



BNP PARIBAS

EUR 500,000,000 Undated Deeply Subordinated Non-Cumulative Notes
The Proceeds of Which Constitute Tier 1 Regulatory Capital
Issue Price: 100%

The EUR 500,000,000 Undated Deeply Subordinated Non-Cumulative Notes (the “Notes”) of BNP Paribas (the “Issuer” or the “Bank”) will be issued outside the French Republic and will bear interest at a fixed rate of 7.781% per annum from and including June 30, 2008 (the “Issue Date”) to but excluding July 2, 2018, payable annually in arrears on a non-cumulative basis on July 2 of each year, commencing on July 2, 2009, and thereafter at a floating rate equal to 3-month Euribor plus a margin equal to 3.750% per annum, payable quarterly in arrears on January 2, April 2, July 2 and October 2 of each year, commencing on October 2, 2018.

Payment of interest on the Notes will be mandatory if the Issuer pays dividends on its ordinary shares and in certain other circumstances described herein. Otherwise, the Issuer may elect, and in certain circumstances shall be required, not to pay interest falling due on the Notes. Any interest not paid shall be forfeited and shall no longer be due and payable by the Issuer. Interest accrual may also be reduced if the Issuer’s consolidated regulatory capital falls below required levels and in certain other circumstances.

The Notes are undated and have no final maturity. The Notes may, at the option of the Issuer but subject to the prior approval of the Secrétariat général de la Commission bancaire (“SGCB”) or its successor, be redeemed at par in whole or in part on July 2, 2018 and on any interest payment date thereafter. In addition, the Notes may, in case of certain tax or regulatory events, be redeemed at par at any time (in whole but not in part), subject to the prior approval of the SGCB. The principal amount of the Notes may be written down to a minimum amount of one cent of one euro if the Issuer incurs losses and certain regulatory capital events occur, subject to restoration in certain cases described herein. The Notes are subordinated to substantially all of the Issuer’s other obligations, including in respect of ordinarily subordinated debt instruments. (See “Terms and Conditions of the Notes—Status of the Notes and Subordination”.)

The Luxembourg Commission de Surveillance du Secteur Financier (the “CSSF”) is the competent authority in Luxembourg for the purpose of Directive n°2003/71/EC (the “Prospectus Directive”) and the Luxembourg law on prospectuses for securities of July 10, 2005, for the purpose of approving this Prospectus to give information with regard to the Issuer and the Notes. Application has been made in order for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is an EU-regulated market within the meaning of Directive 2004/39/EC (the “EU-regulated market of the Luxembourg Stock Exchange”). References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes are intended to be admitted to trading on the EU-regulated market of the Luxembourg Stock Exchange and to the official list of the Luxembourg Stock Exchange.

The Notes are expected to be assigned a rating of “Aa3” by Moody’s Investors Service, Inc., “AA-” by Standard & Poor’s Ratings Services and “AA-” by Fitch Ratings. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

See “Risk Factors” below for certain information relevant to an investment in the Notes.

The Notes have been accepted for clearance through Euroclear France S.A. (“Euroclear France”), Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) and Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”). The Notes will on the Issue Date be entered (inscription en compte) in the books of Euroclear France, which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Notes—Form, Denomination and Title” below), including the depositary banks for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in bearer form in the denomination of EUR 50,000 each. The Notes will at all times be represented in book-entry form (dématérialisé) in the books of the Account Holders in compliance with Article L.211-4 of the French Code monétaire et financier. No physical document of title will be issued in respect of the Notes.

This Prospectus has not been submitted to the approval of the Autorité des marchés financiers (“AMF”).

THE NOTES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). SEE “SUBSCRIPTION AND SALE”.

BNP PARIBAS UK LIMITED
Lead Manager and Bookrunner

BNP PARIBAS
Structuring Advisor

BARCLAYS CAPITAL
DANSKE BANK
ING WHOLESALE BANKING
JPMORGAN
LLOYDS TSB CORPORATE MARKETS
THE ROYAL BANK OF SCOTLAND
Co-Lead Managers

The date of this Prospectus is June 27, 2008.

The Issuer accepts responsibility for the information contained in this Prospectus. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Information contained in this Prospectus 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.

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

No person is authorized to give any information or to make any representation not contained in or not consistent with this Prospectus in connection with the issue and sale of the Notes and any information or representation not contained herein must not be relied upon as having been authorized by or on behalf of the Issuer. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information herein is correct as at any time subsequent to the date hereof.

This Prospectus comprises a prospectus for the purposes of (i) Article 5.3 of the Prospectus Directive and (ii) the relevant implementing measures in the Grand Duchy of Luxembourg and, in each case, for the purpose of giving information with regard to the Issuer.

