchases offered to employees under the company savings plan (*Plan d'Épargne Entreprise*) at lower-than-market rates over a specified period do not include a vesting period. However, employees are prohibited by law from selling shares acquired under this plan for a period of five years. This restriction is taken into account when measuring the benefit to the employees, which is reduced accordingly. Therefore, the benefit equals the difference, at the date the plan is announced to employees, between the fair value of the share (after allowing for the restriction on sale) and the acquisition price paid by the employee, multiplied by the number of shares acquired.

The cost of the mandatory five-year holding period is equivalent to the cost of a strategy involving the forward sale of shares subscribed at the time of the capital increase reserved for employees and the cash purchase of an equivalent number of BNP Paribas shares on the market, financed by a loan repaid at the end of a five-year period out of the proceeds from the forward sale transaction. The interest rate on the loan is the rate that would be applied to a five-year general purpose loan taken out by an individual with an average risk profile. The forward sale price for the shares is determined on the basis of market parameters.

1.j PROVISIONS RECORDED UNDER LIABILITIES

Provisions recorded under liabilities (other than those relating to financial instruments, employee benefits and insurance contracts) mainly relate to restructuring, claims and litigation, fines and penalties, and tax risks.

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of the amount of the obligation. The amount of such obligations is discounted, where the impact of discounting is material, in order to determine the amount of the provision.

1.k CURRENT AND DEFERRED TAXES

The current income tax charge is determined on the basis of the tax laws and tax rates in force in each country in which the Group operates during the period in which the income is generated.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences other than:

- taxable temporary differences on initial recognition of goodwill;
- taxable temporary differences on investments in enterprises under the exclusive or joint control of the Group, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused carryforwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate which is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted by the balance sheet date of that period. They are not discounted.

Deferred tax assets and liabilities are offset when they arise within the same tax group, they fall under the jurisdiction of a single tax authority, and there is a legal right to offset.

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, except for those relating to a transaction or an event directly recognised in shareholders' equity, which are also recognised in shareholders' equity.

When tax credits on revenues from receivables and securities are used to settle corporate income tax payable for the period, the tax credits are recognised on the same line as the income to which they relate. The corresponding tax expense continues to be carried in the profit and loss account under "Corporate income tax".

1.1 CASH FLOW STATEMENT

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks, and the net balance of interbank demand loans and deposits.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group's operations, including cash flows related to investment property, held-to-maturity financial assets and negotiable certificates of deposit.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to bonds and subordinated debt, and debt securities (excluding negotiable certificates of deposit).

1.m USE OF ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Preparation of the financial statements requires managers of core businesses and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the profit and loss account and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires the managers in question to exercise their judgement and to make use of information available at the date of the preparation of the financial statements when making their estimates. The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates, mainly according to market conditions. This may have a material effect on the financial statements.

This applies in particular to:

- impairment losses recognised to cover credit risks inherent in banking intermediation activities;
- the use of internally-developed models to measure positions in financial instruments that are not quoted in active markets;
- calculations of the fair value of unquoted financial instruments classified in "Available-for-sale financial assets", "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss", and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- whether a market is active or inactive for the purposes of using a valuation technique;
- impairment losses on variable-income financial assets classified as "Available-for-sale";
- impairment tests performed on intangible assets;
- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- estimates of the residual value of assets leased under finance leases or operating leases, and more generally of assets on which depreciation is charged net of their estimated residual value;
- the measurement of provisions for contingencies and charges. In particular, while investigations and litigations are ongoing, it is difficult to foresee their outcome and potential impact. Provision estimation is established by taking into account all available information at the date of the preparation of the financial statements, in particular the nature of the dispute, the underlying facts, the ongoing legal proceedings and court decisions, including those related to similar cases. The Group may also use the opinion of experts and independent legal advisers to exercise its judgement.

This is also the case for assumptions applied to assess the sensitivity of each type of market risk and the sensitivity of valuations to non-observable parameters.

2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

2.a NET INTEREST INCOME

The BNP Paribas Group includes in “Interest income” and “Interest expense” all income and expense from financial instruments measured at amortised cost (interest, fees/commissions, transaction costs), and from financial instruments measured at fair value that do not meet the definition of a derivative instrument. These amounts are calculated using the effective interest method. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under “Net gain/loss on financial instruments at fair value through profit or loss”.

Interest income and expense on derivatives accounted for as fair value hedges are included with the revenues generated by the hedged item. Similarly, interest income and expense arising from derivatives used to hedge transactions designated as at fair value through profit or loss is allocated to the same accounts as the interest income and expense relating to the underlying transactions.

In millions of euros	Year to 31 Dec. 2017			Year to 31 Dec. 2016		
	Income	Expense	Net	Income	Expense	Net
Customer items	24,405	(7,380)	17,025	24,635	(7,082)	17,553
Deposits, loans and borrowings	23,199	(7,289)	15,910	23,412	(6,969)	16,443
Repurchase agreements	49	(29)	20	29	(58)	(29)
Finance leases	1,157	(62)	1,095	1,194	(55)	1,139
Interbank items	2,572	(2,241)	331	1,483	(1,716)	(233)
Deposits, loans and borrowings	2,469	(2,209)	260	1,459	(1,548)	(89)
Repurchase agreements	103	(32)	71	24	(168)	(144)
Debt securities issued		(1,872)	(1,872)		(1,662)	(1,662)
Cash flow hedge instruments	3,499	(2,004)	1,495	3,893	(2,567)	1,326
Interest rate portfolio hedge instruments	1,748	(1,556)	192	3,468	(3,356)	112
Financial instruments at fair value through profit or loss	3,908	(3,958)	(50)	2,289	(2,135)	154
Fixed-income securities	736		736	858		858
Loans / borrowings	238	(482)	(244)	57	(418)	(361)
Repurchase agreements	2,934	(3,251)	(317)	1,374	(1,513)	(139)
Debt securities		(225)	(225)		(204)	(204)
Available-for-sale financial assets	4,378		4,378	4,789		4,789
Held-to-maturity financial assets	275		275	337		337
Total interest income/(expense)	40,785	(19,011)	21,774	40,894	(18,518)	22,376

The effective interest rate applied on the second series of Targeted Longer-Term Refinancing Operations (TLTRO II) conducted by the European Central Bank takes into account a 40 bp interest incentive. Indeed, the expected increase in outstanding amounts of eligible loans to households and non-financial corporations is higher than the threshold requested for this interest enhancement level.

Interest income on individually impaired loans amounted to EUR 547 million for the year ended 31 December 2017 compared with EUR 600 million for the year ended 31 December 2016.

2.b COMMISSION INCOME AND EXPENSE

Commission income and expense on financial instruments not measured at fair value through profit or loss amounted to EUR 2,670 million and EUR 343 million respectively in 2017, compared with income of EUR 2,592 million and expense of EUR 282 million in 2016.

Net commission income related to trust and similar activities through which the Group holds or invests assets on behalf of clients, trusts, pension and personal risk funds or other institutions amounted to EUR 2,540 million in 2017, compared with EUR 2,482 million in 2016.

2.c NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gain on financial instruments at fair value through profit or loss includes all profit and loss items (including dividends) relating to financial instruments managed in the trading book and financial instruments that the Group has designated as at fair value through profit or loss under the fair value option, other than interest income and expense which are recognised in "Net interest income" (note 2.a).

Gains and losses on financial instruments designated as at fair value through profit or loss are mainly related to instruments whose changes in value may be compensated by changes in the value of economic hedging trading book instruments.

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Trading book	6,626	6,406
Interest rate and credit instruments	493	1,186
Equity financial instruments	4,789	1,096
Foreign exchange financial instruments	663	3,166
Other derivatives	658	991
Repurchase agreements	23	(33)
Financial instruments designated as at fair value through profit or loss	(975)	(177)
<i>of which debt remeasurement effect arising from BNP Paribas Group issuer risk (note 4.d)</i>	<i>(61)</i>	<i>25</i>
Impact of hedge accounting	82	(40)
Fair value hedging derivatives	62	(319)
Hedged items in fair value hedge	20	279
Total	5,733	6,189

Net gains on the trading book in 2017 and 2016 include a non-material amount related to the ineffective portion of cash flow hedges.

2.d NET GAIN ON AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Loans and receivables, fixed-income securities ⁽¹⁾	406	843
Net disposal gains	406	843
Equities and other variable-income securities	1,932	1,368
Dividend income	666	611
Additions to impairment provisions	(320)	(376)
Net disposal gains	1,586	1,133
Total	2,338	2,211

⁽¹⁾ Interest income from fixed-income financial instruments is included in "Net interest income" (note 2.a), and impairment losses related to potential issuer default are included in "Cost of risk" (note 2.g).

After the impact of insurance policyholders' surplus reserve, unrealised gains and losses previously recorded under "Changes in assets and liabilities recognised directly in shareholders' equity" and included in the pre-tax income, amount to a gain of EUR 908 million for the year ended 31 December 2017 compared with a net gain of EUR 1,373 million for the year ended 31 December 2016.

The application of the automatic impairment criteria and qualitative analysis led to a first impairment of variable-income securities, for the following amounts:

- EUR 25 million linked to a decline in price of more than 50% of the acquisition price (EUR 106 million in 2016),
- EUR 9 million linked to the observation of an unrealised loss over two consecutive years (EUR 45 million in 2016),
- EUR 2 million linked to the observation of an unrealised loss of at least an average of 30% over one year (no impairment in 2016),
- EUR 29 million linked to an additional qualitative analysis (EUR 85 million in 2016).

2.e NET INCOME FROM OTHER ACTIVITIES

In millions of euros	Year to 31 Dec. 2017			Year to 31 Dec. 2016		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	30,168	(26,080)	4,088	26,545	(22,782)	3,763
Net income from investment property	318	(98)	220	97	(47)	50
Net income from assets held under operating leases	8,823	(7,472)	1,351	7,564	(6,207)	1,357
Net income from property development activities	976	(827)	149	806	(632)	174
Other net income	1,756	(1,702)	54	1,520	(1,431)	89
Total net income from other activities	42,041	(36,179)	5,862	36,532	(31,099)	5,433

- **Net income from insurance activities**

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Gross premiums written	24,952	22,599
Policy benefit expenses	(16,789)	(14,738)
Changes in technical reserves	(7,253)	(4,828)
Change in value of admissible investments related to unit-linked policies	3,310	979
Reinsurance ceded	(253)	(335)
Other net income	121	86
Total net income from insurance activities	4,088	3,763

"Policy benefit expenses" include expenses arising from surrenders, maturities and claims relating to insurance contracts. "Changes in technical reserves" reflect changes in the value of financial contracts, in particular unit-linked policies. Interest paid on such contracts is recognised in interest expense related to customer items.

2.f OTHER OPERATING EXPENSES

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
External services and other operating expenses	(10,017)	(9,581)
Taxes and contributions ⁽¹⁾	(1,712)	(1,698)
Total other operating expenses	(11,729)	(11,279)

⁽¹⁾Contributions to European resolution funds, including exceptional contributions, amount to EUR 502 million in 2017.

2.g COST OF RISK

“Cost of risk” represents the net amount of impairment losses recognised in respect to credit risks inherent in the Group’s banking intermediation activities, plus any impairment losses in the cases of known counterparty risks on over-the-counter financial instruments.

• Cost of risk for the period

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Net allowances to impairment	(2,852)	(3,304)
Recoveries on loans and receivables previously written off	537	545
Irrecoverable loans and receivables not covered by impairment provisions	(592)	(503)
Total cost of risk for the period	(2,907)	(3,262)

Cost of risk for the period by asset type

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Loans and receivables due from credit institutions	14	44
Loans and receivables due from customers	(2,806)	(3,199)
Available-for-sale financial assets	(101)	(8)
Financial instruments of trading activities	13	(3)
Other assets	(9)	(5)
Commitments given and other items	(18)	(91)
Total cost of risk for the period	(2,907)	(3,262)
<i>Cost of risk on a specific basis</i>	<i>(3,089)</i>	<i>(3,682)</i>
<i>Cost of risk on a collective basis</i>	<i>182</i>	<i>420</i>

- Credit risk impairment**

Change in impairment during the period

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Total impairment at beginning of year	28,475	27,676
Net allowance to impairment	2,852	3,304
Impairment provisions used	(5,321)	(2,648)
Effect of exchange rate movements and other items	(7)	143
Total impairment at end of year	25,999	28,475

Impairment by asset type

In millions of euros	31 December 2017	31 December 2016
Impairment of assets		
Loans and receivables due from credit institutions (note 4.f)	109	188
Loans and receivables due from customers (note 4.g)	24,686	27,045
Financial instruments of trading activities	89	112
Available-for-sale financial assets (note 4.c)	146	78
Other assets	63	54
Total impairment of financial assets	25,093	27,477
<i>of which specific impairment</i>	<i>21,771</i>	<i>24,335</i>
<i>of which collective provisions</i>	<i>3,322</i>	<i>3,142</i>
Provisions recognised as liabilities		
Provisions for commitments given		
- to credit institutions	5	7
- to customers	388	477
Other specific provisions	513	514
Total provisions recognised for credit commitments (note 4.q)	906	998
<i>of which specific impairment for commitments given</i>	<i>293</i>	<i>378</i>
<i>of which collective provisions</i>	<i>99</i>	<i>106</i>
Total impairment and provisions	25,999	28,475

2.h CORPORATE INCOME TAX

Reconciliation of the effective tax expense to the theoretical tax expense at standard tax rate in France	Year to 31 Dec. 2017		Year to 31 Dec. 2016	
	in millions of euros	tax rate	in millions of euros	tax rate
Corporate income tax expense on pre-tax income at standard tax rate in France ⁽¹⁾	(3,718)	34.4%	(3,704)	34.4%
Impact of differently taxed foreign profits	333	-3.1%	232	-2.2%
Impact of changes in tax rates	(486)	4.5%	(25)	0.2%
Impact of dividends and securities disposals taxed at reduced rate	427	-4.0%	278	-2.5%
Impact of the non-deductibility of bank levies ⁽²⁾	(196)	1.8%	(187)	1.7%
Impact of previously unrecognised deferred taxes (tax losses and temporary differences)	449	-4.2%	268	-2.4%
Impact of using tax losses for which no deferred tax asset was previously recognised	6	-	9	-0.1%
Other items	82	-0.7%	34	-0.3%
Corporate income tax expense	(3,103)	28.7%	(3,095)	28.8%
<i>Current tax expense for the year to 31 December</i>	<i>(1,989)</i>		<i>(2,366)</i>	
<i>Deferred tax expense for the year to 31 December (note 4.k)</i>	<i>(1,114)</i>		<i>(729)</i>	

⁽¹⁾ Restated for the share of profits in equity-method entities and goodwill impairment.

⁽²⁾ Contribution to the Single Resolution Fund and non-deductible systemic bank levies.

3. SEGMENT INFORMATION

The Group is composed of two operating divisions:

- Retail Banking and Services, which covers Domestic Markets and International Financial Services. Domestic Markets include retail banking networks in France (FRB), Italy (BNL banca commerciale), Belgium (BRB), and Luxembourg (LRB), as well as certain specialised retail banking divisions (Personal Investors, Leasing Solutions, Arval and New Digital Businesses). International Financial Services is composed of all BNP Paribas Group retail banking businesses out of the Eurozone, split between Europe Mediterranean and BancWest in the United States, as well as Personal Finance and the Insurance and Wealth and Asset Management activities (Wealth Management, Asset Management and Real Estate);
- Corporate and Institutional Banking (CIB), which includes Corporate Banking (Europe, Middle East, Africa, Asia, Americas, and Corporate Finance activities), Global Markets (Fixed Income, Currency and Commodities, as well as Equity and Prime Services), and Securities Services to management companies, financial institutions and other corporations.

Other activities mainly include Principal Investments, activities related to the Group's central treasury function, some costs related to cross-business projects, the residential mortgage lending business of Personal Finance (a significant part of which is managed in run-off), and certain investments.

They also include non-recurring items resulting from applying the rules on business combinations. In order to provide consistent and relevant economic information for each core business, the impact of amortising fair value adjustments recognised in the net equity of entities acquired and restructuring costs incurred in respect to the integration of entities, have been allocated to the "Other Activities" segment. The same applies to transformation costs relating to the Group's cross-business savings programmes.

Inter-segment transactions are conducted at arm's length. The segment information presented comprises agreed inter-segment transfer prices.

The capital allocation is carried out on the basis of risk exposure, taking into account various conventions relating primarily to the capital requirement of the business as derived from the risk-weighted asset calculations required under capital adequacy rules. Normalised equity income by segment is determined by attributing to each segment the income of its allocated equity. The equity allocation to segments is based on 11% of weighted assets. The breakdown of balance sheet by core business follows the same rules as the breakdown of the profit or loss by core business.

Income by business segment

	Year to 31 Dec. 2017						Year to 31 Dec. 2016					
	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income
In millions of euros												
Retail Banking & Services												
Domestic Markets												
French Retail Banking ⁽¹⁾	6,071	(4,510)	(331)	1,231		1,231	6,113	(4,525)	(341)	1,247	2	1,249
BNL banca commerciale ⁽¹⁾	2,822	(1,761)	(870)	191	1	192	2,895	(1,846)	(959)	90		90
Belgian Retail Banking ⁽¹⁾	3,499	(2,451)	(64)	985	28	1,013	3,490	(2,484)	(95)	912	6	918
Other Domestic Markets activities ⁽¹⁾	2,772	(1,601)	(89)	1,082	42	1,124	2,671	(1,481)	(115)	1,076	47	1,123
International Financial Services												
Personal Finance	4,923	(2,427)	(1,009)	1,487	120	1,607	4,679	(2,298)	(979)	1,401	40	1,442
International Retail Banking												
Europe-Mediterranean ⁽¹⁾	2,329	(1,656)	(259)	414	202	616	2,505	(1,699)	(437)	369	197	566
BancWest ⁽¹⁾	2,939	(2,001)	(111)	827	3	830	2,937	(2,006)	(85)	846	16	862
Insurance	2,514	(1,251)	4	1,267	600	1,867	2,382	(1,201)	2	1,183	186	1,369
Wealth and Asset Management	3,193	(2,387)	24	831	68	899	2,977	(2,341)	3	639	46	685
Corporate & Institutional Banking												
Corporate Banking	4,165	(2,430)	(70)	1,665	37	1,703	3,994	(2,451)	(292)	1,251	13	1,265
Global Markets	5,584	(4,255)	(15)	1,315	6	1,321	5,650	(4,355)	72	1,367	5	1,372
Securities Services	1,955	(1,588)	3	369	1	371	1,824	(1,503)	3	324	1	325
Other Activities	394	(1,627)	(121)	(1,355)	(110)	(1,464)	1,294	(1,189)	(39)	66	(121)	(55)
Total Group	43,161	(29,944)	(2,907)	10,310	1,000	11,310	43,411	(29,378)	(3,262)	10,771	439	11,210

(1) French Retail Banking, BNL banca commerciale, Belgian Retail Banking, Luxembourg Retail Banking, Europe-Mediterranean and BancWest after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Turkey and the United States.

- Assets and liabilities by business segment**

In millions of euros	31 December 2017		31 December 2016	
	Asset	Liability	Asset	Liability
Retail Banking & Services				
Domestic Markets	444,928	466,930	428,209	450,921
French Retail Banking	186,717	190,306	174,374	183,049
BNL banca commerciale	75,759	67,794	75,694	67,122
Belgian Retail Banking	130,723	156,754	129,417	152,880
Other Domestic Markets activities	51,729	52,076	48,724	47,870
International Financial Services	470,639	416,503	449,480	413,948
Personal Finance	78,569	21,667	65,128	14,542
International Retail Banking	138,017	124,789	145,026	133,420
Europe-Mediterranean	50,836	46,020	52,166	47,172
BancWest	87,181	78,769	92,860	86,248
Insurance	233,950	226,850	222,742	216,029
Wealth and Asset Management	20,103	43,197	16,584	49,957
Corporate and Institutional Banking	994,985	933,866	1,121,096	1,068,811
Other Activities	49,700	142,953	78,174	143,279
Total Group	1,960,252	1,960,252	2,076,959	2,076,959

Information by business segment relating to goodwill is presented in note 4.o Goodwill.

- Information by geographic area**

The geographic split of segment results, assets and liabilities is based on the region in which they are recognised for accounting purposes, adjusted as per the managerial origin of the business activity. It does not necessarily reflect the counterparty's nationality or the location of operational businesses.

- Revenues by geographic area

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Europe	31,659	31,712
North America	5,041	5,167
Asia & Pacific	3,203	3,075
Others	3,258	3,457
Total Group	43,161	43,411

- Assets and liabilities, in contribution to the consolidated accounts, by geographic area

In millions of euros	31 December 2017	31 December 2016
Europe	1,564,895	1,676,686
North America	221,884	189,186
Asia & Pacific	121,690	155,342
Others	51,783	55,745
Total Group	1,960,252	2,076,959

4. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2017

4.a FINANCIAL ASSETS, FINANCIAL LIABILITIES AND DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and financial liabilities at fair value through profit or loss consist of held-for-trading transactions - including derivatives - and certain assets and liabilities designated by the Group as at fair value through profit or loss at the time of acquisition or issuance.

In millions of euros	31 December 2017		31 December 2016	
	Trading book	Instruments designated as at fair value through profit or loss	Trading book	Instruments designated as at fair value through profit or loss
Securities portfolio	119,452	96,708	123,679	87,583
Loans and repurchase agreements	143,558	224	152,242	61
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	263,010	96,932	275,921	87,644
Securities portfolio	69,313		70,326	
Borrowings and repurchase agreements	172,147	2,498	183,206	3,017
Debt securities (note 4.i)		47,487		47,710
Subordinated debt (note 4.i)		836		1,012
Debt representative of shares of consolidated funds held by third parties		2,620		2,337
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	241,460	53,441	253,532	54,076

Detail of these assets and liabilities is provided in note 4.d.

FINANCIAL INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

- Financial assets designated as at fair value through profit or loss**

Assets designated by the Group as at fair value through profit or loss mainly include admissible investments related to unit-linked insurance policies and the insurance general fund, and to a lesser extent, assets with embedded derivatives that have not been separated from the host contract.

Admissible investments related to unit-linked insurance policies include securities issued by the Group's consolidated entities, which are not eliminated upon consolidation in order to keep the figures shown in respect of the assets invested under these contracts at the same level as the technical reserves set aside in respect of the corresponding policyholder liabilities. The fixed-income securities (certificates and Euro Medium Term Notes) not eliminated upon consolidation amounted to EUR 693 million at 31 December 2017 compared with EUR 785 million at 31 December 2016, and variable-income securities (shares mainly issued by BNP Paribas SA) amounted to EUR 59 million at 31 December 2017 compared with EUR 62 million at 31 December 2016. Eliminating these securities would not have a material impact on the financial statements for the period.

- **Financial liabilities designated as at fair value through profit or loss**

Financial liabilities at fair value through profit or loss mainly consist of debt securities in issue, originated and structured on behalf of customers, where the risk exposure is managed in combination with the hedging strategy. These types of debt securities in issue contain significant embedded derivatives, whose changes in value may be compensated by changes in the value of economic hedging derivatives.

The redemption value of debt issued and designated as at fair value through profit or loss at 31 December 2017 was EUR 50,375 million (EUR 52,358 million at 31 December 2016).

DERIVATIVE FINANCIAL INSTRUMENTS

The majority of derivative financial instruments held for trading are related to transactions initiated for trading purposes. They may result from market-making or arbitrage activities. BNP Paribas actively trades in derivatives. Transactions include trades in “ordinary” instruments such as credit default swaps, and structured transactions with complex risk profiles tailored to meet the needs of its customers. The net position is in all cases subject to limits.

Some derivative instruments are also contracted to hedge financial assets or financial liabilities for which the Group has not documented a hedging relationship, or which do not qualify for hedge accounting under IFRS. This applies in particular to credit derivative transactions which are primarily contracted to protect the Group’s loan book.

In millions of euros	31 December 2017		31 December 2016	
	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	122,389	111,149	165,979	153,811
Foreign exchange derivatives	66,580	65,292	112,761	109,490
Credit derivatives	7,553	8,221	10,754	9,886
Equity derivatives	28,822	39,156	33,146	40,702
Other derivatives	4,886	4,201	5,522	4,851
Derivative financial instruments	230,230	228,019	328,162	318,740

The table below shows the total notional amount of trading derivatives. The notional amounts of derivative instruments are merely an indication of the volume of the Group’s activities in financial instruments markets, and do not reflect the market risks associated with such instruments.

In millions of euros	31 December 2017				31 December 2016			
	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total
Interest rate derivatives	1,398,333	9,348,490	4,913,274	15,660,097	891,549	10,106,567	5,565,534	16,563,650
Foreign exchange derivatives	1,809	48,028	4,631,422	4,681,259	1,024	43,241	4,995,579	5,039,844
Credit derivatives		288,459	557,572	846,031		249,262	727,007	976,269
Equity derivatives	856,023	940	590,722	1,447,685	955,415	5,707	664,689	1,625,811
Other derivatives	86,262	26,470	78,134	190,866	95,365	33,769	57,128	186,262
Derivative financial instruments	2,342,427	9,712,387	10,771,124	22,825,938	1,943,353	10,438,546	12,009,937	24,391,836

4.b DERIVATIVES USED FOR HEDGING PURPOSES

The table below shows the fair value of derivatives used for hedging purposes.

In millions of euros	31 December 2017		31 December 2016	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges	11,632	14,542	15,301	18,405
Interest rate derivatives	11,454	14,311	14,819	18,192
Foreign exchange derivatives	178	231	482	213
Cash flow hedges	2,116	1,101	2,789	1,220
Interest rate derivatives	1,553	449	2,402	729
Foreign exchange derivatives	505	646	313	491
Other derivatives	58	6	74	
Net foreign investment hedges	8	39	43	1
Foreign exchange derivatives	8	39	43	1
Derivatives used for hedging purposes	13,756	15,682	18,133	19,626

The total notional amount of derivatives used for hedging purposes stood at EUR 936,323 million at 31 December 2017, compared with EUR 949,767 million at 31 December 2016.

4.c AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	31 December 2017			31 December 2016		
	Net	of which impairment	of which changes in value taken directly to equity	Net	of which impairment	of which changes in value taken directly to equity
Fixed-income securities	217,700	(146)	12,517	248,072	(78)	13,784
Treasury bills and government bonds	121,907	(1)	7,923	138,298	(1)	8,561
Other fixed-income securities	95,793	(145)	4,594	109,774	(77)	5,223
Equities and other variable-income securities	14,275	(2,606)	3,177	19,487	(3,192)	4,216
Listed securities	4,982	(440)	1,337	5,950	(823)	1,591
Unlisted securities	9,293	(2,166)	1,840	13,537	(2,369)	2,625
Total available-for-sale financial assets	231,975	(2,752)	15,694	267,559	(3,270)	18,000

The gross amount of impaired fixed-income securities is EUR 264 million at 31 December 2017 (EUR 99 million at 31 December 2016).

Changes in value taken directly to equity are detailed as follows:

	31 December 2017			31 December 2016		
	Fixed-income securities	Equities and other variable-income securities	Total	Fixed-income securities	Equities and other variable-income securities	Total
In millions of euros						
Non-hedged changes in value of securities, recognised in "Available-for-sale financial assets"	12,517	3,177	15,694	13,784	4,216	18,000
Deferred tax linked to these changes in value	(3,360)	(526)	(3,886)	(4,504)	(948)	(5,452)
Insurance policyholders' surplus reserve from insurance entities, after deferred tax	(7,443)	(1,005)	(8,448)	(7,587)	(1,315)	(8,902)
Group share of changes in value of available-for-sale securities owned by equity-method entities, after deferred tax and insurance policyholders' surplus reserve	779	130	909	807	99	906
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	(9)		(9)	(16)		(16)
Other variations	(7)	(1)	(8)	(53)	(2)	(55)
Changes in value of assets taken directly to equity under the heading "Financial assets available for sale and reclassified as loans and receivables"	2,477	1,775	4,252	2,431	2,050	4,481
Attributable to equity shareholders	2,427	1,757	4,184	2,339	2,033	4,372
Attributable to minority interests	50	18	68	92	17	109

Maturity schedule of available-for-sale fixed-income securities by contractual maturity:

In millions of euros, at 31 December 2017	< 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Fixed-income securities	4,833	8,028	11,829	67,101	125,909	217,700

In millions of euros, at 31 December 2016	< 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Fixed-income securities	6,936	8,020	19,056	77,884	136,176	248,072

4.d MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

VALUATION PROCESS

BNP Paribas has retained the fundamental principle that it should have a unique and integrated processing chain for producing and controlling the valuations of financial instruments that are used for the purpose of daily risk management and financial reporting. All these processes are based on a common economic valuation which is a core component of business decisions and risk management strategies.

Economic value is composed of mid-market value, to which add valuation adjustments.

Mid-market value is derived from external data or valuation techniques that maximise the use of observable and market-based data. Mid-market value is a theoretical additive value which does not take account of i) the direction of the transaction or its impact on the existing risks in the portfolio, ii) the nature of the counterparties, and iii) the aversion of a market participant to particular risks inherent in the instrument, the market in which it is traded, or the risk management strategy.

Valuation adjustments take into account valuation uncertainty and include market and credit risk premiums to reflect costs that could be incurred in case of an exit transaction in the principal market. When valuation techniques are used for the purpose of deriving fair value, funding assumptions related to the future expected cash flows are an integral part of the mid-market valuation, notably through the use of appropriate discount rates. These assumptions reflect what the Bank anticipates as being the effective funding conditions of the instrument that a market participant would consider. This notably takes into account the existence and terms of any collateral agreement. In particular, for non- or imperfectly collateralized derivative instruments, they include an explicit adjustment to the interbank interest rate (Funding Valuation Adjustment – FVA).

Fair value generally equals the economic value, subject to limited adjustments, such as own credit adjustments, which are specifically required by IFRS standards.

The main valuation adjustments are presented in the section below.

VALUATION ADJUSTMENTS

Valuation adjustments retained by BNP Paribas for determining fair values are as follows:

Bid/offer adjustments: the bid/offer range reflects the additional exit cost for a price taker and symmetrically the compensation sought by dealers to bear the risk of holding the position or closing it out by accepting another dealer's price.

BNP Paribas assumes that the best estimate of an exit price is the bid or offer price, unless there is evidence that another point in the bid/offer range would provide a more representative exit price.

Input uncertainty adjustments: when the observation of prices or data inputs required by valuation techniques is difficult or irregular, an uncertainty exists on the exit price. There are several ways to gauge the degree of uncertainty on the exit price such as measuring the dispersion of the available price indications or estimating the possible ranges of the inputs to a valuation technique.

Model uncertainty adjustments: these relate to situations where valuation uncertainty is due to the valuation technique used, even though observable inputs might be available. This situation arises when the risks inherent in the instruments are different from those available in the observable data, and therefore the valuation technique involves assumptions that cannot be easily corroborated.

Credit valuation adjustment (CVA): the CVA adjustment applies to valuations and market quotations whereby the credit worthiness of the counterparty is not reflected. It aims to account for the possibility that the counterparty may default and that BNP Paribas may not receive the full fair value of the transactions.

In determining the cost of exiting or transferring counterparty risk exposures, the relevant market is deemed to be an inter-dealer market. However, the determination of CVA remains judgemental due to i) the possible absence or lack of price discovery in the inter-dealer market, ii) the influence of the regulatory landscape relating to counterparty risk on the market participants' pricing behaviour and iii) the absence of a dominant business model for managing counterparty risk.

The CVA model is grounded on the same exposures as those used for regulatory purposes. The model attempts to estimate the cost of an optimal risk management strategy based on i) implicit incentives and constraints inherent in the regulations in force and their evolutions, ii) market perception of the probability of default and iii) default parameters used for regulatory purposes.

Own-credit valuation adjustment for debts (OCA) and for derivatives (debit valuation adjustment - DVA): OCA and DVA are adjustments reflecting the effect of credit worthiness of BNP Paribas, on respectively the value of debt securities designated as at fair value through profit or loss and derivatives. Both adjustments are based on the expected future liability profiles of such instruments. The own credit worthiness is inferred from the market-based observation of the relevant bond issuance levels. The DVA adjustment is determined after taking into account the Funding Valuation Adjustment (FVA).

Thus, the carrying value of debt securities designated as at fair value through profit or loss is increased by EUR 452 million as at 31 December 2017, compared with an increase in value of EUR 391 million as at 31 December 2016, i.e. a EUR -61 million variation recognised in net gain on financial instruments at fair value through profit or loss (note 2.c).

INSTRUMENT CLASSES AND CLASSIFICATION WITHIN THE FAIR VALUE HIERARCHY FOR ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

As explained in the summary of significant accounting policies (note 1.c.10), financial instruments measured at fair value are categorised into a fair value hierarchy consisting of three levels.

The disaggregation of assets and liabilities into risk classes is meant to provide further insight into the nature of the instruments:

- Securitised exposures are further broken down by collateral type.
- For derivatives, fair values are broken down by dominant risk factor, namely interest rate, foreign exchange, credit and equity. Derivatives used for hedging purposes are mainly interest rate derivatives.