This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer or the Managers or any affiliate of any of them to subscribe for or purchase, any Notes in any jurisdiction by any person to whom it is unlawful to make such an offer, invitation or solicitation in such jurisdiction. The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions, including the United States, the United Kingdom and the French Republic, may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and distribution of this Prospectus, see “Subscription and Sale” below. No person is authorized to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Issuer or the Managers. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date. In making an investment decision regarding the Notes, prospective investors must rely on their own independent investigation and appraisal of the Issuer, its business and the terms of the offering, including the merits and risks involved. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. The Managers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution. This Prospectus may only be used for the purposes for which it has been published.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together

being referred to as “**relevant persons**”). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)).

In connection with the issue of the Notes, BNP Paribas UK Limited (the “Stabilizing Manager”) (or persons acting on behalf of the Stabilizing Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or persons acting on behalf of the Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action will be undertaken in accordance with applicable laws and regulations.

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SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

The following summary is qualified in its entirety by the more detailed information included elsewhere in this Prospectus. Capitalized terms used but not defined in this summary shall bear the respective meanings ascribed to them under “Terms and Conditions of the Notes”. Prospective investors should also consider carefully, amongst other things, the factors set out under “Risk Factors”.

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| Issuer: | BNP Paribas (the “ Issuer ” or the “ Bank ”). |
| Description: | EUR 500,000,000 Undated Deeply Subordinated Non-Cumulative Notes (the “ Notes ”). |
| Lead Manager and Bookrunner: | BNP Paribas UK Limited. |
| Structuring Advisor: | BNP Paribas. |
| Fiscal Agent, Principal Paying Agent and Calculation Agent: | BNP Paribas Securities Services. |
| Luxembourg Listing Agent: | BNP Paribas Securities Services, Luxembourg Branch. |
| Method of Issue: | The Notes will be issued on a syndicated basis. |
| Denomination: | EUR 50,000 per Note. |
| Original Principal Amount: | EUR 50,000 per Note, which amount may be permanently reduced in the event of a partial call as described below under “Call from the First Call Date”. |
| Current Principal Amount: | Equal to the principal amount of the Notes outstanding at any time, calculated on the basis of the Original Principal Amount of the Notes as such amount may be reduced pursuant to the application of the loss absorption mechanism and/or reinstated on one or more occasions, as described below under “Loss Absorption” and “Reinstatement”, respectively. |
| Maturity: | The Notes will be undated securities of the Issuer with no fixed redemption or maturity date. |
| Form of the Notes: | The Notes will be issued in dematerialized bearer form (<i>au porteur</i>). Title to the Notes will be evidenced in accordance with Article L.211-4 of the French <i>Code monétaire et financier</i> by book entries (<i>inscription en compte</i>) in the books of Euroclear France, which shall credit, upon issue, the accounts of account holders, including the depository banks for Clearstream, Luxembourg and Euroclear. Transfers of Notes may only be effected through registration of the transfer in the books of account holders. No physical document of title will be issued in respect of the Notes. |
| Status of the Notes: | <p>The Notes are deeply subordinated notes issued pursuant to the provisions of Article L.228-97 of the French <i>Code de commerce</i>.</p> <p>The principal and interest on the Notes (which constitute <i>obligations</i> under French law) constitute direct, unconditional, unsecured, undated and deeply subordinated obligations (<i>titres subordonnés de dernier rang</i>) of the Issuer and rank and will rank <i>pari passu</i> among themselves and with all other present and future Parity Securities (as defined below), but shall be subordinated to the present and future <i>prêts</i></p> |

participatifs granted to the Issuer, *titres participatifs* issued by the Issuer, Ordinarily Subordinated Obligations (as defined below) and Unsubordinated Obligations (as defined below) of the Issuer. In the event of liquidation of the Issuer, the Notes shall rank in priority to any payments to holders of Equity Securities (as defined below).

There will be no limitations on issuing debt at the level of the Issuer or of any consolidated subsidiaries.

“**Equity Securities**” means (a) the ordinary shares of the Issuer and (b) any other class of the Issuer’s share capital or other securities of the Issuer ranking junior to the Parity Securities.

“**Parity Securities**” means (x) any deeply subordinated obligations (*titres subordonnés de dernier rang*) or other instruments issued by the Issuer which (i) rank, or are expressed to rank, *pari passu* among themselves and with the Notes and behind the *prêts participatifs* granted to the Issuer, the *titres participatifs* issued by the Issuer, the Ordinarily Subordinated Obligations and the Unsubordinated Obligations and (ii) meet the requirements to be eligible as Tier 1 Capital (as defined below) of the Issuer, or (y) any claim against the Issuer by any subsidiary of the Issuer under a support agreement, guarantee or other agreement or instrument issued by the Issuer in favor of any subsidiary of the Issuer that has issued or will issue preferred securities or preferred or preference shares, the proceeds of which issuance qualify as Tier 1 Capital of the Issuer (for the avoidance of doubt, “Parity Securities” include, without limitation, BNP Paribas’ US\$1,350,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on June 29, 2005, its EUR 1,000,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on October 17, 2005, its US\$400,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on October 17, 2005, its EUR 750,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on April 12, 2006, its £450,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on April 19, 2006, its EUR 150,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on July 13, 2006, its £325,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on July 13, 2006, its EUR 750,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on April 13, 2007, its US\$600,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on June 6, 2007, its US\$1,100,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on June 25, 2007, its £200,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on October 23, 2007, and any claims under the support agreements relating to (i) BNP Paribas Capital Preferred L.L.C.’s 9.003% Noncumulative Company Preferred Securities, (ii) BNP Paribas Capital Preferred III L.L.C.’s 6.625% Noncumulative Company Preferred Securities, (iii) BNP Paribas Capital Preferred IV L.L.C.’s 6.342% Noncumulative Company Preferred Securities and (iv) BNP Paribas Capital Preferred VI L.L.C.’s 5.868% Noncumulative Company Preferred Securities).

“**Ordinarily Subordinated Obligations**” means any obligations (including any bonds or notes) of the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and which at all times rank *pari passu* and without any preference among themselves and equally and ratably with any other existing or future

Ordinarily Subordinated Obligations, behind Unsubordinated Obligations but in priority to Equity Securities, the Notes, Parity Securities, *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer.

“**Unsubordinated Obligations**” means any obligations (including any bonds or notes) of the Issuer which constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and which rank in priority to the Ordinarily Subordinated Obligations.

Regulatory Treatment:

The proceeds of the issue of the Notes will be treated, for regulatory purposes, as *fonds propres de base* of the Issuer (“**Tier 1 Capital**”). *Fonds propres de base* shall have the meaning given to it in Article 2 of *Règlement n° 90-02* dated February 23, 1990, as amended, of the *Comité de la Réglementation Bancaire et Financière* (the “**CRBF Regulation**”), or otherwise recognized as *fonds propres de base* by the *Secrétariat général de la Commission bancaire* (“**SGCB**”). The CRBF Regulation should be read in conjunction with the press release of the Bank for International Settlements dated October 27, 1998 concerning instruments eligible for inclusion in Tier 1 Capital (the “**BIS Press Release**”). The French language version of the BIS Press Release is attached to the report published annually by the SGCB entitled “*Modalités de calcul du ratio international de solvabilité*”.

Negative Pledge:

There will be no negative pledge in respect of the Notes.

Events of Default:

There will be no events of default in respect of the Notes. However, the Notes must be redeemed in the event of liquidation of the Issuer, in an amount calculated on the basis of the Original Principal Amount of the Notes.

Interest:

The Notes bear interest on their Current Principal Amount at a fixed rate of 7.781% per annum from, and including, June 30, 2008 (the “**Issue Date**”) to, but excluding, the First Call Date payable annually in arrears on a non-cumulative basis on July 2 of each year (each a “**Fixed Rate Interest Payment Date**”), commencing on July 2, 2009.

Thereafter, the Notes will bear interest on their Current Principal Amount at a floating rate equal to 3-month Euribor plus a margin equal to 3.750% per annum payable quarterly in arrears on a non-cumulative basis on January 2, April 2, July 2 and October 2 of each year (each a “**Floating Rate Interest Payment Date**” and together with each Fixed Rate Interest Payment Date, an “**Interest Payment Date**”), commencing on October 2, 2018. For the avoidance of doubt, the Floating Interest Rate is equivalent to the Fixed Interest Rate following conversion of the Fixed Interest Rate into a floating interest rate using the mid-market interest rate swap rate in EUR as quoted at the time of pricing for a period equivalent to the Fixed Rate Interest Period, plus one percent.

“**First Call Date**” means July 2, 2018.

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

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

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

Interest payments are subject to the provisions set forth below under “Interest Payments”, “Loss Absorption” and “Reinstatement”.

Interest Payments:

Optional Non-Payment of Interest

On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions of the following paragraphs. The interest to be paid will be calculated on the basis of the Current Principal Amount of the Notes outstanding during any Interest Period.

For so long as the provisions set forth below under “Mandatory Interest Payment” do not apply, the Issuer may elect not to pay interest on any Interest Payment Date, in particular with a view to restoring its regulatory capital in order to ensure the continuity of its activities without weakening its financial structure.

Any amount of interest, excluding Broken Interest (as defined below), not so paid on an Interest Payment Date shall be forfeited and shall no longer be due and payable by the Issuer.

Furthermore, the Issuer shall be required not to pay interest on the Notes, subject to the provisions set forth below under “Mandatory Interest Payment”, if, on or at any time prior to the fifth Business Day prior to such Interest Payment Date, a Capital Deficiency Event (as defined below) has occurred or would occur upon payment of the interest due on such Interest Payment Date.