In millions of euros	31 December 2017											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	94,789	24,246	417	119,452	79,652	12,366	4,690	96,708	188,092	37,320	6,563	231,975
Treasury bills and government bonds	40,570	7,831		48,401	652	1		653	115,257	6,650		121,907
Asset Backed Securities ⁽¹⁾	-	7,924	97	8,021	-	7	-	7	-	4,067	2	4,069
CDOs / CLOs ⁽²⁾		496	26	522		7		7		24	2	26
Other Asset Backed Securities		7,428	71	7,499				-		4,043		4,043
Other fixed-income securities	10,307	7,290	134	17,731	1,684	4,895	94	6,673	66,015	24,983	726	91,724
Equities and other variable-income securities	43,912	1,201	186	45,299	77,316	7,463	4,596	89,375	6,820	1,620	5,835	14,275
Loans and repurchase agreements	-	143,295	263	143,558	-	18	206	224				
Loans		1,840		1,840		18		18				
Repurchase agreements		141,455	263	141,718			206	206				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	94,789	167,541	680	263,010	79,652	12,384	4,896	96,932	188,092	37,320	6,563	231,975
Securities portfolio	66,733	2,496	84	69,313	-	-	-	-				
Treasury bills and government bonds	49,046	253		49,299				-				
Other fixed-income securities	6,182	2,185	82	8,449				-				
Equities and other variable-income securities	11,505	58	2	11,565				-				
Borrowings and repurchase agreements	-	171,132	1,015	172,147	-	2,026	472	2,498				
Borrowings		4,499		4,499		2,026	472	2,498				
Repurchase agreements		166,633	1,015	167,648				-				
Debt securities (note 4.i)	-	-	-	-	-	34,497	12,990	47,487				
Subordinated debt (note 4.i)	-	-	-	-	-	836	-	836				
Debt representative of shares of consolidated funds held by third parties	-	-	-	-	1,916	704	-	2,620				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	66,733	173,628	1,099	241,460	1,916	38,063	13,462	53,441				

In millions of euros	31 December 2016											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	101,261	21,251	1,167	123,679	69,800	13,849	3,934	87,583	214,489	44,790	8,280	267,559
Treasury bills and government bonds	45,488	4,283		49,771	867			867	130,806	7,492		138,298
Asset Backed Securities ⁽¹⁾	-	8,748	618	9,366	-	7	-	7	-	4,588	72	4,660
CDOs / CLOs ⁽²⁾		1,391	613	2,004		7		7		56		56
Other Asset Backed Securities		7,357	5	7,362				-		4,532	72	4,604
Other fixed-income securities	9,695	7,702	169	17,566	1,392	5,809	110	7,311	75,420	28,783	911	105,114
Equities and other variable-income securities	46,078	518	380	46,976	67,541	8,033	3,824	79,398	8,263	3,927	7,297	19,487
Loans and repurchase agreements	-	151,511	731	152,242	-	61	-	61				
Loans		525		525		61		61				
Repurchase agreements		150,986	731	151,717				-				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	101,261	172,762	1,898	275,921	69,800	13,910	3,934	87,644	214,489	44,790	8,280	267,559
Securities portfolio	67,167	2,862	297	70,326	-	-	-	-				
Treasury bills and government bonds	50,320	383		50,703				-				
Other fixed-income securities	6,752	2,457	297	9,506				-				
Equities and other variable-income securities	10,095	22		10,117				-				
Borrowings and repurchase agreements	-	181,808	1,398	183,206	-	2,557	460	3,017				
Borrowings		4,190		4,190		2,557	460	3,017				
Repurchase agreements		177,618	1,398	179,016				-				
Debt securities (note 4.i)	-	-	-	-	-	34,964	12,746	47,710				
Subordinated debt (note 4.i)	-	-	-	-	-	1,012	-	1,012				
Debt representative of shares of consolidated funds held by third parties	-	-	-	-	1,719	618	-	2,337				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	67,167	184,670	1,695	253,532	1,719	39,151	13,206	54,076				

(1) These amounts do not represent the total amount of securitisation assets held by BNP Paribas, particularly those classified at inception as "Loans and Receivables", and those reclassified as presented in note 4.e.

(2) Collateralised Debt Obligations / Collateralised Loan Obligations

31 December 2017								
In millions of euros	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	282	120,461	1,646	122,389	357	109,381	1,411	111,149
Foreign exchange derivatives	1	66,348	231	66,580		64,961	331	65,292
Credit derivatives		7,349	204	7,553		7,621	600	8,221
Equity derivatives	7,780	19,967	1,075	28,822	5,517	27,104	6,535	39,156
Other derivatives	1,046	3,788	52	4,886	673	3,435	93	4,201
Derivative financial instruments not used for hedging purposes	9,109	217,913	3,208	230,230	6,547	212,502	8,970	228,019
Derivative financial instruments used for hedging purposes	-	13,756	-	13,756	-	15,682	-	15,682

31 December 2016								
In millions of euros	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	482	162,034	3,463	165,979	613	150,733	2,465	153,811
Foreign exchange derivatives	13	112,129	619	112,761	12	108,957	521	109,490
Credit derivatives		10,079	675	10,754		8,693	1,193	9,886
Equity derivatives	8,597	22,811	1,738	33,146	6,584	28,193	5,925	40,702
Other derivatives	749	4,724	49	5,522	889	3,856	106	4,851
Derivative financial instruments not used for hedging purposes	9,841	311,777	6,544	328,162	8,098	300,432	10,210	318,740
Derivative financial instruments used for hedging purposes	-	18,133	-	18,133	-	19,626	-	19,626

Transfers between levels may occur when an instrument fulfils the criteria defined, which are generally market and product dependent. The main factors influencing transfers are changes in the observation capabilities, passage of time, and events during the transaction lifetime. The timing of recognising transfers is determined at the beginning of the reporting period.

During 2017, transfers between Level 1 and Level 2 were not significant.

DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

The following section provides a description of the instruments in each level in the hierarchy. It describes notably instruments classified in Level 3 and the associated valuation methodologies. For main trading book instruments and derivatives classified in Level 3, further quantitative information is provided about the inputs used to derive fair value.

Level 1

This level encompasses all derivatives and securities that are listed on exchanges or quoted continuously in other active markets.

Level 1 includes notably equity securities and liquid bonds, shortselling of these instruments, derivative instruments traded on organised markets (futures, options, ...). It includes shares of funds and UCITS, for which the net asset value is calculated on a daily basis, as well as debt representative of shares of consolidated funds held by third parties.

Level 2

The Level 2 stock of securities is composed of securities which are less liquid than the Level 1 bonds. They are predominantly government bonds, corporate debt securities, mortgage backed securities, fund shares and short-term securities such as certificates of deposit. They are classified in Level 2 notably when external prices for the same security can be regularly observed from a reasonable number of market makers that are active in this security, but these prices do not represent directly tradable prices. This comprises amongst other, consensus pricing services with a reasonable number of contributors that are active market makers as well as indicative runs from active brokers and/or dealers. Other sources such as primary issuance market, collateral valuation and counterparty collateral valuation matching may also be used where relevant.

Repurchase agreements are classified predominantly in Level 2. The classification is primarily based on the observability and liquidity of the repo market, depending on the underlying collateral.

Debts issued designated as at fair value through profit and loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives classified in Level 2 comprise mainly the following instruments:

- Vanilla instruments such as interest rate swaps, caps, floors and swaptions, credit default swaps, equity/foreign exchange (FX)/commodities forwards and options;
- Structured derivatives such as exotic FX options, mono- and multi-underlying equity/funds derivatives, single curve exotic interest rate derivatives and derivatives based on structured rates.

The above derivatives are classified in Level 2 when there is a documented stream of evidence supporting one of the following:

- Fair value is predominantly derived from prices or quotations of other Level 1 and Level 2 instruments, through standard market interpolation or stripping techniques whose results are regularly corroborated by real transactions;
- Fair value is derived from other standard techniques such as replication or discounted cash flows that are calibrated to observable prices, that bear limited model risk and enable an effective offset of the risks of the instrument through trading Level 1 or Level 2 instruments;
- Fair value is derived from more sophisticated or proprietary valuation techniques but is directly evidenced through regular back-testing using external market-based data.

Determining of whether an over-the-counter (OTC) derivative is eligible for Level 2 classification involves judgement. Consideration is given to the origin, transparency and reliability of external data used, and the amount of uncertainty associated with the use of models. It follows that the Level 2 classification criteria involve multiple analysis axis within an “observability zone” whose limits are determined by i) a predetermined list of product categories and ii) the underlying and maturity bands. These criteria are regularly reviewed and updated, together with the applicable valuation adjustments, so that the classification by level remains consistent with the valuation adjustment policy.

Level 3

Level 3 securities of the trading book mainly comprise units of funds and unlisted equity shares.

Fund units relate to real estate funds for which the valuation of the underlying investments is not frequent, as well as hedge funds for which the observation of the net asset value is not frequent.

Unlisted private equities are systematically classified as Level 3, with the exception of UCITS with a daily net asset value, presented as unlisted securities in note 4.c, but which are classified in the Level 1 of the fair value hierarchy.

Shares and other unlisted variable income securities in level 3 are valued using one of the following methods: a share of revalued net book value, multiples of comparable companies, future cash flows method, multi-criteria approach.

As at 31 December 2017, CLOs and CDOs of ABSs linked to legacy activity represented the large majority of the Level 3 trading book stock. Fair value is determined using a methodology that takes into consideration both the available external indicative prices as well as discounted expected cash flows. Constant prepayment rates are amongst the main unobservable inputs required to model the underlying pool of cash flow payments. Other unobservable inputs are related to the cash/synthetic funding basis and the discounting margin.

CDOs of ABSs collateral pools comprise Commercial Real Estate Loans, Commercial Mortgage Backed Securities – CMBSs and Residential Mortgage Backed Securities – RMBSs. The fair value of CDOs is based on a “liquidation approach” and a “discounted expected cash flow” approach, depending on the distressed nature of the collateral.

For RMBSs, prices are obtained to a large extent from external sources, while for Commercial Real Estate Loans prices are independently valued by an external provider.

The Discounted Expected Cash flow approach for CDOs takes in consideration both an internal and an external independent set of hypotheses to derive expectations about the underlying cash flow payments. Such cash flow expectations are then passed through the CDO waterfall modelled in external platforms, allowing deriving cash flow expectations of the considered CDO tranche. Similarly to the above, fair value requires assumptions about the cash/synthetic funding basis and a discount margin.

Repurchase agreements: mainly long-term or structured repurchase agreements on corporate bonds and ABSs: The valuation of these transactions requires proprietary methodologies given the bespoke nature of the transactions and the lack of activity and price discovery in the long-term repo market. The curves used in the valuation are corroborated using available data such as the implied basis of the relevant benchmark bond pool, recent long-term repo trade data and price enquiry data. Valuation adjustments applicable to these exposures are commensurate with the degree of uncertainty inherent in the modelling choices and amount of data available.

Debts issued designated as at fair value through profit or loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives

Vanilla derivatives are classified in Level 3 when the exposure is beyond the observation zone for rate curves or volatility surfaces, or relates to less liquid markets such as tranches on old credit index series or emerging markets interest rates markets. The main instruments are:

- **Interest rate derivatives:** exposures mainly comprise swap products in less liquid currencies. Classification is driven by the lower liquidity of some maturities, while observation capabilities through consensus may be available. The valuation technique is standard, and uses external market information and extrapolation techniques.
- **Credit derivatives (CDS):** exposures mainly comprise CDSs beyond the maximum observable maturity and, to a much lesser extent, CDSs on illiquid or distressed names and CDSs on loan indices. Classification is driven by the lack of liquidity while observation capabilities may be available notably through consensus. Level 3 exposures also comprise CDS and Total Return Swaps (TRS) positions on securitised assets. These are priced along the same modelling techniques as the underlying bonds, taking into consideration the funding basis and specific risk premium.
- **Equity derivatives:** exposures essentially comprise long dated forward or volatility products or exposures where there is a limited market for optional products. The marking of the forward curves and volatility surfaces beyond the maximum observable maturity relies on extrapolation techniques. However, when there is no market for model input, volatility or forward is generally determined on the basis of proxy or historical analysis.

These vanilla derivatives are subject to valuation adjustments linked to uncertainty on liquidity, specialised by nature of underlying and liquidity bands.

Structured derivatives classified in Level 3 predominantly comprise structured derivatives of which hybrid products (FX/Interest Rates hybrids, Equity hybrids), credit correlation products, prepayment-sensitive products, some stock basket optional products and some interest rate optional instruments. The main exposures are described below, with insight into the related valuation techniques and on the source of uncertainty :

- **Structured interest rate options** are classified in Level 3 when they involve currencies where there is not sufficient observation or when they include a quanto feature where the pay-off is measured with a forex forward fixed rate (except for the main currencies). Long term structured derivatives are also classified in Level 3.
- **Hybrid FX/Interest rate products** essentially comprise a specific product family known as Power Reverse Dual Currency (PRDC). The valuation of PRDCs requires sophisticated modelling of joint behaviour of FX and interest rate, and is notably sensitive to the unobservable FX/interest rate correlations. PRDCs valuations are corroborated with recent trade data and consensus data.
- **Securitisation swaps** mainly comprise fixed rate swaps, cross currency or basis swaps whose notional is indexed to the prepayment behaviour of some underlying portfolio. The estimation of the maturity profile of securitisation swaps is corroborated by statistical estimates using external historical data.
- **Forward volatility options** are generally products whose pay-off is indexed to the future variability of a rate index such as volatility swaps. These products involve material model risk as it is difficult to infer forward volatility information from the market-traded instruments. The valuation adjustment framework is calibrated to the uncertainty inherent in the product, and to the range of uncertainty from the existing external consensus data.
- **Inflation derivatives** classified in Level 3 mainly comprise swap products on inflation indices that are not associated with a liquid indexed bond market, optional products on inflation indices (such as caps and floors) and other forms of inflation indices involving optionality on the inflation indices or on the inflation annual rate. Valuation techniques used for inflation derivatives are predominantly standard market models. Proxy techniques are used for a few limited exposures. Although the valuations are corroborated through monthly consensus data,

these products are classified as Level 3 due to their lack of liquidity and some uncertainties inherent in the calibration.

- The valuation of **bespoke CDOs** requires correlation of default events. This information is inferred from the active index tranche market through a proprietary projection technique and involves proprietary extrapolation and interpolation techniques. Multi-geography CDOs further require an additional correlation assumption. Finally, the bespoke CDO model also involves proprietary assumptions and parameters related to the dynamic of the recovery factor. CDO modelling, is calibrated on the observable index tranche markets, and is regularly back-tested against consensus data on standardised pools. The uncertainty arises from the model risk associated with the projection and geography mixing technique, and the uncertainty of associated parameters, together with the recovery modelling.
- **N to Default baskets** are other forms of credit correlation products, modelled through standard copula techniques. The main inputs required are the pair-wise correlations between the basket components which can be observed in the consensus and the transactions. Linear baskets are considered observable.
- **Equity and equity-hybrid correlation products** are instruments whose pay-off is dependent on the joint behaviour of a basket of equities/indices leading to a sensitivity of the fair value measurement to the correlation amongst the basket components. Hybrid versions of these instruments involve baskets that mix equity and non-equity underlyings such as commodity indices. Only a subset of the Equity/index correlation matrix is regularly observable and traded, while most cross-asset correlations are not active. Therefore, classification in Level 3 depends on the composition of the basket, the maturity, and the hybrid nature of the product. The correlation input is derived from a proprietary model combining historical estimators, and other adjustment factors, that are corroborated by reference to recent trades or external data. The correlation matrix is essentially available from consensus services, and when a correlation between two underlying instruments is not available, it might be obtained from extrapolation or proxy techniques.

These structured derivatives are subject to specific valuation adjustments to cover uncertainties linked to liquidity, parameters and model risk.

Valuation adjustments (CVA, DVA and FVA)

The valuation adjustment for counterparty credit risk (CVA), own-credit risk for derivatives (DVA) and the explicit funding valuation adjustment (FVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant. Are particularly concerned some insufficiently collateralized vanilla interest rate instruments with very long residual maturity.

The below table provides the range of values of main unobservable inputs for the valuation of Level 3 financial instruments. The ranges displayed correspond to a variety of different underlying instruments and are meaningful only in the context of the valuation technique implemented by BNP Paribas. The weighted averages, where relevant and available, are based on fair values, nominal amounts or sensitivities.

The main unobservable parameters used for the valuation of debt issued in Level 3 are equivalent to these of their economic hedge derivative. Information on those derivatives, displayed in the following table, is also applicable to these debts.

Risk classes	Balance Sheet valuation (in millions of euros)		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
	Asset	Liability					
Repurchase agreements	469	1,015	Long-term repo and reverse-repo agreements	Proxy techniques, based amongst other on the funding basis of a benchmark bond pool, that is actively traded and representative of the repo underlying	Long-term repo spread on private bonds (High Yield, High Grade) and on ABSs	0 bp to 59 bp	27 bp (b)
Interest rate derivatives	1,646	1,411	Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	13% to 56%	42% (b)
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	-10% to 20%	13%
			Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	0.7% to 10.2%	(c)
					Volatility of the year on year inflation rate	0.3% to 2.1%	
			Forward Volatility products such as volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.4% to 0.7%	(c)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modelling Discounted cash flows	Constant prepayment rates	0.1 % to 40%	8% (b)
Credit Derivatives	204	600	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	20% to 86%	(c)
					Inter-regions default cross correlation	80 % to 90%	90%(a)
					Recovery rate variance for single name underlyings	0 to 25%	(c)
			N-to-default baskets	Credit default model	Default correlation	50% to 91%	56% (b)
			Single name Credit Default Swaps (other than CDS on ABSs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	55 bp to 218 bp (1)	191 bp (a)
					Illiquid credit default spread curves (across main tenors)	1 bp to 550 bp (2)	96 bp (a)
Equity Derivatives	1,075	6,535	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	0% to 88% (3)	(c)
					Unobservable equity correlation	9% to 97%	60% (a)

(1) The upper part of the range relates to non-material balance sheet position on a European corporate. The other part relates mainly to sovereign issuers.

(2) The upper bound of the range relates to an energy sector issuer that represents an insignificant portion of the balance sheet on CDSs with illiquid underlying.

(3) The upper part of the range relates to ten equity instruments representing a non-material portion of the balance sheet on options with equity underlying instrument. Including these inputs, the upper bound of the range would be around 407 %.

(a) Weighting is not based on risks, but on an alternative methodology in relation with the Level 3 instruments (present value or notional)

(b) Weights based on relevant risk axis at portfolio level

(c) No weighting, since no explicit sensitivity is attributed to these inputs

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred between 1 January 2016 and 31 December 2017:

In millions of euros	Financial Assets				Financial Liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	Available-for-sale financial assets	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
At 31 December 2015	11,071	3,743	9,320	24,134	(11,607)	(11,281)	(22,888)
Purchases	2,061	1,308	1,133	4,502			-
Issues				-	(2,266)	(5,720)	(7,986)
Sales	(1,429)	(1,210)	(2,098)	(4,737)			-
Settlements ⁽¹⁾	(1,706)	(115)	(123)	(1,944)	(1,486)	3,889	2,403
Transfers to Level 3	427	7	654	1,088	(430)	(1,393)	(1,823)
Transfers from Level 3	(4,283)	(218)	(653)	(5,154)	903	1,401	2,304
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(148)	376	(278)	(50)	3,071	6	3,077
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	2,612	43	(15)	2,640	148	(41)	107
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	(163)			(163)	(238)	(67)	(305)
- Changes in fair value of assets and liabilities recognised in equity			340	340			-
At 31 December 2016	8,442	3,934	8,280	20,656	(11,905)	(13,206)	(25,111)
Purchases	1,179	1,483	1,599	4,261			-
Issues				-		(8,313)	(8,313)
Sales	(928)	(874)	(2,167)	(3,969)			-
Settlements ⁽¹⁾	(2,955)	(39)	(977)	(3,971)	(2,173)	6,900	4,727
Transfers to Level 3	442	252	205	899	(409)	(209)	(618)
Transfers from Level 3	(2,123)	(25)	(221)	(2,369)	2,827	1,102	3,929
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	24	140	(262)	(98)	55	56	111
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	(57)	33	(5)	(29)	1,149	(169)	980
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	(136)	(8)	(145)	(289)	387	377	764
- Changes in fair value of assets and liabilities recognised in equity			256	256			-
At 31 December 2017	3,888	4,896	6,563	15,347	(10,069)	(13,462)	(23,531)

⁽¹⁾ For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives the fair value of which is negative.

Transfers out of Level 3 of derivatives at fair value include mainly the update of the observability tenor of certain yield curves, and of market parameters related to repurchase agreements and credit transactions but also the effect of derivatives becoming only or mainly sensitive to observable inputs due to the shortening of their lifetime.

Transfers into Level 3 of instruments at fair value reflect the effect of the regular update of the observability zones.

Transfers have been reflected as if they had taken place at the beginning of the reporting period.

The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses of which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments.

SENSITIVITY OF FAIR VALUE TO REASONABLY POSSIBLE CHANGES IN LEVEL 3 ASSUMPTIONS

The following table summarises those financial assets and financial liabilities classified as Level 3 for which alternative assumptions in one or more of the unobservable inputs would change fair value significantly.

The amounts disclosed are intended to illustrate the range of possible uncertainty inherent to the judgement applied when estimating Level 3 parameters, or when selecting valuation techniques. These amounts reflect valuation uncertainties that prevail at the measurement date, and even though such uncertainties predominantly derive from the portfolio sensitivities that prevailed at that measurement date, they are not predictive or indicative of future movements in fair value, nor do they represent the effect of market stress on the portfolio value.

In estimating sensitivities, BNP Paribas either remeasured the financial instruments using reasonably possible inputs, or applied assumptions based on the valuation adjustment policy.

For the sake of simplicity, the sensitivity on cash instruments that are not relating to securitised instruments was based on a uniform 1% shift in the price. More specific shifts were however calibrated for each class of the Level 3 securitised exposures, based on the possible ranges of the unobservable inputs.

For derivative exposures, the sensitivity measurement is based on the credit valuation adjustment (CVA), the explicit funding valuation adjustment (FVA) and the parameter and model uncertainty adjustments related to Level 3.

Regarding the credit valuation adjustment (CVA) and the explicit funding valuation adjustment (FVA), the uncertainty was calibrated based on prudent valuation adjustments described in the technical standard "Prudent Valuation" published by the European Banking Authority. For other valuation adjustments, two scenarios were considered: a favourable scenario where all or portion of the valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require twice the amount of valuation adjustments considered by BNP Paribas for entering into a transaction.

In millions of euros	31 December 2017		31 December 2016	
	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Asset Backed Securities (ABS)	+/-2		+/-12	+/-1
CDOs / CLOs	+/-1		+/-12	
Other Asset Backed Securities	+/-1			+/-1
Other fixed-income securities	+/-2	+/-7	+/-2	+/-9
Equities and other variable-income securities	+/-48	+/-58	+/-42	+/-73
Repurchase agreements	+/-10		+/-7	
Derivative financial instruments	+/-552		+/-844	
Interest rate and foreign exchange derivatives	+/-357		+/-605	
Credit derivatives	+/-35		+/-59	
Equity derivatives	+/-155		+/-169	
Other derivatives	+/-5		+/-11	
Sensitivity of Level 3 financial instruments	+/-614	+/-65	+/-907	+/-83

DEFERRED MARGIN ON FINANCIAL INSTRUMENTS MEASURED USING TECHNIQUES DEVELOPED INTERNALLY AND BASED ON INPUTS PARTLY UNOBSERVABLE IN ACTIVE MARKETS

Deferred margin on financial instruments ("Day One Profit") only concerns the scope of market activities eligible for Level 3.

The day one profit is calculated after setting aside valuation adjustments for uncertainties as described previously and released to profit or loss over the expected period for which the inputs will be unobservable. The unamortised amount is included under "Financial instruments at fair value through profit or loss" as a reduction in the fair value of the relevant transactions.

In millions of euros	Deferred margin at 31 December 2016	Deferred margin on transactions during the year	Margin taken to the profit and loss account during the year	Deferred margin at 31 December 2017
Interest rate and foreign exchange derivatives	331	108	(130)	309
Credit derivatives	104	53	(61)	96
Equity derivatives	315	171	(210)	276
Other derivatives	6	4	(5)	5
Derivative financial instruments	756	336	(406)	686

4.e RECLASSIFICATION OF FINANCIAL INSTRUMENTS INITIALLY RECOGNISED AS AT FAIR VALUE THROUGH PROFIT OR LOSS HELD FOR TRADING PURPOSES OR AS AVAILABLE-FOR-SALE ASSETS

The amendments to IAS 39 and IFRS 7 adopted by the European Union on 15 October 2008 permit the reclassification of instruments initially held for trading or available-for-sale within the customer loan portfolios or as available-for-sale securities.

In millions of euros	Reclassification date	31 December 2017		31 December 2016	
		Carrying value	Market or model value	Carrying value	Market or model value
Fixed-income securities from the available-for-sale portfolio		385	448	509	604
of which Portuguese sovereign securities	30 June 2011	143	157	274	301
of which Irish sovereign securities	30 June 2011	242	291	235	303
Structured transactions and other fixed-income securities from the trading portfolio	1 October 2008 / 30 June 2009	546	560	961	940

Without these reclassifications, the Group's net income would not have been significantly different for the year ended 31 December 2017, nor for the year ended 31 December 2016. Similarly, changes in value of assets and liabilities recognised directly in equity would not have been significantly different in 2017, nor in 2016.

4.f INTERBANK AND MONEY-MARKET ITEMS

- Loans and receivables due from credit institutions**

In millions of euros	31 December 2017	31 December 2016
On demand accounts	8,063	6,513
Loans ⁽¹⁾	36,017	37,664
Repurchase agreements	1,699	3,422
Total loans and receivables due from credit institutions, before impairment	45,779	47,599
<i>of which doubtful loans</i>	155	274
Impairment of loans and receivables due from credit institutions (note 2.g)	(109)	(188)
specific impairment	(93)	(167)
collective provisions	(16)	(21)
Total loans and receivables due from credit institutions, net of impairment	45,670	47,411

⁽¹⁾ Loans and receivables due from credit institutions include term deposits made with central banks, which amounted to EUR 1,570 million as at 31 December 2017 (EUR 2,192 million as at 31 December 2016).

- Due to credit institutions**

In millions of euros	31 December 2017	31 December 2016
On demand accounts	9,906	10,775
Borrowings	61,881	60,189
Repurchase agreements	4,716	4,696
Total due to credit institutions	76,503	75,660

4.g CUSTOMER ITEMS

- Loans and receivables due from customers**

In millions of euros	31 December 2017	31 December 2016
On demand accounts	44,423	45,672
Loans to customers	676,966	663,329
Repurchase agreements	669	1,723
Finance leases	30,303	28,554
Total loans and receivables due from customers, before impairment	752,361	739,278
<i>of which doubtful loans</i>	37,531	41,779
Impairment of loans and receivables due from customers (note 2.g)	(24,686)	(27,045)
specific impairment	(21,379)	(23,924)
collective provisions	(3,307)	(3,121)
Total loans and receivables due from customers, net of impairment	727,675	712,233

- **Breakdown of finance leases**

In millions of euros	31 December 2017	31 December 2016
Gross investment	34,117	31,755
Receivable within 1 year	10,472	9,479
Receivable after 1 year but within 5 years	20,490	17,576
Receivable beyond 5 years	3,155	4,700
Unearned interest income	(3,814)	(3,201)
Net investment before impairment	30,303	28,554
Receivable within 1 year	9,253	8,562
Receivable after 1 year but within 5 years	18,260	15,731
Receivable beyond 5 years	2,790	4,261
Impairment provisions	(935)	(990)
Net investment after impairment	29,368	27,564

- **Due to customers**

In millions of euros	31 December 2017	31 December 2016
On demand deposits	456,233	443,379
Savings accounts	146,422	145,273
Term accounts and short-term notes	162,769	174,943
Repurchase agreements	1,466	2,358
Total due to customers	766,890	765,953

4.h PAST-DUE AND DOUBTFUL LOANS

The following tables present the carrying amounts of financial assets that are past due but not impaired and impaired assets and related collateral or other guarantees. The amounts shown are stated before any provision on a portfolio basis.

The amounts shown for collateral and other guarantees correspond to the lower of the value of the collateral or other guarantee and the value of the secured assets.

- Past-due but not impaired loans**

In millions of euros	31 December 2017					Collateral received
	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total	
Loans and receivables due from credit institutions	209	1	25	2	237	99
Loans and receivables due from customers	12,627	420	209	436	13,692	6,001
Total past-due but not impaired loans	12,836	421	234	438	13,929	6,100

In millions of euros	31 December 2016					Collateral received
	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total	
Loans and receivables due from credit institutions	253	1		1	255	42
Loans and receivables due from customers	11,271	296	166	333	12,066	5,809
Total past-due but not impaired loans	11,524	297	166	334	12,321	5,851

- Doubtful loans**

In millions of euros	31 December 2017			
	Doubtful loans			Collateral received
	Gross value	Impairment	Net	
Available-for-sale financial assets (excl. variable-income securities) (note 4.c)	264	(146)	118	
Loans and receivables due from credit institutions (note 4.f)	155	(93)	62	156
Loans and receivables due from customers (note 4.g)	37,531	(21,379)	16,152	11,213
Doubtful assets	37,950	(21,618)	16,332	11,369
Financing commitments given	888	(38)	850	652
Guarantee commitments given	1,064	(255)	809	
Off-balance sheet doubtful commitments	1,952	(293)	1,659	652
Total	39,902	(21,911)	17,991	12,021

In millions of euros	31 December 2016			
	Doubtful loans			Collateral received
	Gross value	Impairment	Net	
Available-for-sale financial assets (excl. variable-income securities) (note 4.c)	99	(78)	21	
Loans and receivables due from credit institutions (note 4.f)	274	(167)	107	351
Loans and receivables due from customers (note 4.g)	41,779	(23,924)	17,855	11,981
Doubtful assets	42,152	(24,169)	17,983	12,332
Financing commitments given	1,055	(29)	1,026	1,058
Guarantee commitments given	1,374	(349)	1,025	
Off-balance sheet doubtful commitments	2,429	(378)	2,051	1,058
Total	44,581	(24,547)	20,034	13,390

4.i DEBT SECURITIES AND SUBORDINATED DEBT

This note covers all debt securities in issue and subordinated debt measured at amortised cost and designated as at fair value through profit or loss.

DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (note 4.a)

Issuer / Issue date	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment ⁽¹⁾	Amount ⁽²⁾ eligible to Tier 1	Amount ⁽²⁾ eligible to Tier 2	31 December 2017	31 December 2016
In millions of euros										
Debt securities									47,487	47,710
Subordinated debt							205	86	836	1,012
- Redeemable subordinated debt			⁽³⁾				-	86	167	424
- Perpetual subordinated debt							205	-	669	588
BNP Paribas Fortis Dec. 2007	EUR	3,000	Dec.-14	3-month Euribor +200 bp		A	205		669	588

⁽¹⁾ Conditions precedent for coupon payment:

A Coupon payments are halted should the issuer have insufficient capital or the underwriters become insolvent or when the dividend declared for Ageas shares falls below a certain threshold.

⁽²⁾ Given the eligibility criteria and prudential adjustments, including the own credit risk and amortisation of instruments.

⁽³⁾ After agreement from the banking supervisory authority and at the issuer's initiative, these debt issues may contain a call provision authorising the Group to redeem the securities prior to maturity by repurchasing them in the stock market, via public tender offers, or in the case of private placements over the counter. Debt issued by BNP Paribas SA or foreign subsidiaries of the Group via placements in the international markets may be subject to early redemption of the capital and early payment of interest due at maturity at the issuer's discretion on or after a date stipulated in the issue particulars (call option), or in the event that changes in the applicable tax rules oblige the BNP Paribas Group issuer to compensate debt-holders for the consequences of such changes. Redemption may be subject to a notice period of between 15 and 60 days, and is in all cases subject to approval by the banking supervisory authorities.

The perpetual subordinated debt recognised at fair value through profit or loss consists of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.

The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.

On 7 May 2015, BNP Paribas and Ageas reached a new agreement which allows BNP Paribas to purchase outstanding CASHES under the condition that these are converted into Ageas shares, leading to a proportional settlement of the RPN. The agreement between Ageas and BNP Paribas expired on 31 December 2016 and was not renewed.

On 24 July 2015, BNP Paribas obtained the prior agreement from the European Central Bank to proceed to purchase CASHES within a limit of EUR 200 million nominal amount. In 2016, this agreement was used for EUR 164 million, converted into Ageas shares.

On 8 July 2016, BNP Paribas obtained a new agreement from the European Central Bank to proceed to purchase CASHES within a limit of EUR 200 million nominal amount. This agreement supersedes the previous one.

On 11 August 2017, the European Central Bank accepted the request formulated by BNP Paribas to cancel the agreement to purchase CASHES.

As at 31 December 2017, the subordinated liability is eligible to Tier 1 capital for EUR 205 million (considering the transitional period).

Maturity schedule of debt securities and redeemable subordinated debt designated as at fair value through profit or loss, by contractual maturity:

Maturity or call option date, in millions of euros	2018	2019	2020	2021	2022	2023 - 2027	After 2027	Total at 31 Dec. 2017
Debt securities	11,209	6,440	7,167	5,104	4,695	8,648	4,224	47,487
Redeemable subordinated debt	45	-	68	11	19	-	24	167
Total	11,254	6,440	7,235	5,115	4,714	8,648	4,248	47,654

Maturity or call option date, in millions of euros	2017	2018	2019	2020	2021	2022 - 2026	After 2026	Total at 31 Dec. 2016
Debt securities	11,658	6,443	6,051	6,476	4,877	8,375	3,830	47,710
Redeemable subordinated debt	262	43	-	67	10	20	22	424
Total	11,920	6,486	6,051	6,543	4,887	8,395	3,852	48,134

DEBT SECURITIES MEASURED AT AMORTISED COST

Issuer / Issue date	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment ⁽¹⁾	Amount ⁽²⁾ eligible to Tier 1	Amount ⁽²⁾ eligible to Tier 2	31 December 2017	31 December 2016
In millions of euros										
Debt securities									148,156	153,422
- Debt securities in issue with an initial maturity of less than one year									72,337	78,726
Negotiable debt securities									72,337	78,726
- Debt securities in issue with an initial maturity of more than one year									75,819	74,696
Negotiable debt securities									65,772	70,379
Bonds									10,047	4,317
Subordinated debt							-	13,147	15,951	18,374
- Redeemable subordinated debt							-	12,348	14,116	16,511
- Undated subordinated notes							-	577	1,593	1,627
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	B		254	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month-Libor + 0.075%	-	C		228	228	260
BNP Paribas Cardiff Nov. 14	EUR	1,000	Nov. - 25	4.032%	3-month Euribor + 393 bp	D			1,000	1,000
Others								95	111	113
- Participating notes							-	222	222	222
BNP Paribas SA July 84 ⁽⁴⁾	EUR	337	-	⁽⁵⁾	-			215	215	215
Others								7	7	7
- Expenses and commission, related debt							-	-	20	14

⁽¹⁾ Conditions precedent for coupon payment

B Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.

C Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has validated the decision not to pay out a dividend, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.

D Payment of the interest is mandatory, except for cases of regulatory deficiency, in agreement with the regulator, or of suspension of payments. Interest payments are cumulative and are payable in full, once coupon payments resume, or, if these events occur before, when the issuance is redeemed or when the issuer is liquidated.

⁽²⁾ Given the eligibility criteria and prudential adjustments, including amortisation of instruments.

⁽³⁾ See reference relating to "Debt securities at fair value through profit or loss".

⁽⁴⁾ The participating notes issued by BNP Paribas SA may be repurchased as provided for in the law of 3 January 1983. The number of notes in the market is 1,434,092.

⁽⁵⁾ Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

Maturity schedule of medium and long-term debt securities and redeemable subordinated debt carried at amortised cost with a maturity at issuance of more than one year, by contractual maturity:

Maturity or call option date, in millions of euros	2018	2019	2020	2021	2022	2023 - 2027	After 2027	Total at 31 Dec. 2017
Medium- and long-term debt securities	12,690	9,331	9,085	9,503	8,590	21,917	4,703	75,819
Redeemable subordinated debt	760	202	33	8	382	12,036	695	14,116
Total	13,450	9,533	9,118	9,511	8,972	33,953	5,398	89,935

Maturity or call option date, in millions of euros	2017	2018	2019	2020	2021	2022 - 2026	After 2026	Total at 31 Dec. 2016
Medium- and long-term debt securities	16,490	7,580	7,699	9,596	10,561	20,622	2,148	74,696
Redeemable subordinated debt	4,170	548	216	27	8	9,170	2,372	16,511
Total	20,660	8,128	7,915	9,623	10,569	29,792	4,520	91,207

4.j HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	31 December 2017	31 December 2016
Treasury bills and government bonds	4,617	5,937
Other fixed-income securities	175	163
Total held-to-maturity financial assets	4,792	6,100

No held-to-maturity financial asset was impaired as at 31 December 2017, nor as at 31 December 2016.

Maturity schedule of held-to-maturity financial assets by contractual maturity:

In millions of euros, at 31 December 2017	< 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Held-to-maturity financial assets	440	139	44	3,074	1,095	4,792

In millions of euros, at 31 December 2016	< 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Held-to-maturity financial assets	-	160	1,393	3,460	1,087	6,100

4.k CURRENT AND DEFERRED TAXES

In millions of euros	31 December 2017	31 December 2016
Current taxes	1,538	1,869
Deferred taxes	5,030	6,097
Current and deferred tax assets	6,568	7,966
Current taxes	648	920
Deferred taxes	1,818	2,167
Current and deferred tax liabilities	2,466	3,087

Change in deferred tax over the period:

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Net deferred taxes at start of period	3,930	4,211
Net losses arising from deferred taxes (note 2.h)	(1,114)	(729)
Changes in deferred taxes linked to the revaluation and reversal through profit or loss of the revaluation of available-for-sale financial assets, including those reclassified as loans and receivables	183	241
Changes in deferred taxes linked to the revaluation and reversal through profit or loss of the revaluation of cash flow hedge derivatives	221	208
Changes in deferred taxes linked to items recognised directly in equity that will not be reclassified to profit and loss	(27)	98
Effect of exchange rate, scope and other movements	19	(99)
Net deferred taxes at end of period	3,212	3,930

Breakdown of deferred tax assets and liabilities by nature:

In millions of euros	31 December 2017	31 December 2016
Available-for-sale financial assets, including those reclassified as loans and receivables	(795)	(978)
Unrealised finance lease reserve	(414)	(613)
Provisions for employee benefit obligations	990	1,105
Provisions for credit risk	2,188	2,840
Other items	(395)	(375)
Tax loss carryforwards	1,638	1,951
Net deferred taxes	3,212	3,930
Deferred tax assets	5,030	6,097
Deferred tax liabilities	(1,818)	(2,167)

In order to determine the amount of the tax loss carryforwards recognised as assets, the Group conducts every year a specific review for each relevant entity based on the applicable tax regime, notably incorporating any time limit rules, and a realistic projection of their future revenue and charges in line with their business plan.

Deferred tax assets recognised on tax loss carryforwards are mainly related to BNP Paribas Fortis for EUR 1,303 million, with a 7-year expected recovery period (unlimited carryforward period).

Unrecognised deferred tax assets totalled EUR 1,167 million at 31 December 2017 compared with EUR 1,645 million at 31 December 2016.

4.1 ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

In millions of euros	31 December 2017	31 December 2016
Guarantee deposits and bank guarantees paid	57,265	66,722
Settlement accounts related to securities transactions	15,392	14,584
Collection accounts	654	555
Reinsurers' share of technical reserves	3,002	2,866
Accrued income and prepaid expenses	6,145	5,618
Other debtors and miscellaneous assets	24,753	25,622
Total accrued income and other assets	107,211	115,967
Guarantee deposits received	40,612	54,249
Settlement accounts related to securities transactions	8,395	11,049
Collection accounts	717	695
Accrued expense and deferred income	8,731	7,674
Other creditors and miscellaneous liabilities	27,680	25,740
Total accrued expense and other liabilities	86,135	99,407

The movement in “Reinsurers’ share of technical reserves” breaks down as follows:

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Reinsurers' share of technical reserves at start of period	2,866	2,909
Increase in technical reserves borne by reinsurers	450	295
Amounts received in respect of claims and benefits passed on to reinsurers	(368)	(378)
Effect of changes in exchange rates and scope of consolidation	54	40
Reinsurers' share of technical reserves at end of period	3,002	2,866

4.m EQUITY-METHOD INVESTMENTS

Cumulated financial information of associates and joint ventures is presented in the following table:

In millions of euros	Year to 31 Dec. 2017			31 December 2017	Year to 31 Dec. 2016			31 December 2016
	Share of net income	Share of changes in assets and liabilities recognised directly in equity	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments	Share of net income	Share of changes in assets and liabilities recognised directly in equity	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments
Joint ventures	48	(57)	(9)	1,020	36	11	47	1,023
Associates ⁽¹⁾	665	(292)	373	5,792	597	(108)	489	5,887
Total equity-method entities	713	(349)	364	6,812	633	(97)	536	6,910

⁽¹⁾Including controlled but non material entities consolidated under the equity method.

Financing and guarantee commitments given by the Group to joint ventures are listed in the note 7.h Other related parties.

The carrying amount of the Group's investment in the main joint ventures and associates is presented in the following table:

			31 December 2017		31 December 2016	
In millions of euros	Country of registration	Activity	Interest (%)	Equity-method investments	Interest (%)	Equity-method investments
Joint ventures						
Bpost banque	Belgium	Retail banking	50%	328	50%	366
Union de Creditos Inmobiliarios	Spain	Retail mortgage	50%	288	50%	267
Associates						
AG Insurance	Belgium	Insurance	25%	1,687	25%	1,613
Bank of Nanjing	China	Retail banking	18%	1,483	19%	1,448

4.n PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS, INVESTMENT PROPERTY

In millions of euros	31 December 2017			31 December 2016		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property	7,878	(813)	7,065	2,203	(292)	1,911
Land and buildings	7,443	(2,074)	5,369	7,800	(1,994)	5,806
Equipment, furniture and fixtures	6,947	(4,857)	2,090	7,024	(4,896)	2,128
Plant and equipment leased as lessor under operating leases	21,659	(5,870)	15,789	18,649	(5,063)	13,586
Other property, plant and equipment	1,961	(1,061)	900	2,088	(1,085)	1,003
Property, plant and equipment	38,010	(13,862)	24,148	35,561	(13,038)	22,523
Purchased software	3,366	(2,510)	856	3,332	(2,483)	849
Internally-developed software	4,139	(3,189)	950	4,309	(3,304)	1,005
Other intangible assets	1,990	(469)	1,521	1,815	(430)	1,385
Intangible assets	9,495	(6,168)	3,327	9,456	(6,217)	3,239

- Investment property**

Land and buildings leased by the Group as lessor under operating leases, and land and buildings held as investments in connection with the life insurance business, are recorded in "Investment property". The carrying amount increase compared to 31 December 2016 is due to the full consolidation of funds representative of investments linked to the life insurance business, which were previously recorded as available-for-sale financial assets.

The estimated fair value of investment property accounted for at amortised cost at 31 December 2017 is EUR 8,129 million, compared with EUR 2,143 million at 31 December 2016.

- Operating leases**

Operating leases and investment property transactions are in certain cases subject to agreements providing for the following minimum future payments:

In millions of euros	31 December 2017	31 December 2016
Future minimum lease payments receivable under non-cancellable leases	6,224	5,676
<i>Payments receivable within 1 year</i>	<i>2,680</i>	<i>2,503</i>
<i>Payments receivable after 1 year but within 5 years</i>	<i>3,496</i>	<i>3,121</i>
<i>Payments receivable beyond 5 years</i>	<i>48</i>	<i>52</i>

Future minimum lease payments receivable under non-cancellable leases are payments that the lessee is required to make during the lease term.

- Intangible assets**

Other intangible assets include leasehold rights, goodwill and trademarks acquired by the Group.

- **Depreciation, amortisation and impairment**

Net depreciation and amortisation expense for the year ended 31 December 2017 was EUR 1,711 million, compared with EUR 1,713 million for the year ended 31 December 2016.

The net increase in impairment on property, plant, equipment and intangible assets taken to the profit and loss account in the year ended 31 December 2017 amounted to EUR 8 million, compared with a decrease of EUR 16 million for the year ended 31 December 2016.

4.0 GOODWILL

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Carrying amount at start of period	10,216	10,316
Acquisitions	292	55
Divestments	(15)	(67)
Impairment recognised during the period	(208)	(182)
Exchange rate adjustments	(714)	91
Other movements	-	3
Carrying amount at end of period	9,571	10,216
Gross value	12,560	13,012
Accumulated impairment recognised at the end of period	(2,989)	(2,796)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Impairment recognised during the period		Acquisitions during the period	
	31 December 2017	31 December 2016	Year to 31 Dec. 2017	Year to 31 Dec. 2016	Year to 31 December 2017	Year to 31 December 2016
Retail Banking & Services	8,472	9,070	(208)	(182)	292	55
Domestic Markets	1,415	1,269	-	-	160	55
Arval	503	509				(38)
Leasing Solutions	135	136				
New Digital Businesses	159				159	
Personal Investors	612	618			1	93
Others	6	6				
International Financial Services	7,057	7,801	(208)	(182)	132	-
Asset Management	167	177				
Insurance	352	296			57	
BancWest	4,147	4,728				
Bank BGŻ BNP Paribas				(127)		
Personal Finance	1,329	1,342			36	
Personal Finance - partnership tested individually	348	384	(36)	(54)		
Real Estate	406	370		(1)	39	
Türk Ekonomi Bankası		191	(172)			
Wealth Management	272	276				
Others	36	37				
Corporate & Institutional Banking	1,096	1,143	-	-	-	-
Corporate Banking	274	280				
Global Markets	407	438				
Securities Services	415	425				
Other Activities	3	3				
Total goodwill	9,571	10,216	(208)	(182)	292	55
Negative goodwill			7			
Change in value of goodwill recognised in the profit and loss account			(201)	(182)		

The homogeneous groups of businesses to which goodwill is allocated are:

Arval: Specialist in vehicle long-term leasing, Arval offers corporates (from multinational companies to small business clients) tailored solutions that optimise their employees' mobility and outsource the risks associated with fleet management. Recently, clientele was expanded to include individuals.

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

New digital businesses: they include in particular the account management service "Compte-Nickel", open to all, without any conditions regarding income, deposits or personal wealth, and without any overdraft or credit facility. This service, which operates in real time using the latest technology, is available through over 2,900 tabacconists.

Personal Investors: BNP Paribas Personal Investors is a digital specialist of banking and investment services. Mainly based in Germany, Austria, Spain and India, it provides a wide range of banking, savings and long and short term investment services to individual clients via the internet, and also on the phone and face-to-face. In addition to its activities destined to private clients, Personal Investors offers its services and IT platform to independent financial consultants, asset managers and FinTechs.

Asset Management: BNP Paribas Asset Management is the dedicated asset management business line of the BNP Paribas Group and offers services to individual investors (through internal distributors – BNP Paribas private and retail banking – and external distributors), to corporates and to institutional investors (insurance companies, retirement funds, official institutions, consultants). Its aim is to offer an added value based on a broad range of expertise throughout its active management of equities and bonds, its activity of private debt and real assets management and its multi-asset, quantitative and solutions division.

Insurance: BNP Paribas Cardif, a world leader in personal insurance, has designed, developed and marketed savings and protection products and services to protect individuals, their projects and their assets.

BNP Paribas Cardif has developed new forms of insurance and extended its offer of protection to health insurance, budget insurance, revenue and means of payment insurance, unexpected event protection (unemployment, accident, death, theft or breakage) or the protection of private digital data to meet the evolution of customers' needs.

In 2017, BNP Paribas Cardif and State Bank of India launched an Initial Public Offer on their joint venture, SBI Life, selling 4 % of this life insurer in India. Following the offer, BNP Paribas Cardif holds a 22 % interest in SBI Life.

BancWest: In the United States, the Retail Banking business is conducted through Bank of the West and First Hawaiian Bank. Bank of the West markets a very broad range of retail banking products and services to individuals, small businesses and corporate clients, through branches and offices in 20 States in western and mid-western America. It also has strong positions across the USA in several specialized lending activities, such as marine, recreational vehicles, church lending and agribusiness, and develops its commercial set up particularly in Corporate Banking, Wealth Management and Small and Medium Enterprise businesses. First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and local and international corporates. In 2016, the Group launched an Initial Public Offer on First Hawaiian Inc and holds as at 31 December 2017 61.94 % of its capital.

Bank BGZ BNP Paribas: Bank BGZ is a universal commercial bank, one of the leading banks in Poland. Its merger in 2015 with BNP Paribas Bank Polska SA led to the creation of Bank BGZ BNP Paribas. The integration of these two entities continued in 2017 and the number of agencies in Poland reached 486 at the end of 2017.

Personal Finance: BNP Paribas Personal Finance is the Group's consumer credit specialist. Through its brands such as Cetelem, Cofinoga, Findomestic or AlphaCredit, Personal Finance provides a full range of consumer loans at point of sale (retail stores and car dealerships) or through its customer relation centres and online. The consumer credit business also operates within the Group's retail banking network in some countries, through the « PF Inside » set-up. Personal Finance offers insurance products tailored to local needs and practices in each of the countries where it operates. In Germany, Bulgaria, France, Hungary and Italy, the lending and insurance offer of Personal Finance has been complemented by savings products.

In 2017, BNP Paribas Personal Finance and Banque PSA Finance (PSA group) acquired the automotive finance activity of General Motors in Europe (Opel Vauxhall) and, as part of its strategy to expand to the Scandinavian countries, BNP Paribas Personal Finance acquired 100% of SevenDay Finans AB, consumer credit specialist in Sweden.

Real Estate: BNP Paribas Real Estate serves the needs of its clients, whether institutional investors, corporates, public entities or individuals, at all stages of the life cycle of their property (from the conception of a construction project to its daily management).

In 2017, BNP Paribas Real Estate reinforced its transaction activity with the acquisition of Strutt&Parker, one of UK's largest independent property actors.

Turk Ekonomi Bankasi: Present mostly in Turkey, Turk Ekonomi Bankasi offers its customers (Retail, Corporate and SME) a wide array of financial products and services, including retail and private banking, treasury and capital markets services, and financing.

Wealth Management: Wealth Management encompasses the private banking activities of BNP Paribas and serves a clientele of wealthy individuals, shareholder families and entrepreneurs seeking a one-stop shop for all their wealth management and financial needs.

Corporate Banking: Corporate Banking combines financing solutions to corporates, all transaction banking products, corporate finance advisory services in mergers and acquisitions and primary equity activities.

Global Markets: Global Markets provides investment, hedging, financing and research services across asset classes, to corporate and institutional clients – as well as private and retail banking networks. The sustainable, long-term business model of Global Markets connects clients to capital markets throughout EMEA (Europe, Middle East & Africa), Asia Pacific and the Americas, with innovative solutions and digital platforms. Global Markets includes activities of Fixed Income, Currencies & Commodities and Equity & Prime Services.

Securities Services: BNP Paribas Securities Services is one of the major global players in securities services and provides integrated solutions for all actors involved in the investment cycle, sell side, buy side and issuers.

Goodwill impairment tests are based on three different methods: observation of transactions related to comparable businesses, share price data for listed companies with comparable businesses, and discounted future cash flows (DCF).

If one of the two comparables-based methods indicates the need for impairment, the DCF method is used to validate the results and determine the amount of impairment required.

The DCF method is based on a number of assumptions in terms of future revenues, expenses and cost of risk (cash flows) based on medium-term business plans over a period of five years. Cash flow projections beyond the 5-year forecast period are based on a growth rate to perpetuity and are normalised when the short-term environment does not reflect the normal conditions of the economic cycle.

The key parameters which are sensitive to the assumptions made are the cost of capital, the cost/income ratio, the cost of risk and the growth rate to perpetuity.

Cost of capital is determined on the basis of a risk-free rate, an observed market risk premium weighted by a risk factor based on comparables specific to each homogeneous group of businesses. The values of these parameters are obtained from external information sources.

Allocated capital is determined for each homogeneous group of businesses based on the “Common Equity Tier One” regulatory requirements for the legal entity to which the homogeneous group of businesses belongs, with a minimum of 7%.

The growth rate to perpetuity used is 2% for mature economies. For CGUs implemented in countries with high levels of inflation, a specific add-on is taken into account (calculated according to inflation rates disclosed by external sources).

The following table shows the sensitivity of cash generating unit valuations to changes in the value of parameters used in the DCF calculation: the cost of capital, the cost/income ratio in terminal value, the cost of risk in terminal value and the growth rate to perpetuity.

In consideration of additional banking levies in Poland and the increase in regulatory capital requirements for BGZ, the allocated goodwill has been impaired in its entirety in 2016 (EUR 127 million).

In 2017, the downward revision in growth prospects of Turk Ekonomi Bankasi led to the full impairment of the TEB goodwill (EUR 172 million).

- **Sensitivity of the main goodwill valuations to a 10-basis point change in the cost of capital, a 1% change in the cost/income ratio in terminal value, a 5 % change of the cost of risk in terminal value and a 50-basis point change in the growth rate to perpetuity**

In millions of euros	BancWest	Personal Finance
Cost of capital	8.5%	9.6%
Adverse change (+10 basis points)	(188)	(220)
Positive change (- 10 basis points)	194	226
Cost/income ratio	56.7%	45.5%
Adverse change (+ 1 %)	(288)	(415)
Positive change (-1 %)	288	415
Cost of risk	(250)	(1,764)
Adverse change (+ 5 %)	(267)	(218)
Positive change (- 5 %)	267	218
Growth rate to perpetuity	2.0%	2.0%
Adverse change (-50 basis points)	(388)	(550)
Positive change (+50 basis points)	453	628

For the BancWest and Personal Finance homogeneous groups of businesses, there would be no grounds for goodwill impairment even if the four most adverse scenarios contained in the table were applied to the impairment test.

4.p TECHNICAL RESERVES OF INSURANCE COMPANIES

In millions of euros	31 December 2017	31 December 2016
Liabilities related to insurance contracts	150,650	141,368
Gross technical reserves		
Unit-linked contracts	59,712	52,314
Other insurance contracts	90,938	89,054
Liabilities related to financial contracts with discretionary participation feature	35,838	34,719
Policyholders' surplus reserve - liability	16,948	17,539
Total technical reserves of insurance companies	203,436	193,626
Liabilities related to unit-linked financial contracts ⁽¹⁾	3,534	3,624
Total liabilities related to contracts written by insurance companies	206,970	197,250

⁽¹⁾Liabilities related to unit-linked financial contracts are included in "Due to customers" (note 4.g)

The policyholders' surplus reserve arises from the application of shadow accounting. It represents the interest of policyholders within French and Italian life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets. It is obtained from stochastic calculations modelling the unrealised gains and losses attributable to policyholders based on economic scenarios and assumptions as regards rates paid to customers and new business inflows. For France, this resulted in an interest of 90% in 2017, unchanged from 2016.

The movement in liabilities related to insurance contracts breaks down as follows:

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Liabilities related to insurance contracts at start of period	197,250	187,302
Additions to insurance contract technical reserves and deposits taken on financial contracts related to life insurance	23,219	23,098
Claims and benefits paid	(16,830)	(14,694)
Effect of changes in value of admissible investments related to unit-linked business	3,393	979
Effect of movements in exchange rates	(566)	474
Effect of changes in the scope of consolidation	504	91
Liabilities related to insurance contracts at end of period	206,970	197,250

See note 4.1 for details of reinsurers' share of technical reserves.

4.q PROVISIONS FOR CONTINGENCIES AND CHARGES

- Provisions for contingencies and charges by type**

In millions of euros	31 Dec. 2016	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	31 Dec. 2017
Provisions for employee benefits	7,189	845	(1,007)	16	(303)	6,740
of which post-employment benefits (note 6.b)	4,590	187	(240)	23	(221)	4,339
of which post-employment healthcare benefits (note 6.b)	155	2	(2)	(7)	(5)	143
of which provision for other long-term benefits (note 6.c)	1,267	236	(278)		(55)	1,170
of which provision for voluntary departure, early retirement plans, and headcount adaptation plan (note 6.d)	495	(7)	(89)		(10)	389
of which provision for share-based payments (note 6.e)	682	427	(398)		(12)	699
Provisions for home savings accounts and plans	174	(18)	-		-	156
Provisions for credit commitments (note 2.g)	998	-	(47)		(45)	906
Provisions for litigations	1,635	656	(381)		(53)	1,857
Other provisions for contingencies and charges ⁽¹⁾	1,805	470	(875)		2	1,402
Total provisions for contingencies and charges	11,801	1,953	(2,310)	16	(399)	11,061

(1) Other provisions for contingencies and charges include maintenance services related to operating leases, which amounted to EUR 655 million as at 31 December 2017 compared with EUR 632 million as at 31 December 2016, recognised in Net income from other activities (note 2.e).

- Provisions and discount for home savings accounts and plans**

In millions of euros	31 December 2017	31 December 2016
Deposits collected under home savings accounts and plans	18,137	17,938
of which deposits collected under home savings plans	15,934	15,663
Aged more than 10 years	3,914	3,230
Aged between 4 and 10 years	6,234	5,645
Aged less than 4 years	5,786	6,788
Outstanding loans granted under home savings accounts and plans	76	112
of which loans granted under home savings plans	13	19
Provisions and discount recognised for home savings accounts and plans	157	176
provisions recognised for home savings plans	154	172
provisions recognised for home savings accounts	2	2
discount recognised for home savings accounts and plans	1	2

4.r OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following tables present the amounts of financial assets and liabilities before and after offsetting. This information, required by IFRS 7, aims to enable the comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

“Amounts set off on the balance sheet” have been determined according to IAS 32. Thus, a financial asset and a financial liability are offset and the net amount presented on the balance sheet when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Amounts set off derive mainly from repurchase agreements and derivative instruments traded with clearing houses.

The “impacts of master netting agreements and similar agreements” are relative to outstanding amounts of transactions within an enforceable agreement, which do not meet the offsetting criteria defined by IAS 32. This is the case of transactions for which offsetting can only be performed in case of default, insolvency or bankruptcy of one of the contracting parties.

“Financial instruments given or received as collateral” include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in case of default, insolvency or bankruptcy of one of the contracting parties.

Regarding master netting agreements, the guarantee deposits received or given in compensation for the positive or negative fair values of financial instruments are recognised in the balance sheet in accrued income or expenses and other assets or liabilities.

In millions of euros, at 31 December 2017	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	119,452		119,452			119,452
Loans	1,840		1,840			1,840
Repurchase agreements	272,885	(131,167)	141,718	(29,448)	(107,743)	4,527
Instruments designated as at fair value through profit or loss	96,946	(14)	96,932			96,932
Derivative financial instruments (including derivatives used for hedging purposes)	332,966	(88,980)	243,986	(176,988)	(27,154)	39,844
Loans and receivables due from customers and credit institutions	774,539	(1,194)	773,345	(492)	(1,801)	771,052
of which repurchase agreements	2,368		2,368	(492)	(1,801)	75
Accrued income and other assets	107,611	(400)	107,211		(31,872)	75,339
of which guarantee deposits paid	57,265		57,265		(31,872)	25,393
Other assets not subject to offsetting	475,768		475,768			475,768
TOTAL ASSETS	2,182,007	(221,755)	1,960,252	(206,928)	(168,570)	1,584,754

In millions of euros, at 31 December 2017	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	69,313		69,313			69,313
Borrowings	4,499		4,499			4,499
Repurchase agreements	298,815	(131,167)	167,648	(28,875)	(132,188)	6,585
Instruments designated as at fair value through profit or loss	53,455	(14)	53,441			53,441
Derivative financial instruments (including derivatives used for hedging purposes)	332,681	(88,980)	243,701	(176,988)	(34,050)	32,663
Due to customers and to credit institutions	844,587	(1,194)	843,393	(1,065)	(4,872)	837,456
of which repurchase agreements	6,182		6,182	(1,065)	(4,872)	245
Accrued expense and other liabilities	86,535	(400)	86,135		(24,278)	61,857
of which guarantee deposits received	40,612		40,612		(24,278)	16,334
Other liabilities not subject to offsetting	384,913		384,913			384,913
TOTAL LIABILITIES	2,074,798	(221,755)	1,853,043	(206,928)	(195,388)	1,450,727

In millions of euros, at 31 December 2016	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	123,679		123,679			123,679
Loans	525		525			525
Repurchase agreements	274,012	(122,295)	151,717	(26,537)	(121,424)	3,756
Instruments designated as at fair value through profit or loss	87,734	(90)	87,644			87,644
Derivative financial instruments (including derivatives used for hedging purposes)	481,412	(135,117)	346,295	(267,679)	(35,163)	43,453
Loans and receivables due from customers and credit institutions	760,831	(1,187)	759,644	(900)	(4,118)	754,626
of which repurchase agreements	5,145		5,145	(900)	(4,118)	127
Accrued income and other assets	117,254	(1,287)	115,967		(33,090)	82,877
of which guarantee deposits paid	66,722		66,722		(33,090)	33,632
Other assets not subject to offsetting	491,488		491,488			491,488
TOTAL ASSETS	2,336,935	(259,976)	2,076,959	(295,116)	(193,795)	1,588,048

In millions of euros, at 31 December 2016	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	70,326		70,326			70,326
Borrowings	4,190		4,190			4,190
Repurchase agreements	301,311	(122,295)	179,016	(26,397)	(150,329)	2,290
Instruments designated as at fair value through profit or loss	54,166	(90)	54,076			54,076
Derivative financial instruments (including derivatives used for hedging purposes)	473,483	(135,117)	338,366	(267,679)	(35,230)	35,457
Due to customers and to credit institutions	842,800	(1,187)	841,613	(1,040)	(5,924)	834,649
of which repurchase agreements	7,054		7,054	(1,040)	(5,924)	90
Accrued expense and other liabilities	100,694	(1,287)	99,407		(30,918)	68,489
of which guarantee deposits received	54,249		54,249		(30,918)	23,331
Other liabilities not subject to offsetting	384,745		384,745			384,745
TOTAL LIABILITIES	2,231,715	(259,976)	1,971,739	(295,116)	(222,401)	1,454,222

4.s TRANSFERS OF FINANCIAL ASSETS

Financial assets that have been transferred but not derecognised by the Group are mainly composed of securities sold temporarily under repurchase agreements or securities lending transactions, as well as securitised assets. The liabilities associated to securities temporarily sold under repurchase agreements consist of debts recognised under the “repurchase agreements” heading. The liabilities associated to securitised assets consist of the securitisation notes purchased by third parties.

- Securities lending, repurchase agreements and other transactions:**

In millions of euros, at	31 December 2017		31 December 2016	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities lending operations				
Securities at fair value through profit or loss	4,737		2,800	
Available-for-sale financial assets	872		5,546	
Repurchase agreements				
Securities at fair value through profit or loss	24,271	23,545	39,642	38,121
Securities classified as loans and receivables	9	9	356	314
Available-for-sale financial assets	12,077	12,072	8,967	8,960
Other transactions				
Securities at fair value through profit or loss	-	-	195	195
Total	41,966	35,626	57,506	47,590

- Securitisation transactions partially refinanced by external investors, whose recourse is limited to the transferred assets:**

In millions of euros, at 31 December 2017	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Loans and receivables	16,532	15,773	16,982	15,852	1,130
Available-for-sale financial assets	273	176	273	172	101
Total	16,805	15,949	17,255	16,024	1,231

In millions of euros, at 31 December 2016	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Loans and receivables	15,002	13,596	15,477	13,617	1,860
Available-for-sale financial assets	277	131	279	127	152
Total	15,279	13,727	15,756	13,744	2,012

There have been no significant transfers leading to partial or full derecognition of the financial assets where the Bank has a continuing involvement in them.

5. FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS

5.a FINANCING COMMITMENTS GIVEN OR RECEIVED

Contractual value of financing commitments given and received by the Group:

In millions of euros	31 December 2017	31 December 2016
Financing commitments given		
- to credit institutions	3,296	3,833
- to customers	284,277	283,326
Confirmed financing commitments	220,654	219,320
Other commitments given to customers	63,623	64,006
Total financing commitments given	287,573	287,159
Financing commitments received		
- from credit institutions	71,185	106,964
- from customers	1,785	2,145
Total financing commitments received	72,970	109,109

5.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	31 December 2017	31 December 2016
Guarantee commitments given		
- to credit institutions	14,789	11,696
- to customers	126,971	117,281
Property guarantees	1,968	1,392
Sureties provided to tax and other authorities, other sureties	48,552	46,661
Other guarantees	76,451	69,228
Total guarantee commitments given	141,760	128,977

5.c OTHER GUARANTEE COMMITMENTS

- Financial instruments given as collateral**

In millions of euros	31 December 2017	31 December 2016
Financial instruments (negotiable securities and private receivables) lodged with central banks and eligible for use at any time as collateral for refinancing transactions after haircut	102,906	121,349
- Used as collateral with central banks	35,457	22,529
- Available for refinancing transactions	67,449	98,820
Securities sold under repurchase agreements	301,764	322,308
Other financial assets pledged as collateral for transactions with credit institutions, financial customers or subscribers of covered bonds issued by the Group ⁽¹⁾	147,072	141,674

⁽¹⁾ Notably including "Société de Financement de l'Économie Française" and "Caisse de Refinancement de l'Habitat" financing.

The fair value of financial instruments given as collateral or transferred under repurchase agreements by the Group that the beneficiary is authorised to sell or reuse as collateral amounted to EUR 408,380 million at 31 December 2017 (EUR 428,421 million at 31 December 2016).

- Financial instruments received as collateral**

In millions of euros	31 December 2017	31 December 2016
Financial instruments received as collateral (excluding repurchase agreements)	128,830	114,550
<i>of which instruments that the Group is authorised to sell and reuse as collateral</i>	<i>102,543</i>	<i>90,959</i>
Securities received under repurchase agreements	286,418	288,087

The fair value of financial instruments received as collateral or under repurchase agreements that the Group effectively sold or reused as collateral amounted to EUR 272,788 million at 31 December 2017 (compared with EUR 245,149 million at 31 December 2016).

6. SALARIES AND EMPLOYEE BENEFITS

6.a SALARY AND EMPLOYEE BENEFIT EXPENSE

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Fixed and variable remuneration, incentive bonuses and profit-sharing	12,402	12,067
Employee benefit expense	3,542	3,787
Payroll taxes	552	548
Total salary and employee benefit expense	16,496	16,402

6.b POST-EMPLOYMENT BENEFITS

IAS 19 distinguishes between two categories of plans, each handled differently depending on the risk incurred by the entity. When the entity is committed to paying a fixed amount, stated as a percentage of the beneficiary's annual salary, for example, to an external entity handling payment of the benefits based on the assets available for each plan member, it is described as a defined-contribution plan. Conversely, when the entity's obligation is to manage the financial assets funded through the collection of contributions from employees and to bear the cost of benefits itself or to guarantee the final amount subject to future events, it is described as a defined-benefit plan. The same applies, if the entity entrusts management of the collection of premiums and payment of benefits to a separate entity, but retains the risk arising from management of the assets and/or from future changes in the benefits.