Notice of non-payment of interest on the Notes on any Interest Payment Date in accordance with the above provisions (an “**Interest Non-Payment Notice**”) shall be given to the Noteholders no later than two Business Days prior to the relevant Interest Payment Date. Furthermore, payment of any Broken Interest (as defined below) will not be made on such Interest Payment Date.

For the avoidance of doubt, the occurrence of a Capital Deficiency Event and any resulting notice will be effective only with respect to the interest amount due on the immediately following Interest Payment Date. As appropriate, the Issuer will make a new determination and deliver other notice(s) with respect to any subsequent Interest Payment Date in relation to which a Capital Deficiency Event is continuing or occurs again.

The amount of Broken Interest may be reduced pursuant to the

provisions set forth below under “Loss Absorption”. At the option of the Issuer, any Broken Interest, to the extent not reduced to absorb losses, may be paid on the first Interest Payment Date after the end of a Capital Deficiency Event. Any Broken Interest not paid by the Issuer on such Interest Payment Date shall be forfeited.

“**Broken Interest**” means, with respect to the period from (and including) the immediately preceding Interest Payment Date (or in the case of the first Interest Payment Date, the Issue Date) to (but excluding) the date of the occurrence of a Capital Deficiency Event, the amount of interest accrued on the Notes during such period as calculated by the Calculation Agent.

“**Capital Deficiency Event**” means the first date on which either of the following events occurs:

- (a) the total risk-based consolidated capital ratio of the Issuer, calculated in accordance with Applicable Banking Regulations, falls below the minimum percentage required by Applicable Banking Regulations; or
- (b) the Issuer is notified by the SGCB, or its successor or any other relevant regulatory authority by which the Issuer is then-supervised (the “**Relevant Banking Regulator**”), that it has determined, in its sole discretion, in view of the deteriorating financial condition of the Issuer, that the foregoing paragraph (a) of this definition would apply in the near term.

“**Applicable Banking Regulations**” means, at any time, the capital adequacy regulations then in effect of the regulatory authority in the French Republic (or if the Issuer becomes domiciled in a jurisdiction other than the French Republic, such other jurisdiction) that are applicable to the Issuer.

Mandatory Interest Payment

In the event that during the one-year period prior to any Interest Payment Date any of the following events occurs:

- (i) a declaration or payment of a dividend, or a payment of any nature by the Issuer on any Equity Securities (other than (x) a dividend or other distribution paid on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares, or (y) a redemption, repurchase or acquisition of any Equity Securities); or
- (ii) a payment of any nature by the Issuer on any Parity Securities (other than (x) a Reinstatement (as defined under “Reinstatement” below), or (y) any payment on any Parity Securities that was required to be made as a result of a dividend or other payment having been made on any Equity Securities or Parity Securities, or (z) a redemption, repurchase or acquisition of any Parity Securities);

then irrespective of whether an Interest Non-Payment Notice has been delivered and is outstanding, the Issuer shall be required to pay interest on the Notes accrued in respect of the Interest Period ending

immediately prior to such Interest Payment Date (such payment, a “**Mandatory Interest Payment**” and such date a “**Mandatory Interest Payment Date**”); *provided, however*, that if a Capital Deficiency Event occurred during the Interest Period immediately preceding such Interest Payment Date, such Interest Payment Date shall only be a Mandatory Interest Payment Date if such Capital Deficiency Event occurred prior to the relevant event described in sub-paragraph (i) or (ii) of this section.

The interest amount payable on each Note in relation to a Mandatory Interest Payment will be calculated as follows:

- (x) if the Mandatory Interest Payment results from an event described in sub-paragraph (i) of this section, it will be calculated on the basis of the Current Principal Amount of such Note; and
- (y) if the Mandatory Interest Payment results from an event described in sub-paragraph (ii) of this section, it shall be equal to the Notional Interest Amount.

“**Notional Interest Amount**” means, in respect of any Note, the amount of interest which would have been payable, absent a voluntary or automatic non-payment of interest pursuant to “Optional Non-Payment of Interest” above, for the one-year period prior to, and including, such Interest Payment Date, calculated on the basis of the Current Principal Amount of such Note, multiplied by the Underlying Security Payment Percentage, as calculated by the Issuer prior to the relevant Interest Payment Date.

“**Underlying Security**” means the class of Parity Securities in respect of which the payments made represent the highest proportion of the payment which would have been payable during the one-year period prior to, and including, the relevant Interest Payment Date.

“**Underlying Security Payment Percentage**” means the ratio, calculated as a percentage, equal to (i) the payments effectively made on the Underlying Security during the one-year period prior to, and including, the relevant Interest Payment Date, divided by (ii) the payment which would have been payable during such period on the Underlying Security.