- **Defined-contribution pension plans for Group entities**

The BNP Paribas Group has implemented over the past few years a wide campaign of converting defined-benefit plans into defined-contribution plans.

Thus, in France, the BNP Paribas Group pays contributions to various nationwide basic and top-up pension schemes. BNP Paribas SA and certain subsidiaries have set up a funded pension plan under a company-wide agreement. Under this plan, employees will receive an annuity on retirement in addition to the pension paid by nationwide schemes.

Since defined-benefit plans have been closed to new employees in most countries outside France, they are offered the benefit of joining defined-contribution pension plans.

The amount paid into defined-contribution post-employment plans for the year to 31 December 2017 was EUR 616 million, compared with EUR 604 million for the year to 31 December 2016.

The breakdown by major contributors is determined as follows:

Contribution amount In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
France	315	306
Italy	60	62
UK	48	51
USA	45	43
Turkey	38	43
Others	110	99
TOTAL	616	604

In Italy, the plan introduced by BNL is funded by employer contributions (4% of salaries) and employee contributions (2% of salaries). Employees can also make additional voluntary contributions.

In the United Kingdom, the employer contributes 12% of salaries for the majority of employees; employees can make additional voluntary contributions.

In the US, the bank matches the voluntary contributions made by employees, within certain limits.

- **Main defined-benefit pension plans for Group entities, of which indemnities payable on retirement**

- Defined-benefit plans

In Belgium, BNP Paribas Fortis funds a defined-benefit plan, based on final salary and number of years of service, for its management and employees who joined the bank before its pension plans were harmonised on 1 January 2002. Actuarial liabilities under this scheme are pre-funded at 90 % at 31 December 2017 (compared with 94 % at 31 December 2016) through AG Insurance, in which the BNP Paribas Group owns a 25% equity interest.

BNP Paribas Fortis senior managers are covered by a top-up pension plan, paying a lump sum based on the number of years of service and final salary. This plan is pre-funded at 97 % as at 31 December 2017 (83 % at 31 December 2016) through AXA Belgium and AG Insurance. Since 1 January 2015, senior managers benefit from a defined-contribution scheme.

The other employees benefit as well from the defined-contribution scheme.

Since there is a legal obligation for the employer to guarantee a minimum return on financial assets invested under defined-benefit pension plans, a provision was recognised for these defined-contribution schemes, as this guarantee is not entirely covered by the insurance company.

In France, BNP Paribas pays a top-up banking industry pension arising from rights acquired to 31 December 1993 by retired employees and active employees in service at that date. At 31 December 2017, the Group's residual obligations for employees of BNP origin were recognised on the balance sheet in full.

The defined-benefit plans previously granted to Group executives formerly employed by BNP, Paribas or Compagnie Bancaire have all been closed to new employees and converted into top-up type schemes. The amounts allocated to residual beneficiaries, subject to their presence within the Group at retirement, were fixed when these schemes were closed. At 31 December 2017, 118 % of these pension plans were funded through insurance companies (96 % at 31 December 2016).

In the United Kingdom, defined-benefit pension plans (pension funds) still exist but are closed to new employees. Under these plans, the defined pension is generally based on final salary and number of years of service. Pension schemes are managed by independent management bodies (Trustees). At 31 December 2017, obligations for all UK entities were 107 % covered by financial assets, unchanged from 31 December 2016.

In Switzerland, liabilities relate to top-up pension plans based on the principle of defined-contribution schemes with guaranteed returns, paying an annuity under pre-defined terms. These schemes are managed by a foundation. At the end of 2017, obligations were 90 % covered by financial assets, compared with 85 % at the end of 2016.

In the United States, defined-benefit pension plans are based on annual vesting rights to a lump sum comprising a pension expressed as a percentage of annual salary and paying interest at a pre-defined rate. These plans are closed to new entrants and have offered almost no new vesting rights since 2012. At 31 December 2017, the obligation was 71 % covered by financial assets, (66 % at 31 December 2016).

In Turkey, the pension plan replaces the national pension scheme (these obligations are measured based on the terms of the eventual transfer to the Turkish State) and offers guarantees exceeding the minimal legal requirements. At the end of 2017, obligations under this plan are fully funded by financial assets held with an external foundation; these financial assets exceed the related obligations, but this surplus is not recognised as an asset by the Group.

- Other post-employment benefits

Group employees also receive various other contractual post-employment benefits, such as indemnities payable on retirement, determined according to minimal legal requirements (Labour Code, collective agreements) or according to specific company-level agreements.

In France, the obligations for these benefits are funded through a contract held with a third-party insurer. At 31 December 2017, this obligation was 98 % covered by financial assets, compared with 92 % at 31 December 2016.

In other countries, the gross obligations of the Group related to these benefits are mainly concentrated in Italy. They are representative of rights vested up to 31 December 2006, when pension reforms changed Italian termination indemnity schemes into defined-contribution plans.

- Obligations under defined-benefit plans and other post-employment benefits**

- Assets and liabilities recognised on the balance sheet

In millions of euros, at 31 December 2017	Defined-benefit obligation arising from wholly or partially funded plans	Defined-benefit obligation arising from unfunded plans	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimbursement rights ⁽¹⁾	Effect of asset ceiling	Net obligation	of which asset recognised in the balance sheet for defined-benefit plans	of which net assets of defined-benefit plans	of which fair value of reimbursement rights	of which obligation recognised in the balance sheet for defined-benefit plans
Belgium	3,182	21	3,203	(70)	(2,930)		203	(2,930)		(2,930)	3,133
UK	1,681	1	1,682	(1,802)			(120)	(130)	(130)		10
France	1,225	117	1,342	(1,223)			119	(50)	(50)		169
Switzerland	1,059	10	1,069	(951)			118				118
USA	634	179	813	(575)			238	(6)	(6)		244
Italy		368	368				368				368
Turkey	270	27	297	(422)		152	27				27
Others	603	194	797	(531)	(1)		265	(5)	(4)	(1)	270
TOTAL	8,654	917	9,571	(5,574)	(2,931)	152	1,218	(3,121)	(190)	(2,931)	4,339

In millions of euros, at 31 December 2016	Defined-benefit obligation arising from wholly or partially funded plans	Defined-benefit obligation arising from unfunded plans	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimbursement rights ⁽¹⁾	Effect of asset ceiling	Net obligation	of which asset recognised in the balance sheet for defined-benefit plans	of which net assets of defined-benefit plans	of which fair value of reimbursement rights	of which obligation recognised in the balance sheet for defined-benefit plans
Belgium	3,125	19	3,144	(52)	(2,877)		215	(2,877)		(2,877)	3,092
UK	1,678	1	1,679	(1,797)			(118)	(133)	(133)		15
France	1,327	125	1,452	(1,227)			225				225
Switzerland	1,143	12	1,155	(972)			183				183
USA	704	203	907	(589)			318	(4)	(4)		322
Italy		387	387				387				387
Turkey	270	35	305	(460)		190	35				35
Others	604	198	802	(475)	(49)		278	(53)	(4)	(49)	331
TOTAL	8,851	980	9,831	(5,572)	(2,926)	190	1,523	(3,067)	(141)	(2,926)	4,590

⁽¹⁾ The reimbursement rights are principally found on the balance sheet of the Group's insurance subsidiaries and associated companies - notably AG Insurance with respect to BNP Paribas Fortis' defined-benefit plan - to hedge their commitments to other Group entities that were transferred to them to cover the post-employment benefits of certain employee categories.

- Change in the present value of the defined-benefit obligation

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Present value of defined-benefit obligation at start of period	9,831	9,521
Current service cost	257	270
Interest cost	147	201
Past service cost	(1)	(36)
Settlements	(7)	(65)
Actuarial (gains)/losses on change in demographic assumptions	(58)	7
Actuarial (gains)/losses on change in financial assumptions	210	734
Actuarial (gains)/losses on experience gaps	51	(86)
Actual employee contributions	24	24
Benefits paid directly by the employer	(106)	(112)
Benefits paid from assets/reimbursement rights	(479)	(441)
Exchange rate (gains)/losses on obligation	(352)	(229)
(Gains)/losses on obligation related to changes in the consolidation scope	54	43
Present value of defined-benefit obligation at end of period	9,571	9,831

- Change in the fair value of plan assets and reimbursement rights

In millions of euros	Plan assets		Reimbursement rights	
	Year to 31 Dec. 2017	Year to 31 Dec. 2016	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Fair value of assets at start of period	5,572	5,365	2,926	2,939
Expected return on assets	109	137	28	55
Settlements	(1)	(57)		
Actuarial gains/(losses) on assets	214	392	149	18
Actual employee contributions	14	14	10	10
Employer contributions	139	206	89	94
Benefits paid from assets	(259)	(234)	(220)	(207)
Exchange rate gains/(losses) on assets	(329)	(287)		
Gains/(losses) on assets related to changes in the consolidation scope	115	37	(51)	17
Others		(1)		
Fair value of assets at end of period	5,574	5,572	2,931	2,926

- Components of the cost of defined-benefit plans

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Service costs	250	226
Current service cost	257	270
Past service cost	(1)	(36)
Settlements	(6)	(8)
Net financial expense	26	27
Interest cost on obligation	147	201
Interest cost on asset ceiling	16	18
Interest income on plan assets	(109)	(137)
Interest income on reimbursement rights	(28)	(55)
Total recognised in salary and employee benefit expense	276	253

- Other items recognised directly in equity

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Other items recognised directly in equity	194	(291)
Actuarial (losses)/gains on plan assets or reimbursement rights	363	410
Actuarial (losses)/gains of demographic assumptions on the present value of obligations	58	(7)
Actuarial (losses)/gains of financial assumptions on the present value of obligations	(210)	(734)
Experience (losses)/gains on obligations	(51)	86
Variation of the effect of assets limitation	34	(46)

- Main actuarial assumptions used to calculate obligations

In the Eurozone, United Kingdom and United States, the Group discounts its obligations using the yields of high quality corporate bonds, with a term consistent with the duration of the obligations.

The ranges of rates used are as follows:

In %	31 December 2017		31 December 2016	
	Discount rate	Compensation increase rate ⁽¹⁾	Discount rate	Compensation increase rate ⁽¹⁾
Belgium	0.60%-1.90%	2.90%-3.40%	0.60%-1.40%	2.60%-3.20%
UK	1.50%-2.70%	2.00%-4.70%	1.50%-2.80%	2.00%-4.70%
France	0.50%-1.30%	2.15%-3.40%	0.10%-1.30%	2.00%
Switzerland	0.00%-0.80%	1.40%-1.50%	0.00%-0.60%	1.40%
USA	2.25%-3.75%	4.00%	1.95%-4.15%	4.00%
Italy	0.50%-1.80%	1.80%-2.70%	0.80%-1.80%	1.40%-1.70%
Turkey	11.80%	6.00%	10.00%-10.15%	6.00%

⁽¹⁾ Including price increases (inflation)

Observed weighted average rates are as follows:

- In the Eurozone: 1.06 % at 31 December 2017 (1.04 % at 31 December 2016),
- In the United Kingdom: 2.41 % at 31 December 2017 (2.61 % at 31 December 2016),
- In Switzerland: 0.60 % at 31 December 2017 (unchanged from 31 December 2016).

The impact of a 100 bp change in discount rates on the present value of post-employment benefit obligations is as follows:

Change in the present value of obligations In millions of euros	31 December 2017		31 December 2016	
	Discount rate -100bp	Discount rate +100bp	Discount rate -100bp	Discount rate +100bp
Belgium	309	(286)	337	(288)
UK	389	(286)	409	(299)
France	144	(122)	167	(139)
Switzerland	105	(143)	114	(155)
USA	95	(82)	111	(95)
Italy	27	(28)	35	(31)
Turkey	10	(8)	16	(13)

- Actual rate of return on plan assets and reimbursement rights over the period

In %	Year to 31 Dec. 2017		Year to 31 Dec. 2016	
	Range of value (reflecting the existence of several plans in the same country)	Weighted average rates	Range of value (reflecting the existence of several plans in the same country)	Weighted average rates
Belgium	1.25%-5.90%	2.94%	0.50%-5.00%	2.60%
UK	2.30%-9.70%	6.55%	3.10%-28.40%	23.30%
France	3.65%	3.65%	3.20%	3.20%
Switzerland	6.95%-7.85%	6.96%	1.80%-2.40%	1.82%
USA	8.40%-14.20%	11.37%	1.70%-6.00%	3.57%
Turkey	10.55%	10.55%	10.00%	10.00%

- Breakdown of plan assets

In %	31 December 2017						31 December 2016					
	Shares	Government al bonds	Non- Government al bonds	Real-estate	Deposit account	Others	Shares	Government al bonds	Non- Government al bonds	Real-estate	Deposit account	Others
Belgium	7%	52%	19%	1%	0%	21%	6%	51%	22%	2%	0%	19%
UK	26%	35%	9%	0%	1%	29%	30%	39%	8%	0%	2%	21%
France ⁽¹⁾	6%	68%	18%	8%	0%	0%	6%	67%	19%	8%	0%	0%
Switzerland	32%	29%	4%	18%	2%	15%	31%	37%	0%	17%	2%	13%
USA	33%	36%	18%	0%	8%	5%	38%	40%	16%	2%	3%	1%
Turkey	0%	0%	0%	5%	93%	2%	0%	0%	0%	5%	94%	1%
Others	13%	23%	9%	1%	12%	42%	6%	12%	9%	1%	16%	56%
GROUP	16%	41%	14%	4%	6%	18%	16%	43%	14%	4%	7%	16%

⁽¹⁾ In France, the breakdown of plan assets reflects the breakdown of the general fund of the insurance company through which the Group's obligations are funded.

The Group introduced an asset management governance for assets backing defined-benefit pension plan commitments, the main objectives of which are the management and control of the risks in terms of investment.

It sets out investment principles, in particular, by defining an investment strategy for plan assets, based on financial objectives and financial risk management, to specify the way in which plan assets have to be managed, via financial management servicing contracts.

The investment strategy is based on an assets and liabilities management analysis that should be realised at least on an annual basis for plans with assets in excess of EUR 100 million and every three years for plans with assets of between EUR 20 and EUR 100 million.

• Post-employment healthcare benefits

The Group offers some healthcare benefit plans for retired employees, mainly in the United States and Belgium. These plans are mainly closed to new entrants.

At the end of 2016, the healthcare benefit plan of Bank of the West in the United States was closed, rights have been frozen and conditions of eligibility have been modified for some employees.

The present value of post-employment healthcare benefit obligations stood at EUR 143 million at 31 December 2017, compared with EUR 155 million at 31 December 2016, i.e. an decrease of EUR 12 million in 2017, of which EUR 7 million recognised directly in shareholders' equity.

6.c OTHER LONG-TERM BENEFITS

BNP Paribas offers its employees various long-term benefits, mainly long-service awards, the ability to save up paid annual leave in time savings accounts, and certain guarantees protecting them in the event they become incapacitated. The net provision amounted to EUR 462 million at 31 December 2017 (EUR 533 million at 31 December 2016).

As part of the Group's variable compensation policy, annual deferred compensation plans are set up for certain high-performing employees or pursuant to special regulatory frameworks. Under these plans, payment is deferred over time and is subject to the performance achieved by the business lines, divisions and Group.

Since 2013, BNP Paribas has introduced a Group loyalty scheme with a cash payment, at the end of a three-year vesting period, which fluctuates according to the Group's intrinsic performance. The aim of this loyalty scheme is to make different categories of managerial staff partners in the Group's development and profitability objectives. These personnel are representative of the Group's talent and the breadth of its managerial framework i.e. senior managers, managers in key positions, line managers and experts, high-potential managers, high-performing young executives with good career development prospects and key contributors to the Group's results.

The amounts allocated under this plan are linked to changes in the Group's operational performance over three years (for 80%) and to the achievement of the Group's Corporate Social Responsibility (CSR) targets (for 20%). These nine targets are in line with the four pillars on which the Group's CSR policy is based. In addition, the final payment is subject to continuous service within the Group between the grant date and the payment date, provided that the Group's operating income and pre-tax income for the year prior to payment are strictly positive. For employees subject to special regulatory frameworks, this loyalty scheme is adjusted in accordance with the CRD4 European Directive.

The net obligation related to deferred compensation plans and loyalty schemes amounts to EUR 619 million at 31 December 2017 (EUR 635 million at 31 December 2016).

In millions of euros	31 December 2017	31 December 2016
Net provisions for other long-term benefits	1,081	1,168
Asset recognised in the balance sheet under the other long-term benefits	(89)	(99)
Obligation recognised in the balance sheet under the other long-term benefits	1,170	1,267

6.d TERMINATION BENEFITS

BNP Paribas has implemented a number of voluntary redundancy plans and headcount adaptation plans for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for as soon as a bilateral agreement or a bilateral agreement proposal for a particular plan is made.

In 2016, in France, CIB activities in BNP Paribas SA and BNP Paribas Arbitrage have set up in their respective scope a 3-year voluntary redundancy plan (from October 2016 to December 2018).

In millions of euros	31 December 2017	31 December 2016
Provision for voluntary departure, early retirement plans, and headcount adaptation plans	389	495

6.e SHARE-BASED PAYMENTS

SHARE-BASED LOYALTY, COMPENSATION AND INCENTIVE SCHEMES

Until 2012, BNP Paribas set up several share-based payment schemes for certain employees: performance shares plans and stock subscription or purchase plans.

After 2012, only some cash-settled long term compensation plans are still share price-linked, especially for employees whose activities are likely to have an impact on the Group's risk exposure.

- **Deferred share price-linked, cash-settled compensation plans**

As part of the Group's variable remuneration policy, deferred annual compensation plans offered to certain high-performing employees or set up pursuant to special regulatory frameworks may entitle beneficiaries to variable compensation settled in cash but linked to the share price, payable over several years.

- Variable compensation for employees, subject to special regulatory frameworks

Since the publication of the Decree by the French ministry of finance on 13 December 2010, and following the provisions of the European Directive CRD4 of 26 July 2013 transposed into the French law in the Monetary and Financial Code by the Order of 20 February 2014 as well as the Decrees and Orders of 3 November 2014 and the delegated European regulation of 4 March 2014, the variable compensation plans apply to Group employees performing activities that may have a material impact on the Group's risk profile.

Under these plans, payment is deferred over time and is contingent on the performance achieved by the business lines, core businesses and Group.

Sums will mostly be paid in cash linked to the increase or decrease in the BNP Paribas share price.

- Deferred variable compensation for other Group employees

Sums due under the annual deferred compensation plans for high-performing employees are partly paid in cash linked to the increase or decrease in the BNP Paribas share price.

- **Global Share-Based Incentive Plan (until 2012)**

BNP Paribas set up a Global Share-Based Incentive Plan for some Group employees, including stock options and performance share awards.

The option exercise price under these plans is determined at the time of issuance and no discount is offered. The duration of the options granted is 8 years.

Performance shares awarded between 2009 and 2012 vest after a period of 3 or 4 years, depending on the case and provided that the employee is still a member of the Group. The compulsory holding period for performance shares is two years for France-based employees.

Since 2010, the conditional portion granted had been set at 100% of the total award for members of the BNP Paribas Group Executive Committee and senior managers and 20% for other beneficiaries.

Under stock option plans set up between 2003 and 2011, the performance condition was not fully met on seven out of thirty occasions and the adjustments described above were therefore implemented. Under performance share plans awarded between 2009 and 2012, the performance condition was not met on three out of ten occasions and the relevant contingent portion therefore lapsed.

All unexpired plans settle in a potential subscription of BNP Paribas shares.

- Expense of share-based payment

Expense / (revenue) in millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Prior deferred compensation plans	82	139
Deferred compensation plans for the year	345	327
Global Share-Based Incentive Plan	-	1
Total	427	467

- **Valuation of stock option plans and performance share plans**

As required under IFRS 2, BNP Paribas attributes a value to stock options and performance shares granted and recognises an expense, determined at the date of grant, calculated respectively on the basis of the fair value of the options and shares concerned. This initial fair value may not subsequently be adjusted for changes in the quoted market price of BNP Paribas shares. The only assumptions that may result in a revision of the fair value during the vesting period, and hence an adjustment in the expense, are those related to the population of beneficiaries (loss of rights) and internal performance conditions. The Group's share-based payment plans are valued by an independent specialist firm.

- **History of plans granted under the Global Share-Based Incentive Plan**

The tables below give details of the characteristics and terms of all unexpired plans at 31 December 2017:

- Stock subscription option plan

Characteristics of the plan							Options outstanding at end of period	
Originating company	Date of grant	Number of grantees	Number of options granted ⁽¹⁾	Start date of exercise period	Option expiry date	Adjusted exercise price (in euros) ⁽¹⁾	Number of options ⁽¹⁾	Remaining period until expiry of options (years)
BNP Paribas SA ⁽²⁾	06/04/2009	1,397	2,437,234	08/04/2013	05/04/2017	35.11	-	-
BNP Paribas SA ⁽²⁾	05/03/2010	1,820	2,423,700	05/03/2014	02/03/2018	51.20	814,312	0.2
BNP Paribas SA ⁽²⁾	04/03/2011	1,915	2,296,820	04/03/2015	04/03/2019	56.45	1,463,131	1.2
Total options outstanding at end of period							2,277,443	

⁽¹⁾ The number of options and the exercise price have been adjusted, where appropriate, for the detachment of pre-emptive subscription rights on 30 September 2009, in accordance with the regulations in force.

⁽²⁾ The plan is subject to vesting conditions under which a proportion of the options granted to employees is conditional upon the performance of the BNP Paribas share relative to the Dow Jones EURO STOXX Banks index during the applicable holding period.

Based on this relative performance condition, the adjusted exercise price for these options has been set at EUR 67.74 instead of EUR 56.45 for 208,311 options under the 4 March 2011 plan, outstanding at the year-end.

- Performance share plans

At 31 December 2017, 1,347 BNP Paribas SA shares granted via performance share plans from 2009 to 2012 were not yet delivered to their beneficiaries.

- **Movements in stock subscription option plans**

	Year to 31 Dec. 2017		Year to 31 Dec. 2016	
	Number of options	Weighted average exercise price (in euros)	Number of options	Weighted average exercise price (in euros)
Options outstanding at 1 January	4,176,666	51.98	8,201,959	56.09
Options exercised during the period	(1,856,733)	47.64	(682,500)	41.75
Options expired during the period	(42,490)		(3,342,793)	
Options outstanding at 31 December	2,277,443	55.61	4,176,666	51.98
Options exercisable at 31 December	2,277,443	55.61	4,176,666	51.98

The average quoted stock market price in 2017 is EUR 62.82 (EUR 54.07 in 2016).

7. ADDITIONAL INFORMATION

7.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 31 December 2017, the share capital of BNP Paribas SA amounted to EUR 2,497,718,772, and was divided into 1,248,859,386 shares. The nominal value of each share is EUR 2. At 31 December 2016, the share capital amounted to EUR 2,494,005,306 and was divided into 1,247,002,653 shares.

• Ordinary shares issued by BNP Paribas and held by the Group

	Proprietary transactions		Trading transactions ⁽¹⁾		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2015	1,623,873	81	(161,929)	(9)	1,461,944	72
Acquisitions	1,365,397	61			1,365,397	61
Disposals	(1,407,897)	(63)			(1,407,897)	(63)
Shares delivered to employees	(731,055)	(35)			(731,055)	(35)
Capital decrease	(65,000)	(3)			(65,000)	(3)
Other movements			276,647	16	276,647	16
Shares held at 31 December 2016	785,318	41	114,718	7	900,036	48
Acquisitions	320,794	20			320,794	20
Disposals	(297,794)	(18)			(297,794)	(18)
Shares delivered to employees	(576)				(576)	
Other movements			(272,895)	(17)	(272,895)	(17)
Shares held at 31 December 2017	807,742	43	(158,177)	(10)	649,565	33

⁽¹⁾ Transactions realised in the framework of an activity of trading and arbitrage transactions on equity indices.

At 31 December 2017, the BNP Paribas Group was a holder of 649,565 BNP Paribas shares representing an amount of EUR 33 million, which was recognised as a decrease in equity.

Under the Bank's market-making agreement relating to the BNP Paribas share on the Italian market made with Exane BNP Paribas, and in line with the Code of Ethics recognised by the AMF, the Bank bought back 320,794 shares in 2017 at an average share price of EUR 61.78, and sold 297,794 shares at an average share price of EUR 62.08. At 31 December 2017, 80,500 shares worth EUR 5.2 million were held by BNP Paribas SA under this agreement.

From 1 January 2017 to 31 December 2017, 576 shares were delivered following the definitive award of performance shares to their beneficiaries.

- **Preferred shares and Undated Super Subordinated Notes eligible as Tier 1 regulatory capital**

- Preferred shares issued by the Group's foreign subsidiaries

BNP Paribas Personal Finance made in 2004 two issues of undated non-voting preferred shares through a structured entity governed by UK law and which is exclusively controlled. Since the first call date, these preferred shares are redeemable at par at the issuer's discretion at each quarterly coupon date.

Issuer	Date of issue	Currency	Amount (in millions of euros)	Rate and term before 1st call date	Rate after 1st call date
Cofinoga Funding II LP	January and May 2004	EUR	80	TEC 10 ⁽¹⁾ +1.35% 10 years	TEC 10 ⁽¹⁾ + 1.35%
Total at 31 December 2017			73 ⁽²⁾		

⁽¹⁾ TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.

⁽²⁾ Value at the date of acquisition of control over the LaSer group.

These issues and the related dividends are recorded under "Minority interests" in the balance sheet.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas has issued Undated Super Subordinated Notes which pay a fixed, fixed adjustable or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date or every five years. If the notes are not redeemed at the end of this period, some of these issues will pay a coupon indexed to Euribor, Libor or a swap rate.

On 30 March 2016, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 1,500 million which pay a 7.625% fixed-rate coupon. The notes could be redeemed at the end of a 5-year period. If the notes are not redeemed in 2021, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 12 and 19 April 2016, BNP Paribas SA redeemed the April 2006 issues for a total amount of EUR 549 million and GBP 450 million at the first call date. These notes paid a 4.73% and 5.945% fixed-rate coupon.

On 13 July 2016, BNP Paribas SA redeemed the July 2006 issue for a total amount of GBP 163 million at the first call date. These notes paid a 5.954% fixed-rate coupon.

On 14 December 2016, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 750 million which pay a 6.75% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years and 3 months. If the notes are not redeemed in 2022, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 13 April 2017, BNP Paribas SA redeemed the April 2007 issue for a total amount of EUR 638 million at the first call date. These notes paid a 5.019% fixed-rate coupon.

On 23 October 2017, BNP Paribas SA redeemed the October 2007 issue, for an amount of GBP 200 million, at the first call date. These notes paid a 7.436% fixed-rate coupon.

On 15 November 2017, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 750 million which pay a 5.125% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years. If the notes are not redeemed in 2022, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

- The following table summarises the characteristics of these various issues

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.250%	6 years	6.250%
July 2006	EUR	150	annual	5.450%	20 years	3-month Euribor + 1.920%
June 2007	USD	600	quarterly	6.500%	5 years	6.500%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	100	annual	7.570%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
June 2015	EUR	750	semi-annual	6.125%	7 years	EUR 5-year swap + 5.230%
August 2015	USD	1,500	semi-annual	7.375%	10 years	USD 5-year swap + 5.150%
March 2016	USD	1,500	semi-annual	7.625%	5 years	USD 5-year swap + 6.314%
December 2016	USD	750	semi-annual	6.750%	5.25 years	USD 5-year swap + 4.916%
November 2017	USD	750	semi-annual	5.125%	5 years	USD 5-year swap + 2.838%
Total euro-equivalent historical value at 31 December 2017		8,172 ⁽¹⁾				

⁽¹⁾ Net of shares held in treasury by Group entities

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes. Unpaid interest is not carried forward.

For the notes issued before 2015, the absence of coupon payment is conditional on the absence of dividend payment on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents during the previous year. Interest due is payable once dividend payment on BNP Paribas SA ordinary shares resumes.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital, the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount.

The proceeds from these issues are recorded in equity under "Capital and retained earnings". In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 31 December 2017, the BNP Paribas Group held EUR 15 million of Undated Super Subordinated Notes which were deducted from shareholders' equity.

• Earnings per share

Basic earnings per share are calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period. The net income attributable to ordinary shareholders is determined by deducting the net income attributable to holders of preferred shares.

Diluted earnings per share correspond to the net income for the period attributable to holders of ordinary shares, divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are performance shares granted under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation.

	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Net profit used to calculate basic and diluted earnings per ordinary share (in millions of euros) ⁽¹⁾	7,537	7,470
Weighted average number of ordinary shares outstanding during the year	1,246,386,807	1,244,469,997
Effect of potentially dilutive ordinary shares	296,592	147,762
- Stock subscription option plan ⁽²⁾	295,245	146,009
- Performance share attribution plan ⁽²⁾	1,347	1,753
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,246,683,399	1,244,617,759
Basic earnings per share (in euros)	6.05	6.00
Diluted earnings per share (in euros)	6.05	6.00

⁽¹⁾The net profit used to calculate basic and diluted earnings per share is the net profit attributable to equity shareholders, adjusted for the remuneration on the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends, as well as the related foreign exchange impact recognised directly in shareholders' equity.

⁽²⁾See note 6.e Share-based payments for the description of share-based plans and performance share attribution plans.

The dividend per share paid in 2017 out of the 2016 net income amounted to EUR 2.70, compared with EUR 2.31 paid in 2016 out of the 2015 net income.

7.b CONTINGENT LIABILITIES: LEGAL PROCEEDINGS AND ARBITRATION

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”). These actions, known generally as “clawback claims”, are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related “feeder funds” in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amount sought to be recovered in these actions approximates USD 1.3 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously. On 22 November 2016, the Bankruptcy Court issued a decision on the ability of the BLMIS Trustee to recover foreign transfers from foreign defendants in these actions. The decision resulted in the dismissals of the majority of the BLMIS Trustee’s claims against BNP Paribas entities, which constitute most of the total amount sought to be recovered in these actions. These dismissals are subject to appeal.

Various litigations and investigations are ongoing relating to the restructuring of the Fortis group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these are litigations brought by shareholder groups in The Netherlands and Belgium against Ageas and, among others, against BNP Paribas Fortis, in relation to its role as global coordinator of Fortis (now Ageas)’s capital increase in October 2007 to partly finance its acquisition of ABN Amro Bank N.V. These shareholder groups mainly allege that there has been a breach in financial communication, regarding, inter alia, the disclosure on the exposure to subprime mortgages. On 14 March 2016, Ageas announced that it had entered into a proposed settlement with representatives of certain shareholder groups with respect to civil proceedings related to the former Fortis group for the events of 2007 and 2008. This settlement applies to all Fortis shareholders who held shares between 28 February 2007 and 14 October 2008, irrespective of whether they are members of a shareholder group that was represented in the negotiation of the settlement. The parties requested the Amsterdam Court of Appeals to declare the settlement to be binding on all Fortis shareholders who are eligible to participate in it, in accordance with the Dutch Act on Collective Settlement of Mass Claims (“Wet Collectieve Afwikkeling Massaschade” or “WCAM”). Since the first proposed settlement had not been declared binding by the Court, the parties submitted to the Court, on 12 December 2017, an amended WCAM settlement. BNP Paribas Fortis will be able to invoke this settlement, if it becomes final and binding. All ongoing civil litigations in Belgium and in the Netherlands involving BNP Paribas Fortis as per its aforementioned role are currently suspended.

Litigation was also brought in Belgium by minority shareholders of Fortis against the Société fédérale de Participations et d’Investissement, Ageas and BNP Paribas seeking (amongst other things) damages from BNP Paribas as restitution for part of the BNP Paribas Fortis shares that were contributed to BNP Paribas in 2009, on the ground that the transfer of these shares was null and void. On 29 April 2016 the Brussels Commercial court decided to stay the proceedings until the resolution of the pending Fortis criminal proceeding in Belgium. BNP Paribas does not have tangible elements to assess the duration of such suspension.

Regulatory and law enforcement authorities in multiple jurisdictions are conducting investigations or making inquiries of a number of financial institutions regarding trading on the foreign exchange markets, including, among other things, possible collusion among financial institutions to manipulate certain benchmark currency exchange rates. The Bank has to date received requests for information in this respect from regulatory and law enforcement authorities in the United Kingdom, the United States and several countries in the Asia-Pacific region as well as from the European Competition Commission. The Bank has been cooperating with the investigations and inquiries and has responded to the information requests. In November 2014 the Financial Conduct Authority in the United Kingdom, in December 2014 the Hong Kong Monetary Authority, in October 2015, the Financial Services Agency in Japan, on 17 November 2016 the US Commodity and Futures Trading Commission, and on 22 March 2017 the US Department of Justice Fraud Section, informed the Bank that they had discontinued their investigation as to BNP Paribas. Regarding the United States, on 24 May 2017, the New York Department of Financial Services (“DFS”) announced that it had fined the Bank USD 350 million as part of a consent order for violations of New York banking law arising out of the Bank’s global foreign exchange business. As part of that consent order, the Bank has also agreed to improve its internal policies and controls relating to its foreign exchange business. The Bank has cooperated with the DFS in resolving this matter and took remedial actions both before and after the DFS began its investigation into the Bank’s FX trading business to address the issues arising from its FX trading business. On

17 July 2017 the Board of Governors of the Federal Reserve System (“FED”) announced that it had fined the Bank and certain of its US subsidiaries USD 246 million as part of a consent order for unsafe and unsound practices in the foreign exchange market. As part of that consent order, the Bank has also agreed to improve its internal policies and controls relating to certain Designated Market Activities that include its foreign exchange business. As done with all relevant U.S. authorities, the Bank has cooperated with the FED in resolving this matter and took remedial actions both before and after the FED began its investigation into the Bank’s FX trading business to address the issues arising from its FX trading business. The Bank continues to cooperate with the remaining investigations and inquiries and, in particular, with the U.S Department of Justice Antitrust Division. Finally, on 25 January 2018, BNP Paribas USA Inc. accepted to plead guilty in front of the Federal trial Court in Manhattan to a single violation of the Sherman Antitrust Act. As part of this plea, BNP Paribas USA Inc. has agreed to pay a criminal fine of USD 90 million, to strengthen (alongside certain related entities) its compliance and internal controls as required by the FED and the DFS, and to cooperate with the Department of Justice’s (“DOJ” - Antitrust Division) ongoing criminal investigation into the FX market and to report relevant information to the DOJ. Both the DOJ and BNP Paribas USA Inc. have agreed to recommend no probation, in light of, among other factors, the Bank’s substantial efforts relating to compliance and remediation to address and prevent the re-occurrence through its compliance and remediation program of the issues arising from its FX trading business. This plea constitutes the final step of and closes the current investigation by the US authorities into the FX activities of the Bank.