Loss Absorption:

In the event that, at any time, a Capital Deficiency Event has occurred, the board of directors of the Issuer will convene an extraordinary shareholders’ meeting to be held during the three months following the occurrence of such event in order to propose a share capital increase or any other measure regarded as necessary or useful to remedy such event. If a share capital increase or any such other proposed measure is not adopted by the Issuer’s extraordinary shareholders’ meeting or if the share capital increase is not sufficiently subscribed to remedy such event in full, or if such event remains in effect at the end of the Quarter following the Quarter during which the Capital Deficiency Event has occurred, the board of directors of the Issuer will implement, within ten days, a reduction of the amount of Broken Interest, if any, and thereafter for purposes of computing the Interest Amount a reduction of the Current Principal Amount of the Notes (a “**Loss Absorption**”). “**Quarter**”

means one quarter of a calendar year, *i.e.*, January 1st to March 31st, April 1st to June 30th, July 1st to September 30th and October 1st to December 31st. Notwithstanding any other provision, the Current Principal Amount of each Note shall never be reduced to an amount lower than one cent of one euro (EUR 0.01).

The amounts by which Broken Interest and, as the case may be, the Current Principal Amount of the Notes are reduced to enable the Issuer to absorb losses in order to ensure the continuity of its activities in accordance with the Applicable Banking Regulations, will be (in the case that a Capital Deficiency Event has occurred pursuant to clause (a) of the definition thereof) the lower of (i) the amount of the excess of (a) the total consolidated capital required by Applicable Banking Regulations over (b) the total consolidated capital of the Issuer after the share capital increase or any other measures adopted by the shareholders' meeting of the Issuer to remedy such Capital Deficiency Event (or the total consolidated capital of the Issuer in the absence of such measures) and (ii) the sum of the amounts of Broken Interest, if any, and the Current Principal Amount of the Notes before such reduction. In the case that a Capital Deficiency Event has occurred pursuant to clause (b) of the definition thereof, the amounts by which Broken Interest and, as the case may be, the Current Principal Amount of the Notes are reduced, will be determined by the Issuer with the consent of the Relevant Banking Regulator.

For the avoidance of doubt, the first remedy to the Capital Deficiency Event will be the share capital increase or the implementation of any other measures adopted by the extraordinary shareholders' meeting of the Issuer to remedy such Capital Deficiency Event. To the extent such increase of share capital or other measures are not sufficient, the Loss Absorption will be applied first against the amount of Broken Interest, if any, and thereafter, if necessary, against the Current Principal Amount of the Notes as herein described.

Reinstatement:

If, following a Loss Absorption, the Issuer has recorded positive Consolidated Net Income for at least two consecutive fiscal years (a "**Return to Profitability**") following the end of the most recent fiscal year in which there was a Loss Absorption (the "**Absorption Year End**"), the Issuer shall increase the Current Principal Amount of the Notes (a "**Reinstatement**") on any date and in an amount that it determines (either up to the Original Principal Amount or up to any other amount lower than the Original Principal Amount), to the extent any such Reinstatement complies with Applicable Banking Regulations.

Irrespective of whether a Return to Profitability has occurred, the Issuer shall increase the Current Principal Amount of the Notes in an amount equal to the Mandatory Reinstatement Amount (as defined below) on any date that it determines if (i) a Mandatory Reinstatement Event (as defined below) has occurred since the Absorption Year End, and (ii) the Issuer has not since such Mandatory Reinstatement Event occurred made a Reinstatement up to the Original Principal Amount pursuant to the provisions of the immediately preceding paragraph.

For the avoidance of doubt, following a Reinstatement the Current Principal Amount of the Notes may never be greater than the Original Principal Amount of the Notes.

“**Consolidated Net Income**” means the consolidated net income (excluding minority interests) of the Issuer, as calculated and set out in the audited annual consolidated financial statements of the Issuer.

“**Mandatory Reinstatement Event**” means (i) a Restricted Payment, or (ii) the increase by the Issuer of the principal amount of any Parity Securities other than the Notes, the terms of which contain a provision for the reinstatement of their principal amount similar to that of the Notes.

“**Mandatory Reinstatement Amount**” means the lesser of (i) the difference between the Original Principal Amount of the Notes and the Current Principal Amount of the Notes, and (ii) the positive Consolidated Net Income of the Issuer as set out in its latest audited annual consolidated financial statements. Additionally, for the purpose of a Reinstatement pursuant to clause (ii) of the definition of “Mandatory Reinstatement Event” in the preceding paragraph, the Mandatory Reinstatement Amount will be computed so that the Notes will be reinstated by a principal amount which is the same in percentage terms as the largest increase in principal amount of such Parity Securities.

“**Restricted Payment**” means an Equity Securities Payment or a Parity Securities Payment.

“**Equity Securities Payment**” means any declaration or payment of a dividend on any Equity Securities (other than, for the avoidance of doubt, (x) a dividend or other distribution on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares, or (y) any redemption, purchase or acquisition of Equity Securities by any means).