The US judicial and supervisory authorities are currently investigating or requesting information from a number of financial institutions in relation to certain activities as reported in the international financial press in relation to the US treasuries market or the ISDAFIX index. The Bank which has received some requests for information is cooperating with investigations and is responding to requests for information. The outcome and potential impact of these investigations or requests for information is difficult to predict before their close and the subsequent discussions with the US authorities. It should be noted that a number of financial institutions are involved in these investigations or requests for information and that reviews carried out in connection therewith have often led to settlements including in particular the payment of fines or significant penalties depending on the circumstances specific to each financial institution.

7.c BUSINESS COMBINATIONS

• Operations realised in 2017

▪ Financière des Paiements Electroniques

On 13 July 2017, BNP Paribas acquired an 89.2% stake in Financière des Paiements Electroniques, which provides the “Compte-Nickel” payments account. This acquisition led the BNP Paribas Group to fully consolidate this entity.

This acquisition resulted in a EUR 0.4 billion increase of the Group balance sheet at the purchase date.

The goodwill on Financière des Paiements Electroniques amounts to EUR 159 million.

▪ Opel Bank SA

On 1 November 2017, BNP Paribas Personal Finance and Banque PSA Finance (PSA group) closed their joint acquisition of all European activities of GM Financial, covering existing brands Opel Bank, Opel Financial Services and Vauxhall Finance.

BNP Paribas holds 50 % of Opel Bank SA, the parent company of the Opel Vauxhall Finance group purchased. This entity is under exclusive control by BNP Paribas and is fully consolidated.

As at 31 December 2017, no material goodwill was identified.

This acquisition resulted in a EUR 10.2 billion increase of the Group balance sheet at the purchase date, of which a EUR 8.3 billion increase in Loans and receivables due from customers.

▪ Cargeas Assicurazioni

On 28 December 2017, BNP Paribas Cardif obtained control of Italian non-life insurer Cargeas Assicurazioni, following the purchase of shares held by Ageas. BNP Paribas Group already had a significant influence on Cargeas Assicurazioni. This acquisition led to the full consolidation of this entity.

This acquisition resulted in a EUR 0.8 billion increase of the Group balance sheet at the purchase date.

The goodwill on Cargeas Assicurazioni amounts to EUR 57 million.

• Operations realised in 2016

▪ Sharekhan group

BNP Paribas purchased on 23 November 2016, 100% of Sharekhan group. This acquisition led the BNP Paribas Group to fully consolidate Sharekhan.

Sharekhan is a retail brokerage firm in India offering broking solutions to more than 1 million private clients.

This acquisition resulted in a EUR 0.4 billion increase of the Group balance sheet at the purchase date.

The goodwill on Sharekhan amounted to EUR 93 million.

7.d MINORITY INTERESTS

• Main minority interests

The assessment of the material nature of minority interests is based on the contribution of the relevant subsidiaries to the Group balance sheet (before elimination of intra-group balances and transactions) and to the Group profit and loss account.

	31 December 2017	Year to 31 Dec. 2017						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
In millions of euros								
Contribution of the entities belonging to the BGL BNP Paribas group	76,278	1,495	561	455	34%	187	155	90
Other minority interests						261	77	84
TOTAL						448	232	174

	31 December 2016	Year to 31 Dec. 2016						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
In millions of euros								
Contribution of the entities belonging to the BGL BNP Paribas group	69,985	1,504	554	532	34%	183	178	69
Other minority interests						230	207	45
TOTAL						413	385	114

There are no particular contractual restrictions on the assets of BGL BNP Paribas Group related to the presence of the minority shareholder.

• Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries

No significant internal restructuring operation occurred during the year ended 31 December 2017, nor during the year ended 31 December 2016.

- Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries**

In millions of euros	31 December 2017		31 December 2016	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Cardif IARD Dilutive capital increase, reducing the Group interest percentage to 83.26%.	27	5		
Financière des Paiements Electroniques Additional acquisition, lifting the Group interest percentage to 95 %.	(10)	3		
Commerz Finanz GmbH Sale of 50.1% of the banking activity to Commerz Bank and simultaneous acquisition of 49.9 % of the credit activity.	(18)	(488)		
First Hawaiian Inc. On 6 February 2017, second offer on First Hawaiian Inc. for 20.6% of its capital at a 32-dollar price per share. On 4 August 2016, Initial Public Offer on First Hawaiian Inc. for 17.39% of its capital at a 23-dollar price per share.	250	588	87	460
UkrSibbank Public Joint Stock Sale of 40% of UkrSibbank's capital followed by a capital increase subscribed by all shareholders.			(102)	34
Others	4	7	(17)	
Total	253	115	(32)	494

- Commitments to repurchase minority shareholders' interests**

In connection with the acquisition of certain entities, the Group granted minority shareholders put options on their holdings.

The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to EUR 522 million at 31 December 2017, compared with EUR 615 million at 31 December 2016.

7.e SIGNIFICANT RESTRICTIONS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Significant restrictions related to the ability of entities to transfer cash to the Group

The ability of entities to pay dividends or to repay loans and advances depends, *inter alia*, on local regulatory requirements for capitalisation and legal reserves, as well as the entities' financial and operating performance. During 2016 and 2017, no BNP Paribas Group entity was subject to significant restrictions other than those related to regulatory requirements.

Significant restrictions relative to the Group's ability to use the assets lodged in consolidated structured entities

Access to the assets of consolidated structured entities in which third-party investors have invested is limited inasmuch as these entities' assets are reserved for the holders of units or securities. These assets total EUR 24 billion as at 31 December 2017 (EUR 20 billion as at 31 December 2016).

Significant restrictions related to the Group's ability to use assets pledged as collateral or under repurchase agreements

The financial instruments pledged by the BNP Paribas Group as collateral or under repurchase agreements are presented in notes 4.s and 5.c.

Significant restrictions related to liquidity reserves

Significant restrictions related to liquidity reserves correspond to the mandatory deposits placed with central banks presented in chapter 5 of the registration document under "Liquidity risk".

Assets representative of unit-linked insurance contracts

Assets representative of unit-linked insurance contracts designated as at fair value through profit or loss, which amount to EUR 60 billion as at 31 December 2017 (compared with EUR 54 billion as at 31 December 2016), are held for the benefit of the holders of these contracts.

7.f STRUCTURED ENTITIES

The BNP Paribas Group is engaged in transactions with sponsored structured entities mainly through its activities of securitisation of financial assets - as either originator or sponsor -, fund management and specialised asset financing.

In addition, the BNP Paribas Group is also engaged in transactions with structured entities that it has not sponsored, notably in the form of investments in funds or securitisation vehicles.

The method for assessing control for structured entities is detailed in Note 1.b.2. "Consolidation methods".

- **Consolidated structured entities**

The main categories of consolidated structured entities are:

ABCP (Asset-Backed Commercial Paper) conduits: the ABCP securitisation conduits Starbird, Matchpoint and Scaldis fund securitisation transactions managed by the BNP Paribas Group on behalf of its customers. Details on how these are financed and the Group's risk exposure are presented in Chapter 5 of the Registration Document under "Securitisation as sponsor on behalf of clients / Short-term refinancing".

Proprietary securitisation: proprietary securitisation positions originated and held by the BNP Paribas Group are detailed in Chapter 5 of the Registration Document under "Proprietary securitisation activities (originator)".

Funds managed by the Group: the BNP Paribas Group structures different types of funds for which it may act as fund manager, investor, custodian or guarantor. These funds are consolidated when the Group is both the manager and a significant investor, and is therefore exposed to variable returns.

- **Unconsolidated structured entities**

The BNP Paribas Group has entered into relations with unconsolidated structured entities in the course of its business activities to meet the needs of its customers.

Information relative to interests in sponsored structured entities

The main categories of unconsolidated sponsored structured entities are as follows:

Securitisation: the BNP Paribas Group structures securitisation vehicles for the purposes of offering customers financing solutions for their assets, either directly or through consolidated ABCP conduits. Each vehicle finances the purchase of customers' assets (receivables, bonds, etc.) primarily by issuing bonds backed by these assets and whose redemption is linked to their performance.

Funds: the Group structures and manages funds to offer investment opportunities to its customers. Dedicated or public funds are offered to institutional and individual customers, and are distributed and commercially monitored by the BNP Paribas Group. The entities of the BNP Paribas Group responsible for managing these funds may receive management fees and performance commission. The BNP Paribas Group may hold units in these funds, as well as units in funds dedicated to the insurance activity not managed by the BNP Paribas Group.

Asset financing: the BNP Paribas Group finances structured entities that acquire assets (aircraft, ships, etc.) intended for lease, and the lease payments received by the structured entity are used to repay the financing, which is guaranteed by the asset held by the structured entity.

Other: on behalf of its customers, the Group may also structure entities which invest in assets or are involved in debt restructuring.

An interest in an unconsolidated structured entity is a contractual or non-contractual link that exposes the BNP Paribas Group to variable returns from the performance of the entity.

The Group's assets and liabilities related to the interests held in sponsored structured entities are as follows:

In millions of euros, at 31 December 2017	Securitisation	Funds	Asset Financing	Others	Total
INTERESTS ON THE GROUP BALANCE SHEET					
ASSETS					
Trading book	206	885	102	1,143	2,336
Instruments designated as at fair value through profit or loss ⁽¹⁾		27,625	19	79	27,723
Available-for-sale financial assets	4	806	173	545	1,528
Loans and receivables	10,143	358	10,917	47	21,465
Other assets	13	375	1	21	410
TOTAL ASSETS	10,366	30,049	11,212	1,835	53,462
LIABILITIES					
Trading book	34	560	33	2,286	2,913
Instruments designated as at fair value through profit or loss				17	17
Financial liabilities carried at amortised cost	1,058	16,050	650	1,375	19,133
Other liabilities	2	323	97	35	457
TOTAL LIABILITIES	1,094	16,933	780	3,713	22,520
MAXIMUM EXPOSURE TO LOSS	14,779	30,580	13,189	2,399	60,947
SIZE OF STRUCTURED ENTITIES ⁽²⁾					
	99,956	251,589	39,111	1,160	391,816

In millions of euros, at 31 December 2016	Securitisation	Funds	Asset Financing	Others	Total
INTERESTS ON THE GROUP BALANCE SHEET					
ASSETS					
Trading book	320	536	151	1,959	2,966
Instruments designated as at fair value through profit or loss ⁽¹⁾		24,118	10	73	24,201
Available-for-sale financial assets	11	3,540	188	549	4,288
Loans and receivables	11,702	305	14,403	97	26,507
Other assets	12	182	3	1	198
TOTAL ASSETS	12,045	28,681	14,755	2,679	58,160
LIABILITIES					
Trading book	117	447	37	2,359	2,960
Instruments designated as at fair value through profit or loss		16		31	47
Financial liabilities carried at amortised cost	1,035	20,445	1,130	1,889	24,499
Other liabilities		284	92	11	387
TOTAL LIABILITIES	1,152	21,192	1,259	4,290	27,893
MAXIMUM EXPOSURE TO LOSS	15,346	29,478	17,451	3,202	65,477
SIZE OF STRUCTURED ENTITIES ⁽²⁾	66,826	292,783	45,764	6,140	411,513

- (1) of which EUR 18,431 million representative of unit-linked insurance contracts as at 31 December 2017, invested in funds managed by the BNP Paribas Group (EUR 14,185 million as at 31 December 2016).
- (2) the size of sponsored structured entities equals the total assets of the structured entity for securitisation vehicles, the net asset value for funds (excluding management mandates) and the structured entity's total assets or the amount of BNP Paribas Group's commitment for asset financing and other structures.

The BNP Paribas Group's maximum exposure to losses on sponsored structured entities is the carrying amount of the assets, excluding, for available-for-sale financial assets, changes in value taken directly to equity, as well as the nominal amount of the financing commitments and guarantee commitments given and the notional amount of credit default swaps (CDS) sold.

Information relative to interests in non-sponsored structured entities

The main interests held by the BNP Paribas Group when it acts solely as an investor in non-sponsored structured entities are detailed below:

- *Units in funds that are not managed by the Group, which are held by the Insurance business line:* as part of the asset allocation strategy corresponding to investments related to the premiums for unit-linked contracts or for the general fund, the Insurance business line subscribes to units of structured entities. These short- or medium-term investments are held for their financial performance and meet the risk diversification criteria inherent to the business. They amounted to EUR 31 billion as at 31 December 2017 (EUR 32 billion as at 31 December 2016). Changes in value and the majority of the risks associated with these investments are borne by policyholders in the case of assets representative of unit-linked contracts, and by the insurer in the case of assets representative of the general fund;
- *Other investments in funds not managed by the Group:* as part of its trading business, the BNP Paribas Group invests in structured entities without any involvement in either managing or structuring these entities (investments in mutual funds, securities funds or alternative funds), particularly as economic hedge for structured products sold to customers. The Group also invests in minority holdings in support of companies as part of its venture capital business. These investments amounted to EUR 8 billion as at 31 December 2017 (EUR 11 billion as at 31 December 2016).
- *Investments in securitisation vehicles:* the breakdown of the Group's exposure and the nature of the securities held are presented in Chapter 5 of the Registration Document in the section "Securitisation as investor".

7.g COMPENSATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

The remuneration and benefits policy relating to the Group's corporate officers, as well as the detailed information on an individual basis, are presented in chapter 2 Corporate Governance of the registration document.

• Remuneration and benefits awarded to the Group's corporate officers

	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Gross remuneration, including Directors' fees and benefits in kind		
- payable for the year	€6,236,607	€6,350,378
- paid during the year	€8,152,686	€6,227,427
Post-employment benefits		
Retirement bonuses: present value of the benefit obligation (payroll taxes excluded)	€255,440	€243,574
Defined contribution pension plan : contributions paid by BNP Paribas during the year	€1,295	€1,274
Welfare benefits: premiums paid by BNP Paribas during the year	€12,461	€8,914
Share-based payments		
Stock subscription options		
- value of stock options granted during the year	Nil	Nil
- number of options held at 31 December	66,840	107,854
Performance shares		
- value of shares granted during the year	Nil	Nil
- number of shares held at 31 December	Nil	Nil
Long-term compensation		
- fair value at grant date (*)	€785,765	€1,272,417

(*) Valuation according to the method described in note 1.i.

As at 31 December 2017, no corporate officer is eligible to a contingent collective defined-benefit top-up pension plan.

• Directors' fees paid to members of the board of directors

The directors' fees paid in 2017 to all members of the Board of Directors amount to EUR 1,300,000 (unchanged from the amount paid in 2016). The amount paid in 2017 to members other than corporate officers was EUR 1,175,312, compared with EUR 1,183,190 in 2016.

• Remuneration and benefits awarded to directors representing the employees

In euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Gross remuneration paid during the year	85,685	77,471
Directors' fees (paid to the trade unions)	182,371	176,588
Premiums paid by BNP Paribas during the year into schemes related to Garantie Vie Professionnelle Accidents benefits and healthcare expense coverage	1,478	1,512
Contributions paid by BNP Paribas during the year into the defined-contribution plan	729	670

• Loans, advances and guarantees granted to the Group's corporate officers

At 31 December 2017, the total outstanding loans granted directly or indirectly to the Group's corporate officers and their spouses amounted to EUR 6,881,664 (EUR 1,197,628 at 31 December 2016). These loans representing normal transactions were carried out on an arm's length basis.

7.h OTHER RELATED PARTIES

Other related parties of the BNP Paribas Group comprise consolidated companies (including entities consolidated under the equity method) and entities managing post-employment benefit plans offered to Group employees (except for multi-employer and multi-industry schemes).

Transactions between the BNP Paribas Group and related parties are carried out on an arm's length basis.

RELATIONS BETWEEN CONSOLIDATED COMPANIES

A list of companies consolidated by the BNP Paribas Group is provided in note 7.j "Scope of consolidation". Transactions and outstanding balances between fully-consolidated entities are eliminated. The tables below show transactions with entities accounted for under the equity method.

• Outstanding balances of related-party transactions:

	31 December 2017		31 December 2016	
	Joint ventures	Associates ⁽¹⁾	Joint ventures	Associates ⁽¹⁾
In millions of euros				
ASSETS				
Loans, advances and securities				
On demand accounts	7	186	1	51
Loans	3,675	1,980	4,302	3,098
Securities	820		991	
Securities held in the non-trading portfolio	8	-	14	-
Other assets	2	130	3	235
Total	4,512	2,296	5,311	3,384
LIABILITIES				
Deposits				
On demand accounts	74	625	94	774
Other borrowings	45	2,303	195	2,431
Other liabilities	16	41	23	81
Total	135	2,969	312	3,286
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given	162	822	207	821
Guarantee commitments given	3,001	111	3,401	371
Total	3,163	933	3,608	1,192

⁽¹⁾ Including controlled but non material entities consolidated under the equity method.

The Group also carries out trading transactions with related parties involving derivatives (swaps, options and forwards, etc.) and financial instruments purchased or underwritten and issued by them (equities, bonds, etc.).

- **Related-party profit and loss items:**

In millions of euros	Year to 31 Dec. 2017		Year to 31 Dec. 2016	
	Joint ventures	Associates ⁽¹⁾	Joint ventures	Associates ⁽¹⁾
Interest income	14	33	28	43
Interest expense	(1)	(16)	(2)	(16)
Commission income	3	393	4	459
Commission expense	(1)	(13)	(8)	(44)
Services provided	1	17	1	9
Services received		(5)		(6)
Lease income		1		12
Total	16	410	23	457

⁽¹⁾ Including controlled but non material entities consolidated under the equity method.

GROUP ENTITIES MANAGING CERTAIN POST-EMPLOYMENT BENEFIT PLANS OFFERED TO GROUP EMPLOYEES

In Belgium, BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which the BNP Paribas Group has a 25% equity interest.

In other countries, post-employment benefit plans are generally managed by independent fund managers or independent insurance companies, and occasionally by Group companies (in particular BNP Paribas Asset Management, BNP Paribas Cardif, Bank of the West and First Hawaiian Bank). In Switzerland, a dedicated foundation manages pension plans for BNP Paribas Suisse's employees.

At 31 December 2017, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,916 million (EUR 3,883 million as at 31 December 2016). Amounts received by Group companies in 2017 totalled EUR 4.5 million, and were mainly composed of management and custody fees (compared with EUR 4.3 million in 2016).

7.i FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments as at 31 December 2017. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;
- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- The fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

In millions of euros 31 December 2017	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 4.f)		45,729	30	45,759	45,670
Loans and receivables due from customers (note 4.g) ⁽¹⁾	448	44,639	665,318	710,405	698,307
Held-to-maturity financial assets (note 4.j)	5,476	29		5,505	4,792
FINANCIAL LIABILITIES					
Due to credit institutions (note 4.f)		76,356		76,356	76,503
Due to customers (note 4.g)		767,431		767,431	766,890
Debt securities (note 4.i)	49,530	100,495		150,025	148,156
Subordinated debt (note 4.i)	8,891	7,767		16,658	15,951

⁽¹⁾ Finance leases excluded

In millions of euros, at 31 December 2016	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 4.f)		47,401	7	47,408	47,411
Loans and receivables due from customers (note 4.g) ⁽¹⁾	605	45,873	653,971	700,449	684,669
Held-to-maturity financial assets (note 4.j)	7,029	39		7,068	6,100
FINANCIAL LIABILITIES					
Due to credit institutions (note 4.f)		75,541		75,541	75,660
Due to customers (note 4.g)		766,904		766,904	765,953
Debt securities (note 4.i)	52,420	102,317		154,737	153,422
Subordinated debt (note 4.i)	9,098	9,227		18,325	18,374

⁽¹⁾ Finance leases excluded

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities carried at amortised cost is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and held-to-maturity financial assets, or specific valuation models for other financial instruments as described in note 1, "Summary of significant accounting policies applied by the BNP Paribas Group". The description of the fair value hierarchy levels is also presented in the accounting principles (note 1.c.10). In the case of loans, liabilities and held-to-maturity financial assets that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to carrying amount. These instruments have been classified in Level 2, except for loans to customers, which are classified in Level 3.

7.j SCOPE OF CONSOLIDATION

Name	Country	31 December 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas SA	France								
BNPP SA (Argentina branch)	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Australia branch)	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Austria branch)	Austria	Full	100.0%	100.0%	E2				
BNPP SA (Bahrain branch)	Bahrain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Belgium branch)	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Canada branch)	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Cayman Islands branch)	Cayman Islands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Czech Republic branch)	Czech Republic	Full	100.0%	100.0%	E2				
BNPP SA (Denmark branch)	Denmark	Full	100.0%	100.0%	E2				
BNPP SA (Finland branch)	Finland	Full	100.0%	100.0%	E2				
BNPP SA (Germany branch)	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Hungary branch)	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (India branch)	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Ireland branch)	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Italy branch)	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Japan branch)	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Jersey branch)	Jersey	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Kuwait branch)	Kuwait	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Luxembourg branch)	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Malaysia branch)	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Monaco branch)	Monaco	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Netherlands branch)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Norway branch)	Norway	Full	100.0%	100.0%	E2				
BNPP SA (Panama branch)	Panama	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Philippines branch)	Philippines	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Poland branch)	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Portugal branch)	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Qatar branch)	Qatar	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Republic of Korea branch)	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Romania branch)	Romania	Full	100.0%	100.0%	E2				
BNPP SA (Saudi Arabia branch)	Saudi Arabia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Singapore branch)	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (South Africa branch)	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Spain branch)	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Sweden branch)	Sweden	Full	100.0%	100.0%	E2				
BNPP SA (Taiwan branch)	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Thailand branch)	Thailand	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (UK branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (USA branch)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Viet Nam branch)	Viet Nam	Full	100.0%	100.0%		Full	100.0%	100.0%	
Retail Banking & Services									
Domestic Markets									
Retail Banking - France									
B*Capital	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Banque de Wallis et Futuna	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
BNPP Antilles Guyane	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Développement	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Factor	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Factor (Spain branch)	Spain	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Factor Sociedade Financeira de Credito SA	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Guadeloupe	France								S4
BNPP Guyane	France								S4
BNPP Nouvelle Calédonie	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Réunion	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Compagnie pour le Financement des Loisirs	France	Equity	46.0%	45.8%	E1				
Copartis	France	Equity	50.0%	50.0%	E1				
Portzamparc Société de Bourse	France	Full (1)	75.5%	75.5%	V1	Full (1)	51.0%	51.0%	
Société Alsacienne de Développement et d'Expansion	France								S4
Retail Banking - Belgium									
Alpha Card SCRL	Belgium				S2	Equity	50.0%	50.0%	
Banking Funding Company SA	Belgium	Equity	33.5%	33.5%	E1				S3
Belgian Mobile Wallet	Belgium								
BNPP Commercial Finance Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Factor AS	Denmark	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	
BNPP Factor Deutschland BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Factor GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Factor NV	Netherlands	Full	100.0%	99.9%	E1				
BNPP Factoring Coverage Europe Holding NV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis	Belgium	Full	99.9%	99.9%		Full	99.9%	99.9%	
BNPP Fortis (Austria branch)	Austria				S1	Full	100.0%	99.9%	
BNPP Fortis (Czech Republic branch)	Czech Republic	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Denmark branch)	Denmark	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Finland branch)	Finland				S1	Full	100.0%	99.9%	
BNPP Fortis (Germany branch)	Germany								S1
BNPP Fortis (Netherlands branch)	Netherlands				S1	Full	100.0%	99.9%	
BNPP Fortis (Norway branch)	Norway				S1	Full	100.0%	99.9%	
BNPP Fortis (Romania branch)	Romania	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Spain branch)	Spain	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Sweden branch)	Sweden				S1	Full	100.0%	99.9%	
BNPP Fortis (USA branch)	USA	Full	100.0%	99.9%		Full	100.0%	99.9%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- S1 Cessation of activity (dissolution, liquidation, ...)
S2 Disposal, loss of control or loss of significant influence
S3 Passing qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous

- D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

- (1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
(2) Insurance entities consolidated under the equity method in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

		31 December 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNPP Fortis Factor NV	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Funding SA	Luxembourg	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Private Equity Belgium	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Private Equity Expansion	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Private Equity Management	Belgium	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	
Bpost Banque	Belgium	Equily (3)	50.0%	50.0%		Equily (3)	50.0%	50.0%	
Credissimo	Belgium	Full	100.0%	99.9%	E1				
Credissimo Hainaut SA	Belgium	Full	99.7%	99.7%	E1				
Crédit pour Habitats Sociales	Belgium	Full	81.7%	81.6%	E1				
Demetris NV	Belgium	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
Favor Finance	Belgium	Full	51.0%	51.0%	E1				
Immobilier Sauveniere SA	Belgium	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
Novy Invest	Belgium	Equity	33.7%	33.7%	E1				
Penne International	Belgium	Equity *	74.9%	74.9%	E1				
Studio 100	Belgium	Equily	32.5%	32.5%	E1				
Structured Entities									
BASS Master Issuer NV	Belgium	Full	-	-		Full	-	-	
Esmee Master Issuer	Belgium	Full	-	-		Full	-	-	
Retail Banking - Luxembourg									
BGL BNPP	Luxembourg	Full	66.0%	65.9%		Full	66.0%	65.9%	
BGL BNPP (Germany branch)	Germany	Full	100.0%	65.9%		Full	100.0%	65.9%	
BGL BNPP Factor SA	Luxembourg								S4
BNPP Lease Group Luxembourg SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
Collylux SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
Structured Entities									
Société Immobilière de Monterey SA	Luxembourg								S2
Retail Banking - Italy (BNL Banca Commerciale)									
Artigianassa SPA	Italy	Full	73.9%	73.9%		Full	73.9%	73.9%	
Banca Nazionale Del Lavoro SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNL Finance SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNL Positiv SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	V1
Business Partner Italia SCPA	Italy	Full	99.9%	99.8%		Full	99.9%	99.8%	V3
International Factors Italia SPA	Italy	Full	99.7%	99.7%		Full	99.7%	99.7%	
Servizio Italia SPA	Italy	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	E1
Sviluppo HQ Tiburtina SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
EMF IT 2008 1 SRL	Italy	Full	-	-		Full	-	-	
Tierre Securitalis SRL	Italy	Full	-	-		Full	-	-	E2
Vela ABS SRL	Italy	Full	-	-		Full	-	-	
Vela Consumer 2 SRL	Italy	Full	-	-	E2				
Vela Consumer SRL	Italy	Full	-	-		Full	-	-	
Vela Home SRL	Italy	Full	-	-		Full	-	-	
Vela Mortgages SRL	Italy	Full	-	-		Full	-	-	
Vela OBG SRL	Italy	Full	-	-		Full	-	-	
Vela Public Sector SRL	Italy								S3
Vela RMBS SRL	Italy	Full	-	-		Full	-	-	
Arval									
Arval	France	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval AB	Sweden	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval AS	Denmark	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Austria GmbH	Austria	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Belgium NV SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Benelux BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Brasil Ltda	Brazil	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval CZ SRO	Czech Republic	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Deutschland GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Fleet Services	France	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Fleet Services BV	Netherlands				S4	Full	100.0%	99.9%	V3
Arval Hellas Car Rental SA	Greece	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval India Private Ltd	India	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Italy Fleet Services SRL	Italy				S4	Full	100.0%	99.9%	V3
Arval Jubong Co Ltd	China	Equily	40.0%	40.0%		Equily	40.0%	40.0%	V3
Arval LLC (Ex- Arval OOO)	Russia	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Luxembourg SA	Luxembourg	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Magyarorszag KFT	Hungary	Equily *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Maroc SA	Morocco	Equily *	100.0%	89.0%		Equity *	100.0%	89.0%	V3
Arval OY	Finland	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Schweiz AG	Switzerland	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Service Lease	France	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Service Lease Auger Operational Autovoxes SA	Portugal	Equily *	100.0%	99.9%		Equily *	100.0%	99.9%	V3
Arval Service Lease Italia SPA	Italy	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Service Lease Polska SP ZOO	Poland	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Service Lease Romania SRL	Romania	Equily *	100.0%	99.9%		Equily *	100.0%	99.9%	V3
Arval Service Lease SA	Spain	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Slovakia SRO	Slovakia	Full	100.0%	99.9%	D1	Equily *	100.0%	99.9%	V3
Arval Trading	France	Full	100.0%	99.9%	D1	Equily *	100.0%	99.9%	V3
Arval UK Group Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval UK Leasing Services Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval UK Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
BNPP Fleet Holdings Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Colgarc	France	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
GE Auto Service Leasing GmbH	Germany								S4
GE Auto Service Leasing GmbH	Austria								S4
GE Capital Largo Plaza SL	Spain								S4
Greenvall Insurance DAC (Ex- Greenvall Insurance Co.) Ltd	Ireland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	

Name	Country	31 December 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Itelcar Automoveis de Aluguer Unipessoal Lda	Portugal								S4
Locadif	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Public Locallon Longue Durée	France	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
TEB Anrak Azrak Fik Kralama AS	Turkey	Full	100.0%	75.0%		Full	100.0%	75.0%	V3
Leasing Solutions									
Ace Equipment Leasing	Belgium								S3
Albury Asset Rentals Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
Al In One Vermietung GmbH	Austria								S3
Al In One Vermietungsgesellschaft für Telekommunikationsanlagen mbH	Germany				S3	Equity *	100.0%	83.0%	
Agrolis Finance	France	Full	51.0%	42.3%		Full	51.0%	42.3%	
Arius	France	Full	100.0%	83.0%		Full	100.0%	83.0%	
Artegy	France	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Finansal Kralama AS	Turkey	Full	100.0%	82.5%		Full	100.0%	82.5%	
BNPP Lease Group	France	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
BNPP Lease Group (Germany branch)	Germany	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
BNPP Lease Group (Italy branch)	Italy	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
BNPP Lease Group (Portugal branch)	Portugal	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
BNPP Lease Group (Spain branch)	Spain	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
BNPP Lease Group Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Lease Group KFT	Hungary				S3	Equity *	100.0%	83.0%	
BNPP Lease Group Leasing Solutions SPA	Italy	Full	100.0%	95.5%		Full	100.0%	95.5%	
BNPP Lease Group Lizing RT	Hungary				S3	Equity *	100.0%	83.0%	
BNPP Lease Group PLC	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Lease Group Rentals Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Lease Group SP ZOO	Poland	Full	100.0%	83.0%	D1	Equity *	100.0%	83.0%	
BNPP Leasing Services	Poland	Full	100.0%	88.3%	E1				
BNPP Leasing Solutions	Luxembourg	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Leasing Solutions IFN SA (Ex- BNPP Lease Group IFN SA)	Romania	Full	100.0%	83.0%	D1	Equity *	100.0%	83.0%	
BNPP Leasing Solutions Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Leasing Solutions NV	Netherlands	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Leasing Solutions Suisse SA	Switzerland	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
BNPP Rental Solutions Ltd	UK	Full	100.0%	83.0%	D1	Equity *	100.0%	83.0%	
BNPP Rental Solutions SPA (Ex- Locastore Italiana SPA)	Italy	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
Claas Financial Services	France	Full (1)	51.0%	42.3%	V2	Full (1)	60.1%	49.9%	
Claas Financial Services (Germany branch)	Germany	Full (1)	100.0%	42.3%	V3	Full (1)	100.0%	49.9%	
Claas Financial Services (Italy branch)	Italy	Full (1)	100.0%	42.3%	V3	Full (1)	100.0%	49.9%	
Claas Financial Services (Poland branch)	Poland	Full (1)	100.0%	42.3%	V3	Full (1)	100.0%	49.9%	
Claas Financial Services (Spain branch)	Spain	Full (1)	100.0%	42.3%	V3	Full (1)	100.0%	49.9%	
Claas Financial Services Inc	USA								S2
Claas Financial Services Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
CNH Industrial Capital Europe	France	Full (1)	50.1%	41.6%		Full (1)	50.1%	41.6%	
CNH Industrial Capital Europe (Belgium branch)	Belgium	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe (Germany branch)	Germany	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe (Italy branch)	Italy	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe (Poland branch)	Poland	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe (Spain branch)	Spain	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe BV	Netherlands	Full	100.0%	41.6%		Full	100.0%	41.6%	
CNH Industrial Capital Europe GmbH	Austria	Full	100.0%	41.6%		Full	100.0%	41.6%	
CNH Industrial Capital Europe Ltd	UK	Full	100.0%	41.6%		Full	100.0%	41.6%	
Commercial Vehicle Finance Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
ES Finance	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
Fortis Lease	France	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
Fortis Lease Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
Fortis Lease Deutschland GmbH	Germany	Full	100.0%	83.0%	D1	Equity *	100.0%	83.0%	
Fortis Lease Iberia SA	Spain	Full	100.0%	86.6%	D1	Equity *	100.0%	86.6%	
Fortis Lease Operativ Lizing ZRT	Hungary								S1
Fortis Lease Portugal	Portugal	Full	100.0%	83.0%	D1	Equity *	100.0%	83.0%	
Fortis Lease UK Ltd	UK	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
Fortis Lease UK Retail Ltd	UK								S3
Fortis Vastgoedlease BV	Netherlands	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
HFGL Ltd	UK								S1
Humberdyde Commercial Investments Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
Humberdyde Commercial Investments N°1 Ltd	UK								S1
JCB Finance	France	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
JCB Finance (Germany branch)	Germany	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
JCB Finance (Italy branch)	Italy	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
JCB Finance Holdings Ltd	UK	Full	50.1%	41.6%		Full	50.1%	41.6%	
Manibu Finance Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
MFF	France	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
Natio Energie 2	France								S3
Nalcoediball	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
RD Portofolio SRL	Romania				S3	Equity *	100.0%	83.0%	
Same Deutz Fahr Finance	France	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
Same Deutz Fahr Finance Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
SNC Nalcoedimurs	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
SREI Equipment Finance Ltd	India								S2
Structured Entities									
BNPP B Institutional II Short Term	Belgium				S3	Full	-	-	
BNPP B Institutional II Treasury 17	Belgium	Full	-	-	E1				
FL Zeebrugge	Belgium	Equity *	-	-	E1				
Foies Grundstueckverwaltungen und Vermietungs GmbH & Co	Germany	Equity *	-	-	E1				
New Digital Businesses									
Financière des Paiements Electroniques	France	Full	95.0%	95.0%	E3				
Lyl SA	France	Equity (3)	43.5%	43.5%	E3				
Lyl SAS	France	Equity (3)	43.3%	43.3%	E3				