“**Parity Securities Payment**” means any payment of any nature on any Parity Securities (other than, for the avoidance of doubt, (x) any payment on any Parity Securities (other than the Notes) that was required to be made as a result of a dividend or other payment having been made on any Equity Securities or Parity Securities, or (y) any redemption, purchase or acquisition of Parity Securities by any means).

Call from the First Call Date:

The Issuer will have the right, subject to the prior consent of the Relevant Banking Regulator, to call the Notes in whole or in part on the Interest Payment Date falling on the First Call Date or upon any Interest Payment Date thereafter. Such call will be exercised at a price (the “**Base Call Price**”) equal to the Original Principal Amount of the Notes plus any accrued but unpaid interest thereon.

In the case of a partial call, this shall be performed by way of an equal reduction of the Current Principal Amount of each of the Notes. For the avoidance of doubt, such reduction of Current Principal Amount is distinct from the Loss Absorption mechanism and the resulting reduced Current Principal Amount. Unlike in the case of a Loss Absorption, following a partial call the Original Principal Amount of each Note shall be permanently reduced by the amount of principal called and paid for.

Call before the First Call Date:

The Issuer will have the right, and in certain circumstances the obligation, to redeem the Notes at the Base Call Price at any time (in

whole but not in part) in case of imposition of withholding tax on interest payments on the Notes, in case of loss of deductibility of interest paid on the Notes for corporate income tax purposes and in case of loss of Tier 1 Capital status of the Notes due to a change in Applicable Banking Regulations, subject to the prior consent of the Relevant Banking Regulator.

Taxation: The Notes will, upon issue, benefit from an exemption from deduction for withholding tax as provided under “Terms and Conditions of the Notes”. If French law shall require any such deduction, the Issuer shall, to the extent permitted by law and subject to certain exceptions, pay additional amounts.

Representation of Noteholders: Noteholders will form a *masse* governed by the provisions of the *Code de commerce* (French Commercial Code), subject to certain exceptions, in defense of their common interests.

Use of proceeds: The net proceeds of the issue of the Notes amount to approximately EUR 496,250,000. The Issuer intends to use the proceeds from the issue of the Notes for general corporate purposes.

Clearing Systems: The Notes will be accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear.

Listing and admission to trading: Application has been made for the Notes to be listed on official list of the Luxembourg Stock Exchange and admitted to trading on the EU-regulated market of the Luxembourg Stock Exchange.

Selling Restrictions: The Notes have not been and will not be registered under the U.S. Securities Act and are being offered and sold only outside the United States in accordance with Regulation S thereunder. Moreover, the Notes have not been and will not be registered in any country or jurisdiction in order to permit a public offering and related selling restrictions therefore apply in various jurisdictions. See “Subscription and Sale”.

Ratings: The Notes are expected to be assigned a rating of “Aa3” by Moody’s Investors Service, Inc., “AA-” by Standard & Poor’s Ratings Services and “AA-” by Fitch Ratings. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, suspension, reduction or withdrawal of a rating may adversely affect the market price of the Notes.

As defined by Standard & Poor’s, an obligation rated ‘A’ is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor’s capacity to meet its financial commitment on the obligation is still strong. The ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Obligations rated ‘A’ by Moody’s are considered upper-medium grade and are subject to low credit risk. Moody’s appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa

through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category.

As defined by Fitch an AA rating means very high credit quality and an expectation of very low credit risk. It indicates very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories.

Governing Law:

French law

Note Codes:

ISIN: FR0010638338

Common Code: 037372765

RISK FACTORS

Prospective purchasers of the Notes offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all of the information in this Prospectus and, in particular, the risk factors set forth below (which the Issuer, in its reasonable opinion, believes represents or may represent the risk factors known to it which may affect the Issuer's ability to fulfill its obligations under the Notes) in making an investment decision. Investors may lose the value of their entire investment in certain circumstances. Words and expressions defined in "Terms and Conditions of the Notes" herein shall have the same meanings in this section.

Risks Related to the Bank and its Industry

Principal Categories of Risk.

The main categories of risks inherent in the Bank's activities are summarized in this risk factor and described in detail under "Risk Management" herein. The risk factors following this one elaborate on or give specific examples of these different types of risks, and describe certain additional risks faced by the Bank.

Credit and Counterparty Risk.

Credit risk is the risk of incurring a financial loss on loans and receivables (existing or potential due to commitments given) as a result of changes in the creditworthiness of the Bank's debtors, which can lead to actual defaults. Creditworthiness is primarily measured based on the probability of default, combined with the chances of recovery of the loan or receivable in the event of default. Credit risk is measured at portfolio level based on groups of loans and/or receivables with similar credit risk characteristics, taking into account correlations between the values of the loans and receivables making up the relevant portfolio. Credit risk arises in relation to lending activities as well as market, investing and payment transactions that potentially expose the Bank to the risk of counterparty default. Counterparty risk refers to the bilateral credit risk with third parties with whom one or several market transactions were effected. Its amount varies over time according to market parameters affecting the potential future value of underlying transactions.

Market Risk.

Market risk arises from trading and non-trading activities and is defined as the risk of incurring a financial loss on instruments carried on the Bank's balance sheet as a result of adverse changes in market parameters. These parameters, such as foreign exchange rates, interest rates, share and commodity prices, listed derivatives prices, and prices of other marketable assets such as property or cars, may be observed on the market. Others can be directly determined based on observable parameters, including credit spreads, implied volatility or implied correlation. Others still may not be observable on the market but rather through statistical analysis or empirical measurements.

Absence of liquidity is also an important component of market risk. In instances of little or no liquidity, goods or instruments may not be tradable at their theoretical value. This may arise, for example, due to limited market demand, legal restrictions, or a one-way market.

Market risk primarily arises in trading portfolios, but may also exist in other asset portfolios held in connection with the banking business, such as:

- shareholdings;
- properties during the sale process; or
- cars on lease whose price level is indirectly affected by changes in the market value of the assets concerned.

Operational Risk.

Operational risk corresponds to the risk of incurring a financial loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. The management of operational risk is underpinned by a causal analysis. The internal processes concerned may involve issues including human resources and systems. External events include but are not limited to floods, fire, earthquakes and terrorist attacks. Credit or market events such as default or a change in value do not fall within the scope of operational risk. In general, therefore, operational risk encompasses legal risks, tax risks, information system risks, the potential financial consequences of reputational risk and compliance risks. However, due to its importance and link with reputational risk, the Bank treats compliance risk separately from operational risk.

Compliance and Reputational Risks.

Compliance risk is the risk of legal, administrative or disciplinary sanctions, or financial loss that a bank may suffer as a result of its failure to comply with all the laws, regulations, codes of conduct and standards of good practice applicable to banking and financial activities (including instructions given by an executive body, particularly in application of guidelines issued by a supervisory body). By definition, this risk is a sub-category of operational risk. However, certain impacts related to compliance risk can represent more than a mere financial loss and may harm the Bank's reputation. It is for this reason that the Bank treats compliance risk separately.

Reputational risk corresponds to the risk of damaging the trust placed in a company by its customers, counterparties, suppliers, employees, shareholders, regulators and any other third party whose trust is an essential condition for the company to carry out its business in the ordinary course.

Asset-Liability Management Risk.

Asset-liability risk management is the risk of incurring a financial loss as a result of changes in interest rates, maturities and nature of assets and liabilities. For banking activities, asset-liability management risk affects non-trading portfolios and primarily relates to global interest rate risk. For insurance activities, it also includes the risk of changes in the value of shares and other assets (particularly real estate) held by the general fund.

Liquidity and Refinancing Risk.

Liquidity and refinancing risk is the risk of the Bank being unable to honor its payment obligations or collateral needs, whether expected or unexpected, at any given time and location and in any currency.

Insurance Underwriting Risk.

BNP Paribas' insurance activities – which primarily relate to personal insurance – are subject to insurance underwriting risk. This type of risk relates to financial loss resulting from an unexpected increase in insurance claims. Depending on the type of insurance business (life insurance, personal risks, or annuities), this risk may be statistical, macro-economic, or behavioural, or may be tied to public health issues or natural disasters. It does not constitute the principal component of risks linked to life insurance, an area in which asset-liability risk is predominant.

Business Risk

Business risk corresponds to the risk of generating negative operational revenues (beyond the impact of other risks, such as market risk or operational risk) resulting from the Bank's inability to cover its expenses with its revenues. This state of affairs can result from changes in the business environment or a lack of flexibility in cost structures, which would prevent appropriate adjustments in expenses.

Strategic Risk

Strategic risk is the risk of a decrease in stock prices due to strategic choices made by the Bank.

Adverse market or economic conditions may cause a decrease in net banking income or profitability.

As a global financial institution, the Bank's businesses are highly sensitive to changes in the financial markets and economic conditions generally in Europe (especially in France and Italy), the US and elsewhere around the world. Adverse changes in market or economic conditions could create a challenging operating environment for financial institutions in the future. Such adverse changes could result, in particular, from increases in commodity prices (including oil), increases in interest rates, adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts), or a deterioration in credit market conditions.

There are numerous examples of the specific risks that the Bank faces with respect to potential adverse future market or economic conditions. Financial markets in France, in Europe and elsewhere may decline or experience increased volatility, which could lead to a decline in capital markets transactions, cash inflows and commissions from asset management. Adverse economic conditions could reduce credit demand by corporate borrowers or increase the rate of defaults by borrowers. These developments would adversely affect the Bank's net banking income, and, if it were unable to reduce expenses commensurately, its profitability. Revenues and profitability could also be depressed by market losses in the Bank's securities portfolio or proprietary positions resulting from adverse market or economic developments.