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds
- E2 Incorporation
- E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- S1 Cessation of activity (dissolution, liquidation, ...)
- S2 Disposal, loss of control or loss of significant influence
- S3 Passing qualifying thresholds
- S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

		31 December 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Personal Investors									
Geop! BNPP Financial Services Ltd	India								S2
Geop! Technologies Private Ltd	India	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
Hellobank BNPP Austria AG	Austria				S4	Full	100.0%	100.0%	
Human Value Developers Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	E3
Sharekhan Financial Services Private Ltd	India	Full	100.0%	100.0%	D1	Equity *	100.0%	100.0%	E3
Sharekhan Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	E3
International Financial Services									
BNP Paribas Personal Finance									
Alpha Crédit SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
Axa Banque Financement	France	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
Banco BNPP Personal Finance SA	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banco Ceilem Argentina SA	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banco Ceilem SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banco Ceilem SAU	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banco de Servicios Financieros SA	Argentina	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
Banque Solbea	France	Equity (3)	45.0%	45.0%		Equity (3)	45.0%	45.0%	V4
BGN Mercanti E Servicos Ltda	Brazil	Full	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
BNPP Personal Finance	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance (Austria branch)	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BNPP Personal Finance (Czech Republic branch)	Czech Republic	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance (Slovakia branch)	Slovakia	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BNPP Personal Finance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance EAD	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance SA de CV	Mexico	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance South Africa Ltd (Ex-RCS Investment Holdings Ltd)	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
Cafneo	France	Full (1)	51.0%	50.8%		Full (1)	51.0%	50.8%	
Carrefour Banque	France	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
Ceilem America Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
Ceilem Bank LLC	Russia	Equity	20.8%	20.8%		Equity	20.8%	20.8%	
Ceilem IFN	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
Ceilem Services Ltda	Brazil	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	D1
Ceilem Slovensko AS	Slovakia								S4
CMV Mediforce	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Colca Bail	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Colplan	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Commerz Finanz	Germany				S4	Full	50.1%	50.1%	
Creation Consumer Finance Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Creation Financial Services Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Crédit Moderne Antilles Guyane	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Crédit Moderne Océan Indien	France	Full (1)	97.8%	97.8%		Full (1)	97.8%	97.8%	
Direct Services EAD	Bulgaria				S4	Full	100.0%	100.0%	
Dromofrance	France	Full (1)	55.0%	55.0%		Full (1)	55.0%	55.0%	
Elico	France	Equity	24.5%	24.5%	V2	Full	100.0%	100.0%	
Esprex Bank AS	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
Esprex Bank AS (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
Eos Arenas Belgium SA NV	Belgium	Equity	50.0%	49.9%		Equity	50.0%	49.9%	
Fidcom	France				S4	Full	82.4%	82.4%	
Finmesic Expansion SA	Spain								S4
Finmesic Banca SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Finmesic Banka AD	Serbia				S2	Equity *	100.0%	100.0%	D1
GCC Consumo Establecimiento Financiero de Credito SA	Spain	Full	51.0%	51.0%	D1	Equity *	51.0%	51.0%	E1
Genius Auto Finance Co Ltd	China	Equity (3)	20.0%	20.0%	E1				
Gesellschaft für Capital & Vermögensverwaltung GmbH	Germany	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
Inlesso Kodat GmbH & Co KG	Germany	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
International Development Resources AS Services SA (ex Elico Iberia)	Spain	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Laser ABS 2017 Holding Ltd	UK	Full	100.0%	100.0%	E1				
Leval 20	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Loisirs Finance	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
Magyar Ceilem Bank ZRT	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
Norskens Finance	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	V1
Olympia SAS	France	Full	50.0%	50.0%	E2				
Oney Mayorsorszag ZRT	Hungary	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
Opel Bank	France	Full	50.0%	50.0%	E3				
Opel Bank GmbH	Germany	Full	100.0%	50.0%	E3				
Opel Bank GmbH (Greece branch)	Greece	Full	100.0%	50.0%	E3				
Opel Bank GmbH (Ireland branch)	Ireland	Full	100.0%	50.0%	E3				
Opel Finance	Belgium	Equity *	100.0%	50.0%	E3				
Opel Finance AB	Sweden	Equity *	100.0%	50.0%	E3				
Opel Finance Germany Holdings GmbH	Germany	Full	100.0%	50.0%	E3				
Opel Finance International BV	Netherlands	Full	100.0%	50.0%	E3				
Opel Finance NV	Netherlands	Equity *	100.0%	50.0%	E3				
Opel Finance NV (Belgium branch)	Belgium	Equity *	100.0%	50.0%	E3				
Opel Finance SA	Switzerland	Equity *	100.0%	50.0%	E3				
Opel Finance SPA	Italy	Full	100.0%	50.0%	E3				
Opel Leasing GmbH	Germany	Full	100.0%	50.0%	E3				
Opel Leasing GmbH (Austria branch)	Austria	Full	100.0%	50.0%	E3				
OPVF Europe Holdco Ltd	UK	Full	100.0%	50.0%	E3				
OPVF Holdings UK Ltd	UK	Full	100.0%	50.0%	E3				
Prêts et Services SAS	France				S4	Full (1)	100.0%	100.0%	
Projeo	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
RCS Cards Pty Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
Retail Mobile Wallet	France				S4	Full	100.0%	100.0%	

Name	Country	31 December 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Servicios Financieros Carrefour EFC SA	Spain	Equity	37.3%	40.0%		Equity	37.3%	40.0%	
Sevcard Finans AB	Sweden	Full	100.0%	100.0%	E3				
SundaramBNPP Home Finance Ltd	India	Equity (3)	49.9%	49.9%		Equity	49.9%	49.9%	
Suning Consumer Finance Co Ltd	China	Equity	15.0%	15.0%		Equity	15.0%	15.0%	E1
Syrgma Funding Two Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Symeg	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
TEB Finansman AS	Turkey	Full	100.0%	92.8%		Full	100.0%	92.8%	
UCB Ingatlanhird ZRT	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
Union de Creditos Inmobiliarios SA	Spain	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	
Vauxhall Finance PLC	UK	Full	100.0%	50.0%	E3				
Von Essen Bank GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
Structured Entities									
B Carat	Belgium	Equity *	-	-	E3				
Cartolarizzazione Auto Receivable's SRL	Italy	Full	-	-	E3				
Cofnoga Funding Two LP	UK	Full	-	-		Full	-	-	
Ecarat 4 PLC	UK	Full	-	-	E3				
Ecarat 5 PLC	UK	Full	-	-	E3				
Ecarat 6 PLC	UK	Full	-	-	E3				
Ecarat 7 PLC	UK	Full	-	-	E3				
Ecarat 8 PLC	UK	Full	-	-	E3				
Ecarat SA	Luxembourg	Full	-	-	E3				
FCC Retail ABS Finance Noria 2009	France				S1	Full	-	-	
FCT F Carat	France	Full	-	-	E3				
Florence 1 SRL	Italy	Full	-	-		Full	-	-	
Florence SPV SRL	Italy	Full	-	-		Full	-	-	
I Carat SRL	Italy	Full	-	-	E3				
Laser ABS 2017 PLC	UK	Full	-	-	E1				
Noria 2015	France				S1	Full	-	-	
Pnedina Hypotheken 2010 BV	Netherlands	Full	-	-		Full	-	-	
Pnedina Hypotheken 2011 BV	Netherlands								S1
Pnedina Hypotheken 2013 BV	Netherlands	Full	-	-		Full	-	-	
Securely Transferred Auto Receivables II SA	Luxembourg	Full	-	-	E3				
Securisation Fonds Autnorica (a)	France	Full	-	-		Full	-	-	
Securisation Fonds Domes (b)	France	Full	-	-		Full	-	-	
Securisation Fonds UCI and Prado (c)	Spain	Equity (3)	-	-		Equity (3)	-	-	
Vault Funding Ltd	UK	Full	-	-	E3				
War12012 Ltd	UK	Full	-	-	E3				
International Retail Banking - BancWest									
1897 Services Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BancWest Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BancWest Holding Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BancWest Investment Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Bank of the West	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Bank of the West (Cayman Islands branch)	Cayman Islands								S1
Bishop Street Capital Management Corp	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
Center Club Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
CFB Community Development Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Class Financial Services LLC	USA	Full	51.0%	51.0%		Full	51.0%	51.0%	V2
Commercial Federal Affordable Housing Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Commercial Federal Community Development Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Commercial Federal Insurance Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Commercial Federal Investment Service Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
FHB Guam Trust Co	USA				S1	Full	100.0%	82.6%	V3
FHL SPC One Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
First Bancorp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
First Hawaiian Bank	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
First Hawaiian Inc	USA	Full	61.9%	61.9%	V2	Full	82.6%	82.6%	V2
First Hawaiian Leasing Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
First National Bancorporation	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
First Santa Clara Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Liberty Leasing Co	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Mountain Falls Acquisition Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Real Estate Delivery 2 Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
The Bankers Club Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
Urus Real Estate Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
Bank of the West Auto Trust 2014-1	USA	Full	-	-		Full	-	-	
Bank of the West Auto Trust 2015-1	USA	Full	-	-		Full	-	-	
Bank of the West Auto Trust 2016-2	USA	Full	-	-		Full	-	-	E2
Bank of the West Auto Trust 2017-1 (Ex-Bank of the West Auto Trust 2016-1)	USA	Full	-	-		Full	-	-	
BOW Auto Receivables LLC	USA	Full	-	-		Full	-	-	
Equipment Lot FH	USA								S2
Equipment Lot Siemens 1998A FH	USA								S3
Glendale Corporate Center Acquisition LLC	USA	Full	-	-		Full	-	-	
LACMTA Rail Statutory Trust FH1	USA	Full	-	-		Full	-	-	
Lexington Blue LLC	USA								S2
Riverwalk Village Three Holdings LLC	USA				S1	Full	-	-	
Santa Rita Townhomes Acquisition LLC	USA				S1	Full	-	-	
ST 2001 FH 1 Statutory Trust	USA	Full	-	-		Full	-	-	
SMB 99-1	USA								S2
VTA 1998 FH	USA	Full	-	-		Full	-	-	

(a) As at 31 December 2017 and 31 December 2016, the securitisation funds Autnorica includes 1 silo (Autnorica 2014)

(b) As at 31 December 2017, the securitisation funds Domes include 3 funds: Domes 2008, Domes 2011 with its 2 silos (Domes 2011-A and Domes 2011-B) and

Domes 2017. Versus 2 funds: Domes 2008, Domes 2011 with its 2 silos (Domes 2011-A and Domes 2011-B) as at 31 December 2016

(c) As at 31 December 2017, the securitisation funds UCI and Prado include 14 funds (FCC UCI 9 to 12, 14 to 18 and RMBS Prado 1 to V), versus 14 funds (FCC UCI 7 to 12, 14 to 18 and RMBS Prado 1 to III) as at 31 December 2016

		31 December 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
International Retail Banking - Europe-Mediterranean									
Bank BGZ BNPP SA	Poland	Full	88.3%	88.3%		Full	88.3%	88.3%	
Bank of Nanjing	China	Equity	18.2%	18.2%	V2	Equity	18.9%	18.9%	V1
Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire	Ivory Coast	Full	59.8%	59.8%		Full	59.8%	59.8%	
Banque Internationale pour le Commerce et l'Industrie de la Guinée	Guinea	Full	55.6%	55.6%		Full	55.6%	55.6%	D1
Banque Internationale pour le Commerce et l'Industrie du Burkina Faso	Burkina Faso	Full	51.0%	51.0%		Full	51.0%	51.0%	
Banque Internationale pour le Commerce et l'Industrie du Gabon	Gabon	Equity	47.0%	47.0%		Equity	47.0%	47.0%	
Banque Internationale pour le Commerce et l'Industrie du Mali	Mali	Full	85.0%	85.0%		Full	85.0%	85.0%	
Banque Internationale pour le Commerce et l'Industrie du Sénégal	Senegal	Full	54.1%	54.1%		Full	54.1%	54.1%	
Banque Marocaine pour le Commerce et l'Industrie	Morocco	Full	67.0%	67.0%		Full	67.0%	67.0%	V4
Banque Marocaine pour le Commerce et l'Industrie Banque Offshore	Morocco	Full	100.0%	67.0%		Full	100.0%	67.0%	V4
BGZ BNPP Faktoring Spolka ZOO	Poland	Full	100.0%	100.0%	E1				
BICI Bourse	Ivory Coast	Equity *	90.0%	53.5%		Equity *	90.0%	53.5%	
BMCI Asset Management	Morocco				S3	Equity *	100.0%	67.0%	V4
BMCI Assurance SARL	Morocco				S3	Equity *	100.0%	67.0%	V4
BMCI Leasing	Morocco	Full	86.9%	58.2%		Full	86.9%	58.2%	V4
BNPP El Djazir	Algeria	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Fortis Yatirimlar Holding AS	Turkey	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP IRB Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Yatirimlar Holding AS	Turkey	Full	100.0%	100.0%		Full	100.0%	100.0%	
IC Ava Insurance JSC	Ukraine	Equity	49.8%	29.9%		Equity	49.8%	29.9%	V2
Syrgma Bank Polska SA	Poland								S4
TBB Faktoring AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	V4
TBB Holding AS	Turkey	Full	50.0%	50.0%		Full	50.0%	50.0%	
TBB Portfoy Yonemli AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	
TBB SH A	Serbia	Full	100.0%	50.0%		Full	100.0%	50.0%	
TBB Yatirim Menkul Degerler AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	V4
Turk Ekonomi Bankasi AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	V4
UkrSibbank Public JSC	Ukraine	Full	60.0%	60.0%		Full	60.0%	60.0%	V2
Union Bancaire pour le Commerce et l'Industrie	Tunisia	Full	50.1%	50.1%		Full	50.1%	50.1%	
Structured Entities									
BGZ Poland ABS1 DAC	Ireland	Full	-	-	E1				
Insurance									
AG Insurance	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
BNPP Cardif	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif BV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Compania de Seguros y Reaseguros SA (Ex- Cardif del Peru Compania de Seguros SA)	Peru	Equity *	100.0%	100.0%	E1				
BNPP Cardif Emekliik AS	Turkey	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	D1
BNPP Cardif General Insurance Co Ltd	Rep. of Korea	Equity *	90.0%	90.0%	V1	Equity *	79.6%	79.6%	V4
BNPP Cardif Hayat Sigorta AS	Turkey	Equity *	100.0%	100.0%	E1				
BNPP Cardif Levensverzekeringen NV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Pojsitovna AS	Czech Republic	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif PSC Ltd	UK								S3
BNPP Cardif Schadeverzekeringen NV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Seguros de Vida SA	Chile	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Seguros Generales SA	Chile	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Servicios y Asistencia Ltda	Chile	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Cardif TCB Life Insurance Co Ltd	Taiwan	Equity	49.0%	49.0%		Equity	49.0%	49.0%	
BNPP Cardif Vita Compagnia di Assicurazione E Riassicurazione SPA	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BOB Cardif Life Insurance Co Ltd	China	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
Capital France Hotel	France	Full (2)	98.6%	98.6%	E1				
Cardif Assurance Vie	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Austria branch)	Austria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Belgium branch)	Belgium	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Germany branch)	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Italy branch)	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Japan branch)	Japan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Portugal branch)	Portugal	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Romania branch)	Romania	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Spain branch)	Spain	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Switzerland branch)	Switzerland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Taiwan branch)	Taiwan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Austria branch)	Austria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Belgium branch)	Belgium	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Germany branch)	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Italy branch)	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Japan branch)	Japan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Luxembourg branch)	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Poland branch)	Poland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	

Name	Country	31 décembre 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Assurances Risques Divers (Romania branch)	Romania	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Assurances Risques Divers (Spain branch)	Spain	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Assurances Risques Divers (Switzerland branch)	Switzerland	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Assurances Risques Divers (Taiwan branch)	Taiwan	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Bizsib Magyarorszag ZRT	Hungary								S3
Cardif Colombia Seguros Generales SA	Colombia	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif do Brasil Seguros e Garantias SA	Brazil	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif do Brasil Vida e Previdencia SA	Brazil	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif El Djazir	Algeria	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif Forsaking AB	Sweden	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif Forsaking AB (Denmark branch)	Denmark	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif Forsaking AB (Norway branch)	Norway	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif IARD	France				S3	Equity *		100.0%	100.0%
Cardif IARD	France	Equity *		83.3%	83.3%	E1			
Cardif Insurance Co LLC	Russia	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Life Insurance Co Ltd	Rep. of Korea	Full	(2)	85.0%	85.0%	Full	(2)	85.0%	85.0%
Cardif Livforsaking AB	Sweden	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif Livforsaking AB (Denmark branch)	Denmark	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif Livforsaking AB (Norway branch)	Norway	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif Lux Vie	Luxembourg	Full	(2)	66.7%	55.3%	Full	(2)	66.7%	55.3%
Cardif Mexico Seguros de Vida SA de CV	Mexico	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif Mexico Seguros Generales SA de CV	Mexico	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif Nordic AB	Sweden	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Osiguranje Dioničko Društvo ZA	Croatia				S2	Equity *		100.0%	100.0%
Cardif Pinnacle Insurance Holdings PLC	UK	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Pinnacle Insurance Management Services PLC	UK	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Polska Towarzystwo Ubezpieczeń Na Żywiec SA	Poland	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Cardif Seguros SA	Argentina	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Cardif Services SAS	France				S3				
Cardif Servicios SA	Argentina	Equity *		100.0%	100.0%	E1			
Cardimmo	France	Full	(2)	100.0%	100.0%	Full	(2)	-	-
Cargass Assicurazioni SPA	Italy	Full	(2)	100.0%	100.0%	V1			
Carma Grand Horizon SARL	France	Full	(2)	100.0%	100.0%	E1			
CB UK Ltd	UK	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
CFH Algonquin Management Partners France Italia	Italy	Full	(2)	100.0%	98.6%	E1			
CFH Bercy	France	Full	(2)	100.0%	98.6%	E1			
CFH Bercy Hotel	France	Full	(2)	100.0%	98.6%	E1			
CFH Bercy Intermediaire	France	Full	(2)	100.0%	98.6%	E1			
CFH Boulogne	France	Full	(2)	100.0%	98.6%	E1			
CFH Cap d'Al	France	Full	(2)	100.0%	98.6%	E1			
CFH Milan Holdco SRL	Italy	Full	(2)	100.0%	98.6%	E1			
CFH Montmartre	France	Full	(2)	100.0%	98.6%	E1			
CFH Montparnasse	France	Full	(2)	100.0%	98.6%	E1			
Corosca	France	Full	(2)	100.0%	100.0%	E1			
Darnel DAC (Ex - Darnel Ltd)	Ireland	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
GIE BNPP Cardif	France	Full	(2)	100.0%	99.0%	Full	(2)	100.0%	99.0%
Hibernia France	France	Full	(2)	100.0%	98.6%	E1			
Icare	France	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Icare Assurance	France	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Luitzseg	Brazil	Equity		50.0%	50.0%	Equity		50.0%	50.0%
Nalfo Assurance	France	Equity		50.0%	50.0%	Equity		50.0%	50.0%
NCVP Participacoes Societarias SA	Brazil	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Pinnacle Insurance PLC	UK	Full	(2)	100.0%	100.0%	Full	(2)	100.0%	100.0%
Pozycja Arkus Powaszczynie Towarzystwo Emerytalne SA	Poland				S3				
Polisovna Cardif Slovakia AS	Slovakia	Equity *		100.0%	100.0%	Equity *		100.0%	100.0%
Reunam Investissements	France	Full	(2)	100.0%	100.0%	E1			
Ruel Ariane	France	Full	(2)	100.0%	100.0%	E1			
SAS HVP	France	Full	(2)	100.0%	98.6%	E1			
SCI 68 70 Rue de Lagny Montreuil	France	Full	(2)	100.0%	100.0%	E1			
SCI BNPP Pierre I	France	Full	(2)	100.0%	100.0%	E1			
SCI BNPP Pierre II	France	Full	(2)	100.0%	100.0%	E1			
SCI Bobigny Jean Rostand	France	Full	(2)	100.0%	100.0%	E1			
SCI Cardif Logement	France	Full	(2)	100.0%	100.0%	E1			
SCI Citylight Boulogne	France	Full	(2)	100.0%	100.0%	E1			
SCI Défense Ebile	France	Full	(2)	100.0%	100.0%	E1			
SCI Défense Vendome	France	Full	(2)	100.0%	100.0%	E1			
SCI Ebile du Nord	France	Full	(2)	100.0%	100.0%	E1			
SCI Fontenay Plaisance	France	Full	(2)	100.0%	100.0%	E1			
SCI Le Mans Gare	France	Full	(2)	100.0%	100.0%	E1			
SCI Nanterre Guillaumes	France	Full	(2)	100.0%	100.0%	E1			
SCI Nantes Carnot	France	Full	(2)	100.0%	100.0%	E1			
SCI Odyssée	France	Full	(2)	100.0%	100.0%	Full	(2)	-	-
SCI Pantin Les Moulins	France	Full	(2)	100.0%	100.0%	E1			
SCI Paris Batignolles	France	Full	(2)	100.0%	100.0%	E1			
SCI Paris Cours de Vincennes	France	Full	(2)	100.0%	100.0%	E1			
SCI Porte d'Asnières	France	Full	(2)	100.0%	100.0%	E1			
SCI Portes de Claye	France	Equity		45.0%	45.0%	Equity		45.0%	45.0%
SCI Rue Moussorgski	France	Full	(2)	100.0%	100.0%	E1			
SCI Ruel Caudron	France	Full	(2)	100.0%	100.0%	E1			
SCI Saint Denis Landy	France	Full	(2)	100.0%	100.0%	E1			
SCI Saint Denis Mitterrand	France	Full	(2)	100.0%	100.0%	E1			

		31 December 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
SCI Scoo	France	Equity		46.4%	46.4%	Equity		46.4%	46.4%
SCI Vileurbanne Stalingrad	France	Full	(2)	100.0%	100.0%	E1			
Société Française d'Assurances sur la Vie	France	Equity		50.0%	50.0%	E1			
Société Immobilière du Royal Building SA	Luxembourg	Full	(2)	100.0%	55.3%	Full	(2)	-	-
State Bank of India Life Insurance Co Ltd	India	Equity		22.0%	22.0%	V2	Equity	26.0%	26.0%
Valuer Pierre Epargne	France	Full	(2)	100.0%	100.0%	E1			
Structured Entities									
BNPP Adions Eurland	France	Full	(4)	-	-	Full	(2)	-	-
BNPP Aqua	France	Full	(4)	-	-	Full	(2)	-	-
BNPP Convictions	France	Full	(4)	-	-	Full	(2)	-	-
BNPP CP Cardif Alternative	France	Full	(4)	-	-	E1			
BNPP CP Cardif Private Debt	France	Full	(4)	-	-	E1			
BNPP Développement Humain	France	Full	(4)	-	-	Full	(2)	-	-
BNPP Diversipierre	France	Full	(2)	-	-	E1			
BNPP France Crédit	France	Full	(4)	-	-	E1			
BNPP Global Senior Corporate Loans	France	Full	(4)	-	-	Full	(2)	-	-
BNPP Indico Euro	France	Full	(4)	-	-	E1			
Carnegeston Obilflexible	France	Full	(4)	-	-	E1			
Cardif Alternatives Part I	France	Full	(4)	-	-	E1			
Cardif BNPP IP Convertibles World	France	Full	(4)	-	-	E1			
Cardif BNPP IP Equity Frontier Markets	France	Full	(4)	-	-	E1			
Cardif BNPP IP Signatures	France	Full	(4)	-	-	E1			
Cardif BNPP IP Smid Cap Euro	France	Full	(4)	-	-	E1			
Cardif BNPP IP Smid Cap Europe	France	Full	(4)	-	-	E1			
Cardif CPR Base Crédit	France	Full	(4)	-	-	E1			
Cardif Edrim Signatures	France	Full	(4)	-	-	E1			
Cardif Via Convex Fund Eur	France	Full	(4)	-	-	E1			
Cedrus Carbon Initiative Trends	France	Full	(4)	-	-	E1			
EP L	France	Full	(2)	-	-	E1			
FP Cardif Convex Fund USD	France	Full	(4)	-	-	E1			
Fundamenta	Italy	Full	(2)	-	-	E1			
G C Thematic Opportunities II	Ireland	Full	(4)	-	-	E1			
Nalfo Fonds Ampère 1	France	Full	(4)	-	-	Full	(2)	-	-
Nalfo Fonds Athens Investissement N 1	France	Full	(4)	-	-	E1			
Nalfo Fonds Athens Investissement N 5	France	Full	(4)	-	-	E1			
Nalfo Fonds Colline International	France	Full	(4)	-	-	E1			
Nalfo Fonds Collines Investissement N 3	France	Full	(4)	-	-	E1			
New Alpha Cardif Incubator Fund	France	Full	(4)	-	-	E1			
Opéra Rendement	France	Full	(2)	-	-	E1			
Permal Cardif Co Investment Fund	France	Full	(4)	-	-	E1			
Theam Quant Equity Europe Guru	France								S2
Tikehau Cardif Loan Europe	France	Full	(4)	-	-	E1			
Valtres FCP	France	Full	(4)	-	-	E1			
Wealth Management									
Bank Insigner de Beaufort NV	Netherlands								S2
Bank Insigner de Beaufort NV (UK branch)	UK								S2
BNPP Espana SA	Spain	Full		99.7%	99.7%	Full		99.7%	99.7%
BNPP Wealth Management	France								S4
BNPP Wealth Management (Hong Kong branch)	Hong Kong								S4
BNPP Wealth Management (Singapore branch)	Singapore								S4
BNPP Wealth Management Monaco	Monaco	Full	(1)	100.0%	100.0%	Full	(1)	100.0%	100.0%
SNC Conseil Investissement	France				S3	Equity *		100.0%	100.0%
Asset Management (Ex- Investment Partners)									
Alfred Berg Asset Management AB	Sweden	Full		100.0%	98.3%	Full		100.0%	98.3%
Alfred Berg Asset Management AB (Denmark branch)	Denmark								S1
Alfred Berg Asset Management AB (Finland branch)	Finland				S1	Full		100.0%	98.3%
Alfred Berg Asset Management AB (Norway branch)	Norway				S1	Full		100.0%	98.3%
Alfred Berg Fonder AB	Sweden				S3	Full		100.0%	98.3%
Alfred Berg Kapitalforvaltning AB	Sweden	Full		100.0%	98.3%	Full		100.0%	98.3%
Alfred Berg Kapitalforvaltning AS	Norway	Full		100.0%	98.3%	Full		100.0%	98.3%
Alfred Berg Kapitalforvaltning Finland AB	Finland				S2	Full		100.0%	98.3%
Alfred Berg Rahastoyhio OY	Finland				S2	Full		100.0%	98.3%
Bancoestado Administradora General de Fondos SA	Chile	Equity		50.0%	49.1%	Equity		50.0%	49.1%
BNPP Asset Management Asia Ltd	Hong Kong	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management Australia Ltd	Australia				S3	Equity *		100.0%	98.3%
BNPP Asset Management Be Holding	Belgium	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management Belgium	Belgium	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management Belgium (Germany branch)	Germany	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management Brasil Ltda	Brazil	Full		100.0%	99.6%	Full		100.0%	99.6%
BNPP Asset Management France	France	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management France (Austria branch)	Austria	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management Holding	France	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management India Private Ltd	India	Equity *		100.0%	98.3%	Equity *		100.0%	98.3%
BNPP Asset Management Japan Ltd	Japan	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management Luxembourg	Luxembourg	Full		99.7%	98.0%	Full		99.7%	98.0%
BNPP Asset Management Nederland NV	Netherlands	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management Netherlands NV	Netherlands	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management NL Holding NV	Netherlands	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management Singapore Ltd	Singapore				S3	Equity *		100.0%	98.3%
BNPP Asset Management UK Ltd	UK	Full		100.0%	98.3%	Full		100.0%	98.3%
BNPP Asset Management USA Holdings Inc	USA	Full		100.0%	100.0%	Full		100.0%	100.0%

Name	Country	31 December 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNPP Asset Management USA Inc (Ex- Fischer Francis Trees & Waits Inc)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Capital Partners	France	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Dealing Services	France	Full (1)	100.0%	98.3%	V3	Full (1)	100.0%	100.0%	
BNPP Dealing Services (UK branch)	UK	Full (1)	100.0%	98.3%	V3	Full (1)	100.0%	100.0%	
BNPP Dealing Services Asia Ltd	Hong Kong				S3	Full	100.0%	100.0%	
BNPP Investment Partners Argentina SA	Argentina				S3	Equity *	100.0%	99.6%	
BNPP Investment Partners Australia Holdings Pty Ltd	Australia				S3	Full	100.0%	98.3%	
BNPP Investment Partners Lalam SA de CV	Mexico				S3	Equity *	99.1%	97.4%	
BNPP Investment Partners PT	Indonesia	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Investment Partners SGR SPA	Italy	Full	100.0%	98.3%	V3	Full	100.0%	100.0%	
Camgestion	France				S4	Full	100.0%	98.3%	
Elite Asset Management PLC	Finland	Equity	19.0%	18.7%	E3				S3
Fischer Francis Trees & Waits UK Ltd	UK								
Fund Channel	Luxembourg	Equity	50.0%	49.1%		Equity	50.0%	49.1%	
Fundquest Advisor	France	Equity *	100.0%	98.3%		Equity *	100.0%	98.3%	
Fundquest Advisor (UK branch)	UK	Equity *	100.0%	98.3%		Equity *	100.0%	98.3%	
Hallong Fortis Private Equity Fund Management Co Ltd	China	Equity	33.0%	32.4%		Equity	33.0%	32.4%	
HFT Investment Management Co Ltd	China	Equity	49.0%	48.2%		Equity	49.0%	48.2%	
Impact Asset Management Group PLC	UK	Equity	25.0%	24.6%	E1				
Shinhan BNPP Asset Management Co Ltd	Rep. of Korea	Equity	35.0%	34.4%		Equity	35.0%	34.4%	
Theam	France				S4	Full	100.0%	98.3%	
Real Estate Services									
99 West Tower GmbH & Co KG	Germany	Full	100.0%	100.0%	E3				
99 West Tower GP GmbH	Germany	Full	100.0%	100.0%	E3				
Auguste Thourard Expertise	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Promolion Immobilier d'Entreprise	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Promolion Résidentiel	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidences Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidentiel	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidentiel Service Clients	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidentiel Transaction & Conseil	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory & Property Management Luxembourg SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory & Property Management UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory and Property Management Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Belgium SA	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Netherlands BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory SA	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate APM CR SRO (Ex- BNPP Real Estate Advisory & Property Management Czech Republic SRO)	Czech Republic	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Consult France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Consult GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Facilities Management Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Financial Partner	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Holding Benelux SA	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Holding GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Holding Netherlands BV (Ex- Alseal Netherlands BV)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Hotels France	France				S4	Full	100.0%	96.3%	V4
BNPP Real Estate Investment Management Belgium	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	V1
BNPP Real Estate Investment Management Germany GmbH	Germany	Full	94.9%	94.9%		Full	94.9%	94.9%	
BNPP Real Estate Investment Management Germany GmbH (Italy branch)	Italy	Full	94.9%	94.9%		Full	100.0%	94.9%	
BNPP Real Estate Investment Management Germany GmbH (Spain branch)	Spain	Full	94.9%	94.9%		Full	100.0%	94.9%	
BNPP Real Estate Investment Management Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management Luxembourg SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Italy SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Jersey Ltd	Jersey				S2	Full	100.0%	100.0%	
BNPP Real Estate Magyarorszag Tanacsado Es Ingatlankezelő ZRT (Ex- BNPP Real Estate Advisory & Property Management Hungary Ltd)	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Poland SP ZOO	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	

Name	Country	31 December 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNPP Real Estate Property Development UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Development Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management Belgium	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management France SAS	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management Italy SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Transaction France	France	Full	96.1%	96.1%	V2	Full	96.3%	96.3%	V1
BNPP Real Estate Valuation France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
FG Ingénierie et Promotion Immobilière	France				S4	Full	100.0%	100.0%	
GIE Siège Issy	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Horti Milano SRL	Italy	Full	100.0%	100.0%	E1				
Immobilière des Bergues	France				S4	Full	100.0%	100.0%	
Lochi SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Meunier Hispania	Spain								S1
Parker Tower Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Partner's & Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Pyrotox GB 1 SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
Pyrotox SARL	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
REPD Parker Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
San Basilio 45 SRL	Italy								S2
Construction-Sale Companies (Real Estate programs) (d)	France	Full / Equity	-	-		Full / Equity	-	-	
Sviluppo Residenziale Italia SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Corporate & Institutional Banking									
Securities services									
BNPP Fund Administration Services Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Fund Services Australasia Pty Ltd	Australia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Fund Services Australasia Pty Ltd (New Zealand branch)	New Zealand	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Fund Services France	France								S4
BNPP Global Securities Operations Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Services	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Australia branch)	Australia	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Belgium branch)	Belgium	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Germany branch)	Germany	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Greece branch)	Greece	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Guernsey branch)	Guernsey	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Hong Kong branch)	Hong Kong	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Hungary branch)	Hungary	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Ireland branch)	Ireland	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Italy branch)	Italy	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Jersey branch)	Jersey	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Luxembourg branch)	Luxembourg	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Netherlands branch)	Netherlands	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Poland branch)	Poland	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Portugal branch)	Portugal	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Singapore branch)	Singapore	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Spain branch)	Spain	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Switzerland branch)	Switzerland	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (UK branch)	UK	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
CIB EMEA (Europ, Middle East, Africa)									
France									
BNPP Arbitrage	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Arbitrage (UK branch)	UK	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Esomert	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Lafite Participation 22	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Opéra Trading Capital	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Opéra Trading Capital (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
Opéra Trading Capital (UK branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Parleasse	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
SNC Talbott Participation 3	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Verner Investissements	France	Equity	40.0%	50.0%		Equity	40.0%	50.0%	
Structured Entities									
Anin Participation 8	France								S4
Altargats	France	Full	-	-		Full	-	-	
Austin Finance	France	Full	-	-		Full	-	-	
Compagnie d'Investissement Italiens	France	Full	-	-		Full	-	-	
Compagnie d'Investissement Opéra	France	Full	-	-		Full	-	-	
Financière des Italiens	France	Full	-	-		Full	-	-	
Financière Paris Haussmann	France	Full	-	-		Full	-	-	
Financière Talbott	France	Full	-	-		Full	-	-	
Mediterranea	France	Full	-	-		Full	-	-	
Opécharms	France	Full	-	-		Full	-	-	
Participations Opéra	France	Full	-	-		Full	-	-	
Other European countries									
Alpha Murcia Holding BV	Netherlands	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
BNP PUK Holding Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Bank JSC	Russia	Full	100.0%	100.0%		Full	100.0%	100.0%	

(d) As at 31 December

Name	Country	31 December 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNPP Commodity Futures Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Emissions Und Handels GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Invest Holdings BV	Netherlands	Full	100.0%	100.0%	E1				
BNPP Ireland Unlimited Co	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Islamic Insurance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Insurance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Net Ltd	UK	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Prime Brokerage International Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP UK Holdings Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Varty Reinsurance DAC	Ireland	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Financière Hime SA	Luxembourg	Equity	22.5%	22.5%	E1				
FScholen	Belgium	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
Greenstars BNPP	Luxembourg	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Harewood Holdings Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Hime Holding 1 SA	Luxembourg	Equity	26.4%	26.4%	E1				
Hime Holding 2 SA	Luxembourg	Equity	21.0%	21.0%	E1				
Hime Holding 3 SA	Luxembourg	Equity	20.6%	20.6%	E1				
Landscape Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
SC Nueva Condo Murcia SL	Spain				S2	Equity *	100.0%	99.9%	
Ulexam Logistics Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
Ulexam Solutions Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
Alectra Finance PLC	Ireland	Full	-	-		Full	-	-	
Altayer SARL	Luxembourg								S1
Aquarius + Investments PLC	Ireland	Full	-	-		Full	-	-	
Aries Capital DAC	Ireland	Full	-	-	E1				
BNPP International Finance Dublin	Ireland	Full	-	-		Full	-	-	
BNPP Investments N 1 Ltd	UK	Full	-	-		Full	-	-	
BNPP Investments N 2 Ltd	UK	Full	-	-		Full	-	-	
Boug BV	Netherlands	Full	-	-		Full	-	-	
Boug BV (UK branch)	UK	Full	-	-		Full	-	-	
Crossen SARL	Luxembourg								S3
Harewood Financing Ltd	UK								S3
Madison Arbor Ltd	Ireland	Full	-	-		Full	-	-	
Matchpoint Finance PLC	Ireland	Full	-	-		Full	-	-	
Omega Capital Funding Ltd	Ireland				S1	Full	-	-	
Omega Capital Investments PLC	Ireland				S1	Full	-	-	
Royale Neuve I SARL	Luxembourg								S1
Scalds Capital Ireland Ltd	Ireland								S3
Scalds Capital Ltd	Jersey	Full	-	-		Full	-	-	
Middle East									
BNPP Investment Co KSA	Saudi Arabia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Africa									
BNPP Securities South Africa Holdings Pty Ltd	South Africa				S3	Equity *	60.0%	60.0%	
BNPP Securities South Africa Pty Ltd	South Africa				S3	Equity *	100.0%	60.0%	
CIB Americas									
Banco BNPP Brasil SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banexi Holding Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Canada Corp	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Canada Valeurs Mobilières Inc	Canada				S3	Equity *	100.0%	100.0%	
BNPP Capital Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP CC Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Colombia Corporación Financiera SA	Colombia	Full	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
BNPP Energy Trading Canada Corp	Canada								S3
BNPP Energy Trading GP	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Energy Trading Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Energy Trading LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP FS LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP IT Solutions Canada Inc	Canada	Full	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
BNPP Leasing Corp	USA				S1	Equity *	100.0%	100.0%	D1
BNPP Mortgage Corp	USA								S4
BNPP Prime Brokerage Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP RCC Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP US Wholesale Holdings Corp (Ex- BNPP North America)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
FB Transportation Capital LLC	USA								S1
Fortis Funding LLC	USA								S3
French American Banking Corp	USA				S1	Full	100.0%	100.0%	
FSI Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Via North America Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
BNPP EQD Brazil Fund Fundo de Investimento Multimercado	Brazil	Full	-	-		Full	-	-	
BNPP Finance Inc	USA								S3
BNPP Proprietary Fundo de Investimento Multimercado	Brazil	Full	-	-		Full	-	-	
BNPP VPG Adonis LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Brooklyn LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Brookline Cre LLC	USA	Full	-	-		Full	-	-	
BNPP VPG CT Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG EDMC Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Express LLC	USA	Full	-	-		Full	-	-	

Name	Country	31 December 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNPP VPG Freedom Communications LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Legacy Cabinets LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Mark IV LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Master IV LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Medianews Group LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Northstar LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Pacex LLC	USA	Full	-	-		Full	-	-	
BNPP VPG PCMC LLC	USA	Full	-	-		Full	-	-	
BNPP VPG SBX Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG SDI Media Holdings LLC	USA				S1	Full	-	-	
Matchpoint Master Trust	USA								S1
Ozcar Multi Strategies LLC	USA				S3	Equity *	-	-	E1
Starbird Funding Corp	USA	Full	-	-		Full	-	-	
VPG SDI Media LLC	USA				S1	Equity *	-	-	
CIB Pacific Asia									
Bank BNPP Indonesia PT	Indonesia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNP Pacific Australia Ltd	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Amber Holdings Pty Ltd	Australia	Full	100.0%	100.0%	E1				
BNPP Arbitrage Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP China Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Commodities Trading Shanghai Co Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Finance Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP India Holding Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP India Solutions Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Malaysia Berhad	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Asia Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities India Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Japan Ltd	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Korea Co Ltd	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Singapore Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Taiwan Co Ltd	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Indonesia PT (Ex- BNPP Securities Indonesia PT)	Indonesia	Full	99.0%	99.0%		Full	99.0%	99.0%	
BNPP SJ Ltd	Hong Kong				S3	Equity *	100.0%	100.0%	
BNPP SJ Ltd (Japan branch)	Japan				S3	Equity *	100.0%	100.0%	
BPP Holdings Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
Other Business Units									
BNPP Suisse SA	Switzerland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Suisse SA (Guernsey branch)	Guernsey	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Suisse SA (Jersey branch)	Jersey								S1
Private Equity (BNP Paribas Capital)									
Cobema	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
Compagnie Financière Ottomane SA	Luxembourg	Full	97.3%	97.2%	V1	Full	97.2%	97.2%	V1
Property companies (property used in operations)									
Anin Participation 5	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Société Immobilière du Marché Saint Honoré	France	Full	100.0%	100.0%	V1	Full	99.9%	99.9%	
Investment companies and other subsidiaries									
BNPP Home Loan SFH	France	Full	(1) 100.0%	100.0%		Full	(1) 100.0%	100.0%	
BNPP Partners for Innovation	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
BNPP Public Secteur SCF	France	Full	(1) 100.0%	100.0%		Full	(1) 100.0%	100.0%	
BNPP SB Re	Luxembourg	Full	(2) 100.0%	100.0%		Full	(2) 100.0%	100.0%	
Financière du Marché Saint Honoré	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
GIE Groupement Auxiliaire de Moyens	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Le Sphinx Assurances Luxembourg SA	Luxembourg	Full	(2) 100.0%	100.0%		Full	(2) 100.0%	100.0%	D1
Lion International Investments SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
Pagefin SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
Sagip	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
Société Auxiliaire de Construction Immobilière	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Société Obaisienne de Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
UCB Bail 2	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
BNPP B Institutional II Court Terme	Belgium	Full	-	-		Full	-	-	
BNPP SME 1	France	Full	-	-		Full	-	-	
BNPP US Medium Term Notes Program LLC	USA								S3
FCT Laif 2016	France	Full	-	-		Full	-	-	E2
FCT Opéra 2014	France	Full	-	-		Full	-	-	

As requested by the ANC 2016 regulation, the list of entities that are controlled by the Group, jointly controlled or under significant influence, but excluded from the scope of consolidation since their contribution to the consolidated financial statements would be immaterial to the Group, and the list of equity investments, are available on the “Regulated Information” page of the <https://invest.bnpparibas.com> website.

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds
- E2 Incorporation
- E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- S1 Cessation of activity (dissolution, liquidation, ...)
- S2 Disposal, loss of control or loss of significant influence
- S3 Passing qualifying thresholds
- S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous

- D1 Consolidation method change not related to fluctuation in voting or ownership interest

7.k FEES PAID TO THE STATUTORY AUDITORS

Year to 31 Dec. 2017	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
Excluding tax, in thousands of euros	Total	%	Total	%	Total	%	Total	%
Statutory audits and contractual audits, including	16,683	68%	16,667	64%	11,261	92%	44,611	71%
- Issuer	3,840		4,730		2,448		11,018	
- Consolidated subsidiaries	12,843		11,937		8,813		33,593	
Services other than those required for their statutory audit engagement, including	7,906	32%	9,513	36%	935	8%	18,354	29%
- Issuer	3,534		2,622		535		6,691	
- Consolidated subsidiaries	4,372		6,891		400		11,663	
TOTAL	24,589	100%	26,180	100%	12,196	100%	62,965	100%
of which fees paid to statutory auditors in France for the statutory audit and contractual audit	5,883		4,623		4,730		15,236	
of which fees paid to statutory auditors in France for services other than those required for their statutory audit engagements	987		1,388		549		2,924	

Year to 31 Dec. 2016	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
Excluding tax, in thousands of euros	Total	%	Total	%	Total	%	Total	%
Statutory audits and contractual audits, including	13,051	62%	14,537	64%	9,595	88%	37,183	68%
- Issuer	3,133		4,145		1,829		9,107	
- Consolidated subsidiaries	9,918		10,392		7,766		28,076	
Services other than those required for their statutory audit engagement, including	7,967	38%	8,134	36%	1,349	12%	17,450	32%
- Issuer	3,240		2,369		157		5,766	
- Consolidated subsidiaries	4,727		5,765		1,192		11,684	
TOTAL	21,018	100%	22,671	100%	10,944	100%	54,633	100%

The audit fees paid to auditors which are not members of the network of one of the auditors certifying the consolidated financial statements and the non-consolidated financial statements of BNP Paribas SA, mentioned in the table above, amount to EUR 909 thousand for the year ended 31 December 2017 (EUR 687 thousand for the year ended 31 December 2016).

Services other than those required for their statutory audit engagement are mainly composed this year of reviews of the entity's compliance with regulatory requirements, and reviews of internal control quality by comparison with international standards (such as ISAE 3402) as part of services provided to customers, particularly in the Securities and Asset Management businesses, and the expertise in the bank transformation projects.

BNP Paribas SA

**Statutory Auditors' report
on the consolidated financial statements**

(For the year ended 31 December 2017)

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

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine,
France

Mazars
61, rue Henri Regnault
92400 Courbevoie,
France

**Statutory Auditors' report
on the consolidated financial statements**

(For the year ended 31 December 2017)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas SA
16, boulevard des Italiens
75009 Paris,
France

To the Shareholders of BNP Paribas,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of BNP Paribas SA for the year ended 31 December 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Financial Statements Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

BNP Paribas SA

Statutory Auditors' report on the consolidated financial statements
For the year ended 31 December 2017 - Page 2

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from 1 January 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Identification and assessment of credit risk <i>(See Notes 1.c.1, 1.c.5, 2.g, 4.f, 4.g, 4.h and 4.q to the consolidated financial statements)</i>	
Description of risk	How our audit addressed this risk
<p>As part of its banking intermediation activities, BNP Paribas is exposed to credit risk.</p> <p>It recognises impairment losses to cover known credit risks which are inherent to its operations.</p> <p>Impairment losses either take the form of individual impairment losses recognised against the related on- and off-balance sheet commitments or of collective impairment losses recognised against loan portfolios presenting similar risks which are not individually impaired. Collective provisions are determined using statistical models which require judgement at each stage of the calculation, particularly with respect to building similar portfolios and determining the inputs for the applicable risks and the obligating event of the provisions.</p> <p>Under certain circumstances, additional collective sectoral or geographic provisions are recognised in order to take into account any risks identified by BNP Paribas which are not covered by the above-mentioned individual or collective provisions.</p> <p>At 31 December 2017, total balance sheet outstandings due from customers exposed to credit risk amounted to €752.4 billion while total impairment losses stood at €24.7 billion.</p> <p>We deemed the identification and assessment of credit risk to be a key audit matter because management is required to exercise judgement and make estimates to assess credit risk, in particular as regards credit granted to companies given the potentially material amounts of the outstandings of loans to corporate counterparties.</p>	<p>We assessed the relevance of BNP Paribas' control system and tested the manual and computerised controls for identifying and measuring impairment.</p> <p>We also examined the most significant outstandings and/or portfolios at the reporting date as well as on the credit granted to companies operating in more sensitive economic sectors or geographic regions.</p> <p>More specifically, our work consisted in:</p> <ul style="list-style-type: none"> - rating corporate counterparties: we assessed the risk presented by the material counterparties whose periodic rating review had not been carried out by BNP Paribas at 31 December 2017 as well as the risk level of a sample of outstandings deemed to be performing by management; - measuring provisions recorded individually: we verified that a periodic review of the counterparties under surveillance had been carried out by BNP Paribas and based on a sample, assessed the assumptions and data used by management to estimate impairment; - measuring collective provisions: assisted by our credit risk experts, we assessed the methods used by BNP Paribas across the various scopes and the effectiveness of the data quality controls. <p>In addition, we examined the disclosures in the notes to the consolidated financial statements with respect to credit risk.</p>

Assessment of the impacts of the first-time application of IFRS 9 – Financial instruments
(See Note 1.a.2 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
<p>The entry into force of IFRS 9 – Financial instruments on 1 January 2018 has resulted in significant changes to the rules for classifying, valuing and impairing financial assets. Calculating expected credit losses requires management to exercise judgement, in particular in order to:</p> <ul style="list-style-type: none">- determine the criteria used to identify significant increases in credit risk;- measure expected credit losses;- determine how forward-looking macroeconomic information will affect the above. <p>On 31 December 2017, BNP Paribas published an estimate of the impacts on equity of the application from 1 January 2018 of IFRS 9 (see Note 1.a.2). This estimate was prepared based on numerous assumptions and judgements and using a new internal control system (IT system, data, governance, reporting, accounting controls).</p> <p>Given the complexity of the application of IFRS 9 and the significance of the information published, we deemed the assessment of the impacts of the first-time application of IFRS 9 to be a key audit matter.</p>	<p>We assessed the procedures deployed by BNP Paribas to implement the new standard. We asked our experts to assess the analyses performed and the models used by BNP Paribas to apply the new IFRS 9 accounting principles.</p> <p>With respect to classification and valuation, our work consisted in:</p> <ul style="list-style-type: none">- validating the analyses performed and the accounting principles defined by the Group and their implementation by the main business lines;- based on a sample of contracts, verifying that the estimate of the analysis was correctly prepared by BNP Paribas;- assessing the valuation models used for reclassified assets. <p>With respect to impairment, our work consisted in:</p> <ul style="list-style-type: none">- assessing the compliance of BNP Paribas' accounting principles with IFRS 9 and the methods implemented by the business lines by examining independent reviews performed internally where appropriate;- based on a sample of models, assessing the implementation of said models in IT systems and the financial reporting system. <p>In addition, we verified the consistency of the disclosures in the notes to the consolidated financial statements with the individual data published by each business line/entity.</p>

BNP Paribas SA

Statutory Auditors' report on the consolidated financial statements
For the year ended 31 December 2017 - Page 5

Valuation of financial instruments <i>(See Notes 1.c.10, 4.a, 4.b and 4.d to the consolidated financial statements)</i>	
Description of risk	How our audit addressed this risk
<p>As part of its trading activities, BNP Paribas holds financial instruments (assets and liabilities) which are recognised in the balance sheet at market value.</p> <p>Market value is determined according to different approaches, depending on the type of instrument and its complexity: (i) using directly observable quoted prices (instruments classified in level 1 of the fair value hierarchy); (ii) using valuation models whose main inputs are observable (instruments classified in level 2); and (iii) using valuation models whose main inputs are unobservable (instruments classified in level 3).</p> <p>The valuations obtained may be subject to additional value adjustments to take into account certain specific trading, liquidity or counterparty risks.</p> <p>The techniques adopted by management to measure these instruments may therefore involve significant judgement as regards the models and data used.</p> <p>At 31 December 2017, financial instruments represented €836 billion (of which €15.4 billion with respect to instruments classified in level 3) under assets and €539 billion (of which €23.5 billion with respect to instruments classified in level 3) under liabilities.</p> <p>In light of the materiality of the outstandings and the judgement used to determine market value, we deemed the measurement of financial instruments to be a key audit matter, in particular the measurement of level 3 instruments given the use of unobservable inputs.</p>	<p>Assisted by our valuation experts, we verified that the key controls used by the Group with respect to the valuation of financial instruments function properly, in particular those relating to:</p> <ul style="list-style-type: none"> - the approval and regular review by management of the risks of the valuation models; - the independent verification of the valuation inputs; - the determination of value adjustments. <p>Based on a sample, our valuation experts:</p> <ul style="list-style-type: none"> - analysed the relevance of the assumptions and inputs used; - analysed the results of the independent review of the inputs by BNP Paribas; - performed independent counter valuations using our own models. <p>We also analysed on a sample basis any differences between the valuations obtained and collateral calls with counterparties.</p> <p>In addition, we examined the disclosures in the notes to the consolidated financial statements with respect to the valuation of financial instruments.</p>

Goodwill impairment (See Notes 1.b.4 and 4.o to the consolidated financial statements)	
Description of risk	How our audit addressed this risk
<p>When recognising acquisitions, BNP Paribas records goodwill under assets, corresponding to the excess of the acquisition price of the shares over the value of the Group's interest. At 31 December 2017, goodwill amounted to €9.6 billion.</p> <p>Goodwill is tested for impairment at least once a year or more frequently if there is an indication of impairment. Comparing the carrying amount of the cash-generating units to which goodwill is allocated with their recoverable amount is a key step in the process of determining if an impairment charge should be recorded.</p> <p>We deemed goodwill impairment to be a key audit matter because management is required to exercise judgement to measure the recoverable amount of the cash-generating units, which involves making assumptions as regards the future earnings of acquirees and the discount rates applied to projected cash flows.</p>	<p>Our audit approach consisted in assessing the procedures implemented within BNP Paribas to test goodwill for impairment as well as the controls designed to identify indications of goodwill impairment.</p> <p>Assisted by our valuation experts, our work on the goodwill balances at 31 December 2017 consisted primarily in:</p> <ul style="list-style-type: none">- analysing the methods adopted by BNP Paribas;- critically reviewing the provisional business plans approved by Executive Management to ensure the reasonableness of the future cash flow estimates set out therein (in particular when projections do not match past performance);- critically analysing the main assumptions and inputs used (growth rate, cost of capital and discount rate) with respect to available external information;- assessing the analyses of the sensitivity of estimates to key inputs (in particular when the recoverable amount approximates the carrying amount). <p>Lastly, we verified the appropriateness of the disclosures in the notes to the consolidated financial statements with respect to the results of impairment and sensitivity tests.</p>

BNP Paribas SA

Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2017 - Page 7

Analysis of legal risk with respect to regulatory and administrative investigations and to class actions*(See Notes 2.g, 4.q and 7.b to the consolidated financial statements)*

Description of risk	How our audit addressed this risk
<p>In each of the countries where it is present, BNP Paribas is subject to the regulations applicable to the sectors in which it operates. If the Group does not comply with the applicable laws and regulations, it may be exposed to significant fines and other administrative and criminal sanctions. It may also incur losses as a result of private legal disputes in connection with or unrelated to these sanctions.</p> <p>Any provision recognised to cover the consequences of investigations into non-compliance with certain regulations requires judgement due to the difficulty in estimating the outcome of regulatory procedures.</p> <p>Any provisions with respect to class actions or other private legal disputes also requires management to exercise judgement.</p> <p>In light of the increase in regulatory and administrative investigations and class actions brought against financial establishments in recent years and of the significant judgement exercised by management to determine the amount of provisions recognised, we deemed this risk to be a key audit matter.</p>	<p>We were informed of the procedure for identifying and assessing legal risk with respect to regulatory and administrative investigations and to class actions, in particular through quarterly interviews with BNP Paribas' legal functions.</p> <p>Our work consisted primarily in:</p> <ul style="list-style-type: none">- obtaining an understanding of the analyses prepared by the financial and legal departments at the end of each quarterly accounting period;- interviewing the specialised law firms with which BNP Paribas works when subject to legal disputes.

<i>Deferred tax assets with respect to tax loss carryforwards</i> <i>(See Notes 1.k, 2.h and 4.k to the consolidated financial statements)</i>	
Description of risk	How our audit addressed this risk
<p>Deferred tax assets are recognised for tax loss carryforwards to the extent that it is probable that the entity in question will generate future taxable profits against which these tax losses can be utilised.</p> <p>At 31 December 2017, €5 billion was recorded on the consolidated balance sheet with respect to deferred tax assets, of which €1.6 billion represented tax loss carryforwards. At that same date, unrecognised deferred tax assets with respect to tax loss carryforwards amounted to €1.2 billion.</p> <p>We deemed this subject to be a key audit matter because management is required to exercise judgement when deciding whether to recognise a deferred tax asset for tax loss carryforwards as well as when assessing the recoverability of recognised deferred tax assets.</p>	<p>Assisted by our tax experts, our audit approach consisted in assessing the relevance of the forecasts used and thereby the probability of BNP Paribas Group entities being able to utilise their tax loss carryforwards in the future.</p> <p>In particular, we:</p> <ul style="list-style-type: none">- verified that the applicable tax rates were taken into account (in particular for Belgium, France and the United States) and assessed the duration of the tax loss carryforwards;- examined earnings forecasts and their underlying assumptions.

BNP Paribas SA

Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2017 - Page 9

<i>General IT controls</i>	
Description of risk	How our audit addressed this risk
<p>The reliability and security of IT systems plays a key role in the preparation of BNP Paribas' consolidated financial statements. We thus deemed the assessment of the general IT controls and the application controls specific to the information processing chains that contribute to the preparation of accounting and financial information to be a key audit matter.</p> <p>In particular, a system for controlling access rights to IT systems and authorisation levels based on employee profiles represents a key control for limiting the risk of inappropriate changes to applications' settings or underlying data.</p>	<p>For the main systems used to prepare accounting and financial information, assisted by our IT specialists, our work notably consisted in:</p> <ul style="list-style-type: none">- obtaining an understanding of the systems, processes and controls which underpin accounting and financial data;- assessing the general IT controls (application and data access management, application changes/developments management and IT operations management) on material systems (in particular, accounting, consolidation and automatic reconciliation applications);- examining the control for the authorisation of manual accounting entries.

Technical reserves of insurance companies*(See Notes 4.p to the consolidated financial statements)*

Description of risk	How our audit addressed this risk
<p>At the year-end, a liability adequacy test is performed for BNP Paribas' insurance activities.</p> <p>This test consists in comparing insurance liabilities (or technical reserves) recognised in the balance sheet with projected net future cash flows. In the hypothetical event that the carrying amount of the insurance liabilities were not sufficient, an additional liability would have to be recognised.</p> <p>At 31 December 2017, total technical insurance reserves amounted to €203 billion.</p> <p>The end-2017 test confirmed that the carrying amount of the reserves was sufficient.</p> <p>We deemed the implementation of the liability adequacy test for the Savings business to be a key audit matter because it involves using actuarial models as well as modelling options and guarantees which are specific to BNP Paribas and requires management to exercise judgement to determine certain key assumptions (e.g., return on assets, surrender rate and fees).</p>	<p>Based on a sample, we assessed the amount of net future cash flows used in the calculation, in particular by:</p> <ul style="list-style-type: none">- assessing the validity of the data on asset portfolios and contracts used as a starting point for the modelling exercise;- identifying the main changes made to the actuarial models, assessing the relevance of said changes and obtaining an understanding of their impact on the result of the test;- analysing differences in the model results between 2016 and 2017 using analyses prepared by BNP Paribas. We verified that the most material differences were justified by changes in the portfolio, the assumptions or the models. <p>We also examined the disclosures in the notes to the consolidated financial statements with respect to insurance liabilities.</p>

Verification of the information pertaining to the Group presented in the management report

As required by law and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of BNP Paribas SA by the Annual General Meetings held on 23 May 2006 for Deloitte & Associés, 26 May 1994 for PricewaterhouseCoopers Audit and 23 May 2000 for Mazars.

At 31 December 2017, Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars were in the twelfth year, the twenty-fourth year and the eighteenth year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the company or to cease operations.

The Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors of BNP Paribas SA.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

BNP Paribas SA

Statutory Auditors' report on the consolidated financial statements
For the year ended 31 December 2017 - Page 12

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements.
- Assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion.
- Evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Financial Statements Committee

We submit a report to the Financial Statements Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

BNP Paribas SA

Statutory Auditors' report on the consolidated financial statements
For the year ended 31 December 2017 - Page 13

Our report to the Financial Statements Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Financial Statements Committee.

Neuilly-sur-Seine and Courbevoie, 6 March 2018

The Statutory Auditors

Deloitte & Associés

PricewaterhouseCoopers Audit

Mazars

Damien Leurent

Etienne Boris

Hervé Helias

AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS

The section "**SUMMARY IN RELATION TO THIS BASE PROSPECTUS**" on pages 8 to 62 of the Base Prospectus is amended as follows:

- (a) Element B.12 in relation to BNPP is amended by the deletion of the table entitled "**Comparative Annual Financial Data – In millions of EUR**" immediately above the heading "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and its replacement with the following:

B.12	Selected historical key financial information in relation to the Issuer:		
	Comparative Annual Financial Data– In millions of EUR		
		31/12/2017 (audited)	31/12/2016 (audited)
	Revenues	43,161	43,411
	Cost of risk	(2,907)	(3,262)
	Net income, Group share	7,759	7,702
		31/12/2017	31/12/2016
	Common equity Tier 1 Ratio (Basel 3 fully loaded, CRD 4)	11.8%	11.5%
		31/12/2017 (audited)	31/12/2016 (audited)
	Total consolidated balance sheet	1,960,252	2,076,959
	Consolidated loans and receivables due from customers	727,675	712,233
	Consolidated items due to customers	766,890	765,953
	Shareholders' equity (Group share)	101,983	100,665

- (b) In Element B.12, the two tables under the heading "*In relation to BNPP:*" and immediately above the heading "*Statements of no significant or material adverse change*" entitled "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and "**Comparative Interim Financial Data for the nine-month period ended 30 September 2017 – In millions of EUR**" are deleted.
- (c) In Element B.12, under the heading "*Statements of no significant or material adverse change*" the paragraph below the sub-heading "*In relation to BNPP:*" is deleted in its entirety and replaced with the following:

"There has been no significant change in the financial or trading position of the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have

been published). There has been no material adverse change in the prospects of BNPP or the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published)."

- (d) Element B.13 is deleted in its entirety and replaced with the following:

B.13	Events impacting the Issuer's solvency	<p>Not applicable, as at 20 September 2017 (in the case of BNPP B.V.) and as at 15 March 2018 (in the case of BNPP) and to the best of the Issuers' knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 30 June 2017 (in the case of BNPP B.V.) and 31 December 2017 (in the case of BNPP).</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, as at [insert in the case of BNPP B.V.: 20 September 2017]/[insert in the case of BNPP: 15 March 2018] and to the best of the Issuer's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since [Insert in the case of BNPP B.V.: 30 June 2017]/[Insert in the case of BNPP : 31 December 2017]].[specify any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency].</p>
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- (e) Element B.19/B.12 is amended by the deletion of the table entitled "**Comparative Annual Financial Data – In millions of EUR**" immediately above the heading "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and its replacement with the following:

B.19/B.12	Selected historical key financial information in relation to the Guarantor:		
	Comparative Annual Financial Data– In millions of EUR		
		31/12/2017 (audited)	31/12/2016 (audited)
	Revenues	43,161	43,411
	Cost of risk	(2,907)	(3,262)
	Net income, Group share	7,759	7,702
		31/12/2017	31/12/2016
	Common equity Tier 1 Ratio (Basel 3 fully loaded, CRD 4)	11.8%	11.5%
		31/12/2017 (audited)	31/12/2016 (audited)
	Total consolidated balance sheet	1,960,252	2,076,959

	Consolidated loans and receivables due from customers	727,675	712,233
	Consolidated items due to customers	766,890	765,953
	Shareholders' equity (Group share)	101,983	100,665

- (f) In Element B.19/B.12, the two tables immediately above the heading "*Statements of no significant or material adverse change*" entitled "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and "**Comparative Interim Financial Data for the nine-month period ended 30 September 2017 – In millions of EUR**" are deleted.
- (g) In Element B.19/B.12, the paragraphs under the heading "*Statements of no significant or material adverse change*" are deleted in their entirety and replaced with the following:

"There has been no significant change in the financial or trading position of the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published). There has been no material adverse change in the prospects of BNPP or the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published).

Issue Specific Summary

There has been no significant change in the financial or trading position of the BNPP Group since [31 December 2017 (being the end of the last financial period for which audited financial statements have been published)]. There has been no material adverse change in the prospects of BNPP or the BNPP Group since [31 December 2017 (being the end of the last financial period for which audited financial statements have been published)]."

- (h) Element B.19/B.13 is deleted in its entirety and replaced with the following:

B.19/B.13	Events impacting the Guarantor's solvency	<p>Not applicable, as at 15 March 2018 and to the best of the Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since 31 December 2017.</p> <p><i>Issue Specific Summary</i></p> <p>[Not applicable, as at 15 March 2018 and to the best of the Guarantor's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since [31 December 2017]].</p> <p>[specify any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency.]</p>
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- (i) Element D.2 is amended as follows:

- By the deletion of sub-paragraph (a) and its replacement with the following:

D.2	Key risks regarding the Issuer [and the Guarantor]	(a) Difficult market and economic conditions have in the past had and may in the future have a material adverse effect on the operating environment for financial institutions and hence on the BNPP's financial condition, results of operations and cost of risk.
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2. By the deletion of sub-paragraph (k) and its replacement with the following:

D.2	Key risks regarding the Issuer [and the Guarantor]	(k) Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact BNPP and the financial and economic environment in which it operates.
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3. By the deletion of sub-paragraph (n) and its replacement with the following:

D.2	Key risks regarding the Issuer [and the Guarantor]	(n) There are risks related to the implementation of BNPP's strategic plans and commitment to environmental responsibility.
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4. By the deletion of sub-paragraph (u) and its replacement with the following:

D.2	Key risks regarding the Issuer [and the Guarantor]	(u) The expected changes in accounting principles relating to financial instruments may have an impact on BNPP's balance sheet, income statement and regulatory capital ratios and result in additional costs.
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AMENDMENTS TO THE RISK FACTORS SECTION

The "Risk Factors" section on pages 63 to 97 of the Base Prospectus is amended as follows:

The paragraph entitled "Risks Relating to BNPP and its Industry" is deleted in its entirety and replaced with the following:

"Risks Relating to BNPP and its Industry"

See the "Risk Factors" section on pages 244 to 253 of the BNPP 2016 Registration Document, pages 68 to 73 of the First Update to the BNPP 2016 Registration Document, pages 159 to 167 of the Second Update to the BNPP 2016 Registration Document and pages 79 to 89 of the Third Update to the BNPP 2016 Registration Document which are incorporated by reference in this Base Prospectus and which disclose all material risks relating to BNPP's ability to fulfil its obligations under the Securities.

Risks Related to the Macroeconomic and Market Environment

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

The Bank's businesses are highly sensitive to changes in financial markets and economic conditions globally and especially in Europe. In recent years, the Bank was, 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 and capital markets, the availability of 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, counterparty 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, cyber-attacks, military conflicts or threats thereof and related risks). Such disruptions, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Bank's financial condition, results of operations or cost of risk.

Economies in the Bank's principal markets and generally speaking globally experienced growth in 2017 and the cyclical recovery may continue in 2018. There are nonetheless downside risks arising from factors such as evolving monetary policies (and in particular the risk of sharper than expected tightening leading to financial turbulence), trends in inflation, geopolitical tensions, protectionist tendencies, and possible volatility in financial or commodity markets.

Moreover, a resurgence of sovereign debt tensions cannot be ruled out, particularly in a rising interest rate environment with increasing funding costs. In particular, European markets experienced significant disruptions at various points in recent years from this source, initially originating from concerns regarding the ability of certain countries or institutions in the euro zone to refinance their debt obligations. These disruptions have in certain periods caused tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union. The Bank holds and may in the future hold substantial portfolios of sovereign debt and has and may in the future have substantial amounts of loans outstanding to sovereign borrowers; a new sovereign debt crisis could cause it to incur impairment charges or losses on sales. The Bank also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to financial institutions with which it does business. More generally, the sovereign debt crisis had, and could again in the future have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and more generally on the environment in which the Bank operates.

If economic conditions generally or in Europe in particular (the latter due to any of the above generally applicable factors or to heightened risk of or even the occurrence of a sovereign default, the failure of a significant financial institution or the exit of a country or territory from the euro zone or the European Union) were to deteriorate, the resulting market disruptions could have a significant adverse impact on the credit quality of the Bank's customers and financial institution counterparties, on market parameters such as interest rates, foreign exchange rates and stock market indices, and on the Bank's results of operations, liquidity, ability to raise financing on acceptable terms and financial condition.

The United Kingdom's referendum to leave the European Union may lead to significant uncertainty, volatility and disruption in European and broader financial and economic markets and hence may adversely affect the Bank's operating environment.

On 23 June 2016, the United Kingdom held a referendum in which a majority of its voters opted to leave the European Union ("**Brexit**") and on 29 March 2017, the government of the United Kingdom invoked Article 50 of the Treaty on European Union (the "**Lisbon Treaty**") relating to withdrawal. Pursuant to Article 50, the Lisbon Treaty and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the relevant state notifies the European Council of its intention to withdraw, although this period may be extended in certain circumstances. Negotiations between the United Kingdom and the European Union to determine their relationship going forward, including regarding trade, financial and legal arrangements, are ongoing. The nature, timing and economic and political effects of Brexit remain highly uncertain and will depend upon the results of future negotiations between the United Kingdom and the European Union, and hence may adversely affect the Bank's operating environment and therefore its results and financial condition.

Due to the geographic scope of its activities, the Bank may be vulnerable to country or regional-specific political, macroeconomic and financial environments or circumstances.

The Bank is exposed to country risk, meaning the risk that economic, financial, political or social conditions of a foreign country, especially a country in which it operates, will affect its financial interests. The Bank monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. Moreover, factors specific to a particular country or region in which the Bank operates could create difficult operating conditions, leading to operating losses or asset impairments.

The Bank's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.

The financial crisis, 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 in recent years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the Bank, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank (the "**ECB**") at times increased substantially. If such adverse credit market conditions were to reappear in the event of prolonged stagnation of growth, deflation, resurgence of the financial crisis, the sovereign debt crisis or new forms of financial crises, factors relating to the financial industry in general or to the Bank in particular, the effect on the liquidity of the European financial sector in general and the Bank in particular could be materially adverse and have a negative impact on the Bank's results of operations and financial condition.

Downgrades in the credit ratings of France or of the Bank may increase the Bank's borrowing cost.

The Bank'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 Bank'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 Bank.

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

The amount of net interest income earned by the Bank during any given period significantly affects its overall revenues and profitability for that period. Interest rates are affected by many factors beyond the Bank's control, such as the level of inflation and the monetary policies of states, and government decisions relating to regulated savings rates.

Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in the Bank's net interest income from its lending activities. In addition, maturity mismatches and interest rates rises relating to the Bank's short-term financing may adversely affect the Bank's profitability.

The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks.

Since the 2008-2009 financial crisis, global markets have been characterized by an extended period of low interest rates. During such periods, interest rate spreads tend to tighten, and the Bank may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. In addition, the Bank has been facing an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted in a decrease in the average interest rate of the Bank's portfolio of loans thereby causing a decline in the Bank's net interest income from its lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the Bank from its funding activities. Additionally, the prolonged period of low interest rates may have contributed to, and may continue to contribute to, excessive risk-taking by financial market participants such as lengthening maturities of financings and assets held, more lenient lending standards and increased leveraged lending. Certain of the market participants that may have taken or may take additional or excessive risk are of systemic importance, and any unwinding of their positions during periods of market turbulence or stress (and hence reduced liquidity) could have a destabilizing effect on markets and could lead the Bank to record operating losses or asset impairments.

The end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. In this respect, the U.S. Federal Reserve has been tightening its monetary policy since 2015 and the ECB has announced that it will significantly reduce asset purchases between January and September 2018, and reductions could continue thereafter. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. Moreover, it may cause additional financial strain on sovereigns with particularly high debt to GDP ratios, such as countries on the periphery of the Eurozone as well as in Africa, with attendant increased asset quality concerns for their lenders. The Bank's underwriting activity could also be affected particularly in relation to non-investment grade lending. On the borrowing side, should the Bank's hedging strategies prove ineffective or provide only a partial hedge, the Bank could incur losses due to higher refinancing costs. More generally, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

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

The Bank'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 rumours or questions about, one or more financial services institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. The Bank has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment banks, mutual and alternative investment funds, and other institutional clients with which it regularly executes transactions. The Bank may also be exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g., unregulated funds, trading venues or crowdfunding platforms). The Bank is exposed to credit and counterparty risk in the event of default or financial distress of the Bank's counterparties or clients. This risk could be exacerbated if the collateral held by the Bank cannot be realised upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Bank or in case of a failure of a significant financial market participant such as a central counterparty. It is worth noting in this respect that regulatory changes requiring mandatory clearing of standardized over-the-counter ("OTC") derivatives through central counterparties have resulted in an increase of the exposure of financial market participants to such central counterparties.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the Bank, announced losses or exposure to losses in substantial amounts. The Bank remains the subject of various claims in connection with the Madoff matter; see Note 7.b "Contingent liabilities: legal proceedings and arbitration".

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

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

The Bank maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by 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. Moreover, volatility trends that prove substantially different from the Bank's expectations may lead to losses relating to a broad range of other products that the Bank uses, including swaps, forward and future contracts, options and structured products.

To the extent that the Bank owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the Bank has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose it to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Bank may from time to time 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 Bank did not anticipate or against which it is not hedged, the Bank might realise a loss on those paired positions. Such losses, if significant, could adversely affect the Bank's results and financial condition.

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

Financial and economic conditions affect the number and size of transactions for which the Bank provides securities underwriting, financial advisory and other investment banking services. The Bank's revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the fees that the Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Bank receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by the Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Bank receives from its asset management business. The Bank experienced some or all of these effects during the sharp market downturns of recent years and could experience them again in future market downturns, which may occur periodically and unexpectedly.

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

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

Regulatory Risks

Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Bank and the financial and economic environment in which it operates.

Laws and regulations have been enacted in the past few years or could be adopted, in particular in France, Europe and the United States, 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 Bank and other financial institutions operate. The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements (particularly for large global banking groups such as the Bank), taxes on financial transactions, restrictions and increased taxes on employee compensation over specified levels, restrictions on certain types of activities considered as speculative undertaken by commercial banks that will be prohibited or need to be ring-fenced in subsidiaries (particularly proprietary trading), restrictions or prohibitions on certain types of financial products or activities, enhanced recovery and resolution regimes, changes to risk-weighting methodologies and the methods of using internal models that could lead to increased capital requirements, 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 and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives), enhanced privacy and cybersecurity requirements and the creation of new and strengthened supervisory bodies. Most of these measures have been adopted and are already applicable to the Bank; the principal such measures are summarized below. Other similar or new measures may be proposed and adopted.

In 2013 and 2014, France made significant changes to its legal and regulatory framework applicable to banking institutions. The French banking law of 26 July 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 have been, since 1 July 2015, conducted by ring-fenced subsidiaries subject to specific capital and liquidity requirements on a stand-alone basis. This banking law also introduced a mechanism for preventing and resolving banking crises, which is 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 power 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 20 February 2014 provided in particular for the strengthening of the governance rules within banking institutions, a reinforced and harmonised at the EU level sanctions regime, an extended scope of prudential surveillance with in particular additional prudential requirements, a harmonisation of the rules relating to the approval of credit institutions within the European Union, and an update of the rules relating to the consolidated surveillance and the exchange of information.

At the European level, many of the provisions of the EU Directive and Regulation on prudential requirements (the “**CRD 4/CRR**”) dated 26 June 2013, implementing the Basel III capital requirements, took effect as of 1 January 2014 and many delegated and implementing acts provided for in the Directive and Regulation CRD 4/CRR were adopted in 2014. The prudential ratio requirements and the designation of the Bank as a systemically important financial institution increased the Bank’s prudential requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. In addition, the Financial Stability Board published on 9 November 2015 the final principles and term sheet regarding total loss absorbing capacity (“**TLAC**”, and such term sheet, the “**FSB TLAC Term Sheet**”), which will require “**Global Systemically Important Banks**” or “**G-SIBs**” (including the Bank), in addition to the Basel III capital requirements, to maintain a significant amount of liabilities and instruments readily available for bail-in in order to enable authorities to implement an orderly resolution that minimises impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss. Given the timing and manner of their adoption, the full impact of TLAC requirements on the Bank cannot be accurately predicted and could cause its financing costs to increase.

Regarding the European “Banking Union”, the European Union adopted, in October 2013, a single supervisory mechanism (the “**SSM**”) under the supervision of the ECB; as a consequence, since November 2014, the Bank, along with all institutions qualified as important in the euro zone, are now under the direct supervision of the ECB, with respect to prudential regulation matters entrusted to the ECB by Council Regulation dated 15 October 2013. Within the SSM, the ECB is, in particular, tasked with carrying out an annual supervisory review and evaluation process (“**SREP**”), stress tests and specific reviews (such as the targeted review of internal models), in connection with which it has powers to require banks to hold capital in excess of minimum capital requirements, and more generally to impose additional liquidity requirements or other supervisory measures. Such measures could have an adverse impact on the Bank’s results of operations and financial condition.

In addition to the SSM, the EU Bank Recovery and Resolution Directive of 15 May 2014 (“**BRRD**”), implemented in France by the Ordinance of 20 August 2015, strengthens the tools to prevent and resolve banking crises, in particular in order to ensure that any losses are borne in priority by banks’ creditors and shareholders and to minimize taxpayers’ exposure to losses and provides for the implementation of resolution funds at the national levels.

Under the BRRD and the Ordinance of 20 August 2015, the ACPR or the single resolution board (the “**SRB**”), which was established by Regulation 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 (the “SRM”) and a single resolution fund (the “SRF”), may commence resolution proceedings in respect of a banking institution, such as the Bank, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalize or restore the viability of the institution.

Resolution powers are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), then by the holders of senior non preferred debt and finally by the holders of senior preferred debt, all in accordance with the order of their claims in normal insolvency proceedings.

Resolution authorities have broad powers to implement resolution measures with respect to institutions and groups subject to resolution proceedings, which may include (without limitation): the total or partial sale of the institution’s business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity 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), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a special manager (*administrateur spécial*).

Certain powers, including the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), can also be exercised as a precautionary measure, outside of resolution proceedings and/or pursuant to the European Commission’s State Aid framework if the institution requires exceptional public financial support.

The implementation of these tools and powers may result in significant structural changes to the relevant financial institutions and their groups (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write-down, modification or variation of claims of shareholders and creditors. Such powers may also result, after any transfer of all or part of the Bank’s business or separation of any of its assets, in the holders of securities (even in the absence of any such write-down or conversion) being left as the creditors of the Bank whose remaining business or assets are insufficient to support the claims of all or any of the creditors of the Bank.

Pursuant to the SRM, on 19 December 2014, the Council adopted the proposal for a Council implementing act to calculate the contributions of banks to the SRF, which replaces national resolution funds as from 1 January 2016 and provides for annual contributions to the SRF to be made by banks calculated on the basis of their liabilities, excluding own funds and covered deposits and adjusted for risks. Moreover, the European Commission Regulation dated 21 October 2014, adopted pursuant to the BRRD provides for an obligation for banks to have adequate financial resources to ensure the effective application of the resolution tools and powers by the relevant resolution authority. In this context, the resolution authorities, such as the ACPR or the SRB, determined the annual contributions that must be paid to resolution financing arrangements by each banking institution in proportion to its risk profile. As a consequence, contributions to the SRF and to resolution financing arrangements are significant for the Bank and hence weigh on its results of operations.

Moreover, the Directive of 16 April 2014 on deposit guarantee schemes, transposed into French law by the Ordinance of 20 August 2015, created national deposit guarantee schemes. Other proposals for legislative and regulatory reforms could also have an impact if they were enacted into law. Thus, a draft European Parliament Regulation dated 24 November 2015 completed such Directive of 16 April 2014 through a step plan to create a European deposit insurance scheme that will progressively cover all or part of participating national deposit guarantee schemes.

On 23 November 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including CRD 4/CRR, BRRD and the SRM, the purpose of which is inter alia to reflect more accurately long-term funding risk and excessive leverage,

increase the loss-absorption capacity of globally significant institutions, improve the treatment of market risks by increasing the risk sensitivity of the existing rules and increase convergence within the European Union in the area of insolvency law and restructuring proceedings, particularly through the introduction of a moratorium tool. On November 8, 2017, the ECB published two opinions on these proposals. These proposals remain subject to amendments by the Parliament and the Council and are scheduled to be adopted in 2019. It is not yet possible to assess whether these proposals will be adopted in full or what their impact will be.

In December 2017, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (“**GHOS**”), endorsed the outstanding Basel III post-crisis regulatory reforms. The reforms endorsed by the GHOS include a revised standardized approach for credit risk, revisions to the internal ratings-based approach for credit risk, revisions to the credit valuation adjustment (“**CVA**”) framework, a revised standardized approach for operational risk, revisions to the measurement of the leverage ratio and a leverage ratio buffer for G-SIBs (including the Bank), which will take the form of a Tier 1 capital buffer set at 50% of a G-SIB's risk-weighted capital buffer; and an aggregate output floor, which will ensure that banks' risk-weighted assets (“**RWAs**”) generated by internal models are no lower than 72.5% of RWAs as calculated by the Basel III framework's standardized approaches. These new rules are expected to come into effect in 2022 and the output floor is expected to be implemented gradually beginning in January 2022 and reaching its final level in 2027. This agreement will be subject to consultation and impact assessment before it is implemented into EU law.

Finally, new regulations designed to enhance the transparency and soundness of financial markets, such as the so-called “**EMIR**” Regulation of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and the measures adopted or to be adopted thereunder (including in relation to the Commission delegated Regulation of 4 October 2016 that specifies how margin should be calculated and exchanged in respect of non-cleared OTC derivative contracts), Regulation of 25 November 2015 on transparency of securities financing transactions and Directive and Regulation of 15 May 2014 on markets in financial instruments (“**MiFID 2**”) may be a source of additional uncertainty and compliance risk and, more generally, the costs incurred due to the implementation of such regulations may have a negative impact on the profitability of certain activities currently conducted by the Bank and weigh on the Bank's results of operations and financial condition.

In May and June 2017, the Commission published two proposed regulations amending EMIR. Among the proposed changes, the EU authorities' power to supervise third country central counterparties would be strengthened and, when a third country central counterparty poses significant risks to the financial stability of the Member States, EU authorities could request that such central counterparty be established and authorized in the EU (so-called “**location policy**”). While the full implications of such location policy, particularly in the context of Brexit, remain uncertain, it could, if implemented, entail operational risks and increased costs and therefore weigh on the Bank's results of operations and financial condition.

U.S Laws and Regulations

Bank regulation in the United States has been substantially changed and expanded in the wake of the financial crisis, including as follows. A final rule issued by the Board of Governors of the U.S. Federal Reserve System (the “**Federal Reserve Board**”) imposing enhanced prudential standards on the U.S. operations of large foreign banks required the Bank to designate or create an intermediate holding company (“**IHC**”) for its U.S. subsidiaries by 1 July 2016. The Bank's IHC, BNP Paribas USA, Inc., must comply with risk-based and leverage capital requirements, liquidity requirements, long-term debt requirements, supervisory stress testing and capital planning requirements as well as other prudential requirements on a consolidated basis at the IHC level. In addition, on 4 March 2016, the Federal Reserve Board re-proposed single counterparty credit limits that would apply to both the U.S. IHCs and the combined U.S. operations (including U.S. branch operations) of systemically important foreign banking organizations (such as the Bank). Under proposals that remain under consideration, the IHC and the combined U.S. operations of the Bank may become subject to limits on credit exposures to any single counterparty, and the combined U.S. operations of the Bank may also become subject to an early remediation regime which could be triggered by risk-based capital, leverage, stress tests, liquidity, risk management and market indicators. The Federal Reserve Board has also indicated that it is

considering future rulemakings that could apply the U.S. rules implementing the Basel III liquidity coverage ratio and net stable funding ratio to the combined U.S. operations (including U.S. branch operations) of certain large foreign banking organizations. The scope and timing for the implementation of these liquidity requirements as well as additional expected changes to the capital and stress testing requirements and their impact on the Bank is difficult to predict at this point. On 15 December 2016, the Federal Reserve Board issued final rules that implement in the United States the Financial Stability Board's standards for a TLAC framework (the "**U.S. TLAC rules**"). The final rules require, among other things, the Bank's U.S. IHC to maintain minimum levels of TLAC, consisting of the IHC's Tier 1 capital plus a minimum amount of long-term debt satisfying certain eligibility criteria, and a related TLAC buffer. The Bank will be subject to these requirements commencing 1 January 2019. The Bank's U.S. IHC will be required to issue this long-term debt internally to the Bank or any foreign affiliate that is wholly owned, directly or indirectly, by the Bank, for so long as the Bank's U.S. IHC is considered a "non-resolution covered IHC" under the U.S. TLAC rules, meaning the Bank is subject to a single-point-of-entry resolution strategy that does not involve the U.S. IHC entering to resolution or similar proceedings in the United States. The rules also impose limitations on the types and amount of other financial transactions that the Bank's U.S. IHC may engage in. On 23 September 2016, the Federal Reserve Board proposed additional prudential requirements with respect to the physical commodity activities of financial holding companies ("**FHCs**") (such as the Bank), including significantly elevated capital requirements for physical commodity activities (and for investments in merchant banking companies that engage in physical commodity activities) that, according to the Federal Reserve Board, have the potential to expose an FHC to environmental liability. 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, including the Bank and its affiliates, to engage in proprietary trading and to sponsor or invest in private equity and hedge funds. The Bank was generally required to come into compliance with the Volcker Rule by July 2015, although the Federal Reserve Board extended the conformance deadline for pre-2014 "legacy" investments in and relationships with private equity funds and hedge funds until 21 July 2017. In June 2017, the Federal Reserve Board granted the Bank an extended transition period to conform investments in certain illiquid funds under the Volcker Rule for an additional five years (i.e., until 21 July 2022). The Volcker Rule's implementing regulations are highly complex and may be subject to further regulatory amendments, interpretation and guidance, and its full impact will not be known with certainty for some time. U.S. regulators have also recently adopted or proposed new rules regulating OTC derivatives activities under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). In late 2015, the Federal Reserve Board and other U.S. banking regulators finalized margin requirements applicable to uncleared swaps and security-based swaps entered into by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants that are regulated by one of the U.S. banking regulators, including the Bank. These margin requirements, which began to come into effect in phases beginning in September 2016, require the Bank to post and collect additional, high-quality collateral for certain transactions, increasing the costs of uncleared swaps and security-based swaps offered by the Bank to its customers who are "U.S. persons" as defined under the rules which apply globally. The U.S. Commodity Futures Trading Commission also finalized rules in 2016 that will require additional interest rate swaps to be cleared, which are expected to come into effect in phases based on the implementation of parallel clearing requirements in non-U.S. jurisdictions and in any event by October 2018, and has also proposed rules that would apply position limits to certain physical commodity swaps. The U.S. Securities and Exchange Commission also finalized rules in 2015 and 2016 regarding the registration of security-based swap dealers and major security-based swap participants, business conduct and trade acknowledgment and verification requirements for such entities, and obligations relating to transparency and mandatory reporting of security-based swap transactions. Further rules and regulations are expected in 2018 to complete this regulatory framework. The scope and timing for the implementation of these requirements, and therefore their impact on the Bank's swap business, is difficult to predict at this stage.

In sum, extensive legislative and regulatory reform in respect of financial institutions has been enacted in recent years and some remains in progress. In addition, following the 2016 U.S. presidential election, there is uncertainty surrounding the regulatory agenda of the administration which includes proposals to repeal or significantly reduce a number of elements of the Dodd-Frank Act. It is impossible to accurately predict which additional measures will be adopted or to determine the exact content of such measures and, given the

complexity and uncertainty of a number of these measures, their ultimate impact on the Bank. The overall effect of these measures, whether already adopted or in the process of being adopted, has been and may further be to restrict the Bank's ability to allocate and apply capital and funding resources, limit its ability to diversify risk, reduce the availability of certain funding and liquidity resources, increase its funding costs, increase the cost for or reduce the demand for the products and services it offers, result in the obligation to carry out internal reorganizations, structural changes or divestitures, affect its ability to conduct (or impose limitations on) certain types of business as currently conducted, limit its ability to attract and retain talent, and, more generally, affect its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations.

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

The Bank 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, restrictions on activities considered as speculative and recovery and resolution frameworks;
- changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations;
- changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds;
- changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems;
- changes in the regulation of payment services, crowdfunding and fintech;
- changes in the regulation of data privacy and cybersecurity;
- 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; and
- expropriation, nationalisation, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the Bank and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect the Bank's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

The Bank may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.

The Bank is exposed to regulatory compliance risk, i.e. the 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 and even conflicting legal or regulatory requirements. Besides damage to the Bank'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 scrutiny of financial institutions as well as substantial increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, the Bank faces significant legal risk in its business, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further.

In this respect, on 30 June 2014 the Bank 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 Board of Governors of the Federal Reserve System, 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 Bank as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to \$8.97 billion (€6.6 billion), guilty pleas by BNP Paribas S.A., 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 Bank remains subject to increased scrutiny by regulatory authorities (including via the presence within the Bank of an independent consultant) who are monitoring its compliance with a remediation plan agreed with them.

The Bank is currently involved in various litigations and investigations as summarized in Note 7.b "Contingent liabilities: legal proceedings and arbitration" to its 2017 consolidated financial statements. It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on the Bank's operating results for any particular period.

Risks Related to the Bank, its Strategy, Management and Operations

Risks related to the implementation of the Bank's strategic plans and commitment to environmental responsibility.

The Bank has announced a strategic plan for the 2017-2020 period presented on 7 February 2017. This plan contemplates a number of initiatives, including the implementation of new customer pathways, the digital transformation of the Bank, continuing to improve operating efficiency and various business development initiatives.

The plan includes a number of financial targets and objectives relating to net banking income, operating costs, net income, capital adequacy ratios and return on equity, 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.

The Bank'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.

Additionally, as part of the Bank's commitment to environmental responsibility within its Corporate Social Responsibility (CSR) policy, it has announced a number of initiatives to support the energy transition towards a low-carbon economy, including a reduction in financing for energies with the most negative environmental impact. These measures (and any future ones along similar lines) may in certain cases adversely affect the Bank's results in the relevant sectors.

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

The Bank makes acquisitions on a regular basis. Integrating acquired businesses is a long and complex process. Successful integration and the realisation 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 realisation. Moreover, the integration of the Bank's existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of the Bank's business, which could have a negative impact on the business and results of the Bank. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

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

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

Competition is intense in all of the Bank's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms. In particular, competitors subject to less extensive regulatory requirements or to less strict capital requirements (e.g., debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (e.g., internet and mobile operators, digital platforms, fintechs), could be more competitive. If the Bank is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Bank and its competitors. It is also possible that the presence in the global marketplace of State-owned financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, 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 Bank.

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

In connection with its lending activities, the Bank regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". The Bank's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although the Bank seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other

causes. Any significant increase in provisions for loan losses or a significant change in the Bank's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on the Bank's results of operations and financial condition.

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

The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

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

The Bank's hedging strategies may not prevent losses.

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

Adjustments to the carrying value of the Bank's securities and derivatives portfolios and the Bank's own debt could have an impact on its net income and shareholders' equity.

The carrying value of the Bank's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of its assets or its debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect its

consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, its capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

The expected changes in accounting principles relating to financial instruments may have an impact on the Bank's balance sheet, income statement and regulatory capital ratios and result in additional costs.

In July 2014, the International Accounting Standards Board published International Financial Reporting Standard 9 (“**IFRS 9**”) “Financial Instruments” adopted by the European Union, which replaced IAS 39 as from 1 January 2018. The standard amends and complements the rules on the classification and measurement of financial instruments and will lead the Bank to record certain reclassifications in substantial amounts on its balance sheet. The new standard includes an impairment model based on expected credit losses (“**ECL**”), while the IAS 39 model was based on provisions for incurred losses, and new rules on general hedge accounting. The new approach based on ECL will result in substantial additional impairment charges for the Bank and could add volatility to its regulatory capital ratios, and the costs incurred by the Bank relating to the implementation of such norms may have a negative impact on its results of operations; see note 1 to the 31 December 2017 financial statements for a detailed discussion of the transition to IFRS 9.

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

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

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

As with most other banks, the Bank relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing and blockchain technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Bank's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. The Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies (including financial institutions) have in recent 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 unauthorised access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognised until launched against a target, the Bank and its third-party service providers 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 Bank's information systems or those of its providers and any subsequent disclosure of confidential information related to any client, counterpart or employee of the Bank (or any other person) or any intrusion or attack against the Bank's communication system could cause significant losses and have an adverse effect on the Bank's reputation, financial condition and results of operations.

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

Unforeseen events such as an adverse change in the political, military or diplomatic environments, political and social unrest, severe natural disasters or climate change-related events, a pandemic, terrorist attacks, military conflicts, cyber-attacks or other states of emergency could affect the demand for the products and services offered by the Bank, or lead to an abrupt interruption of the Bank's operations, in France or abroad, 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, personal data 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 Bank's costs (particularly insurance premiums)."

AMENDMENTS TO THE FRENCH TAXATION SECTION

The section "**FRENCH TAXATION**" on pages 468 to 470 of the Base Prospectus is deleted in its entirety and replaced with the following:

"This overview is based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisers so as to determine, in the light of their individual situation, the tax consequences of the subscription, purchase, holding, redemption or disposal of the Securities."

Withholding tax on Securities issued by BNPP

The treatment regarding withholding tax on payments in relation to Securities issued by BNPP will depend on the nature and characterisation of the relevant Securities.

Securities constituting debt instruments for French tax purposes

The following may be relevant to holders of Securities issued by BNPP who do not concurrently hold shares of BNPP.

Securities which are not consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes (other than Securities which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Securities are made outside France in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues with respect to such Securities will not be deductible from BNPP's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account held with a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 12.8 per cent. for payments benefiting individuals who are not French tax residents, (ii) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State (subject to certain exceptions described below and the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of an issue of Securities if BNPP can prove that the principal purpose and effect of such issue of Securities was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320 n°10, an issue of Securities will benefit from the Exception without BNPP having to provide any proof of the purpose and effect of such issue of Securities, if such Securities are:

- (a) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (b) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (c) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Securities which are consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes and which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts* will be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Securities issued before 1 March 2010, whether denominated in Euro or in any other currency, constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the *Bulletin Officiel des Finances Publiques-Impôts* BOI-RPPM-RCM-30-10-30-30-20140211, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the above mentioned *Bulletin Officiel des Finances Publiques-Impôts*.

In addition, interest and other revenues paid by BNPP on Securities which constitute debt instruments for French tax purposes, which are issued from 1 March 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 will not be subject to the Deductibility Exclusion, and hence will not be subject to the withholding tax set out in Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Securities held by individuals who are fiscally domiciled in France

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code général des impôts*, subject to certain exceptions, interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8 per cent.

withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 17.2 per cent. on such interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

Securities issued by BNPP not constituting debt instruments for French tax purposes

Payments with respect to Securities issued by BNPP which do not constitute debt instruments for French tax purposes should not be subject to, or should be exempt from, withholding tax provided that the beneficial owner of such Securities and the payments thereunder is resident or domiciled in a country which has entered into an appropriate double tax treaty with France, fulfils the relevant requirements provided in such treaty and payments under the relevant Securities are not paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State.

In addition, payments in respect of such Securities may, in certain circumstances, be non-deductible (in whole or in part) for French tax purposes if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, and subject to the more favourable provisions of an applicable double tax treaty, such non-deductible payments may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts* subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* at a rate of up to 75 per cent..

Potential purchasers of Securities who are resident or domiciled in a country which has not entered into an appropriate double tax treaty with France or who are domiciled or established in a Non-Cooperative State are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, ownership of, or transactions involving the Securities.

Transfer tax and other taxes

The following may be relevant in connection with Securities which may be settled or redeemed by way of physical delivery of (i) certain French listed shares (or assimilated securities) or (ii) securities representing such listed shares (or assimilated securities).

Pursuant to Article 235 *ter* ZD of the French *Code général des impôts*, a financial transaction tax (the "**French FTT**") is applicable to any acquisition for consideration of an equity security (*titre de capital*) as defined by Article L.212-1 A of the French *Code monétaire et financier* or of an assimilated equity security (*titre de capital assimilé*) as defined by Article L.211-41 of the French *Code monétaire et financier*, admitted to trading on a recognised stock exchange where such acquisition results in a transfer of ownership and the said security is issued by a company whose registered office is located in France and whose market capitalisation exceeds 1 billion Euros on 1 December of the year preceding the year in which the imposition occurs (the "**French Shares**"). The French FTT also applies to the acquisition of securities (*titres*) representing the French Shares (irrespective of the location of the registered office of the issuer of such securities). The French FTT could apply in certain circumstances to the acquisition of French Shares (or securities representing the French Shares) in connection with the exercise, settlement or redemption of any Securities.

There are a number of exemptions from the French FTT and investors should consult their counsel to identify whether they can benefit from them.

The rate of the French FTT is 0.3 per cent. of the acquisition value of the securities (or securities representing the French Shares).

If the French FTT applies to an acquisition of shares, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1 per cent. to the sale of shares issued by a

company whose registered office is located in France, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement."

AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "**GENERAL INFORMATION**" on pages 493 to 498 of the Base Prospectus is amended as follows:

- (a) the first paragraph under the heading "**5. Material Adverse Change**" is deleted in its entirety and replaced with the following:

"There has been no material adverse change in the prospects of BNPP or the Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published)."

- (b) the first paragraph under the heading "**7. Significant Change**" is deleted in its entirety and replaced with the following:

"There has been no significant change in the financial or trading position of BNPP or the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published)."

- (c) The heading "**16. Capitalization of BNPP and the BNP Paribas Group**" and the table below such heading on pages 497 to 498 of the Base Prospectus are deleted and replaced with the following:

16. Capitalization and Medium and Long Term Debt Indebtedness Over One Year of BNPP and the BNP Paribas Group

BNP Paribas consolidated capitalization and medium and long term debt indebtedness over one year		
Group accounting method		
In Millions of Euros	BNP PARIBAS GROUP 31 December 2017 (audited)	BNP PARIBAS GROUP 31 December 2016 (audited)
Senior preferred debt at fair value through profit or loss	36,278	36,053
Senior preferred debt at amortised cost	52,154	58,205
Total Senior Preferred Debt.....	88,432	94,258
Senior non-preferred debt at amortised cost	10,964	0
Total Senior Non-Preferred Debt	10,964	0
Redeemable subordinated debt at amortised cost	13,357	12,341
Undated subordinated notes at amortised cost	1,593	1,627

Undated participating subordinated notes at amortised cost	222	222
Redeemable subordinated notes at fair value through profit or loss	122	162
Perpetual subordinated debt at fair value through profit or loss ¹	669	588
Preferred shares and equivalent instruments	8,172	8,430
Total Subordinated Debt	24,135	23,370
Issued capital	2,498	2,494
Additional paid-in capital	24,553	24,454
Retained earnings	59,861	55,754
Unrealised or deferred gains and losses attributable to Shareholders	3,130	6,169
Total Shareholders' Equity and Equivalents (net of proposed dividends)	90,042	88,871
Minority interests (net of proposed dividends)	5,127	4,431
Total Capitalization and Medium-to-Long Term Indebtedness	218,700	210,930

¹ Carrying amount of cash, of which the amount eligible for Tier 1 is EUR162 million in 2016 and 2017.

RESPONSIBILITY STATEMENT

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this Fourth Supplement. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information contained in this Fourth Supplement which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.