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 private equity, property and other assets. These positions could be adversely affected by volatility in financial and other markets, i.e. the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Volatility trends that prove substantially different from the Group's expectations may also lead to losses relating to a broad range of other trading and hedging products the Bank uses, including swaps, forwards and futures, 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 expose it to potentially unlimited losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Bank may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to earn net revenues based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Bank did not anticipate or against which it is not hedged, the Bank might realize a loss on those paired positions. Such losses, if significant, could adversely affect the Bank's results of operations and financial condition.

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

Market downturns are likely to lead to a decline in the volume of transactions that the Bank executes for its clients and, therefore, to a decline in its net banking income from this activity. 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 and private banking businesses.

Even in the absence of a market downturn, 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.

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 especially the case for assets the Bank holds for which there are not very liquid markets to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, 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 losses that the Bank did not anticipate.

Significant interest rate changes could adversely affect the Bank's net banking income or profitability.

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

Primary and secondary debt market conditions and deteriorating economic conditions could have a material adverse impact on the Bank's earnings and financial condition.

Significant disruptions in the primary and secondary debt markets, and the worsening of overall economic conditions could, at any time, negatively affect the activities, earnings and financial condition of financial institutions worldwide, including the Bank. The primary effects of these conditions could be, among others, the following:

- Crises in the debt markets are characterized by reduced liquidity and increased credit risk premiums for certain market participants. These conditions, which increase the cost and reduce the availability of debt, may continue or worsen in the future. Since the Bank is highly dependent on the availability of credit to finance its operations, disruptions in the debt markets could have an adverse impact on its earnings and financial condition;
- The secondary debt markets could also experience significant disruptions resulting from reduced investor demand for loans and debt-backed securities (known as "collateralized debt obligations" or "CDOs") and increased investor yield requirements for those loans and securities. Falling property prices in the United States and a significant increase in the number of subprime mortgages originated in 2005 and 2006 could accelerate the increases in mortgage delinquencies and defaults in the United States. These conditions could also affect other markets as financial institutions sell assets to meet liquidity requirements. These conditions may affect banking activities in a number of ways, including reducing the availability of securitization markets to finance new loans, reducing performance-based fees in asset management businesses and halting LBO market activity.

The reduction in the availability of credit could impact the overall level of economic activity, despite efforts by central banks and economic policy makers to implement measures designed to stimulate the economy. The economic outlook may in turn have a significant negative effect on stock market index values and, consequently, on the value of financial instruments held by the Bank in its trading portfolio, as well as the outlook for earning commissions from equity brokerage and capital markets activities and commissions from asset management activities.

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 uses its best efforts to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses in the future as a result of increases in non-performing assets or for other reasons. 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 an adverse effect on the Bank's results of operations and financial condition.

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

In the highly competitive environment arising from globalization and convergence 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, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. The loss of business that could result from damage to the Bank's reputation could have an adverse effect on its results of operations and financial position.

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

As with most other banks, BNP Paribas relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Bank's customer relationship management, general ledger, deposit, servicing and/or loan organization systems. The Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have an adverse effect on the Bank's financial condition and results of operations.

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

Unforeseen events such as severe natural disasters, terrorist attacks or other states of emergency could lead to an abrupt interruption of the Bank's operations and, to the extent not covered by insurance, could cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to additional costs (such as relocation of employees affected) and increase the Bank's costs (particularly insurance premiums). These types of event may also make it impossible for the Bank to obtain insurance coverage and thus increase its overall risk.

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

Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimand, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of operating licences.

The Group's businesses and earnings can be affected by the fiscal measures and other policies adopted by regulatory authorities in France and other European Union countries, foreign governments or international agencies. The nature and impact of future changes in such policies and regulatory measures are unpredictable and are beyond the Group's control. Such changes could include, but are not limited to, the following:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Group operates;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework (see "Capital Adequacy of the BNP Paribas Group—Recent Changes to the BIS Capital Standards");
- changes in the financial reporting environment; and
- expropriation, nationalization, confiscation of assets and changes in legislation relating to foreign ownership;

- any unfavorable changes in the political, military or diplomatic situation leading to social unrest or legal uncertainty, potentially affecting demand for the Group's products and services.

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

The Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Bank's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, particularly risks that the Bank fails to identify or anticipate. Some of the Bank's qualitative tools and metrics for managing risk are based on its use of observed historical market behavior. The Bank applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. 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. 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.

The Bank may have difficulty in identifying and executing acquisitions, which could materially harm the Bank's results of operations.

The Bank considers that external growth opportunities form part of its overall strategy. This strategy involves numerous risks. Although the Bank undertakes an in-depth analysis of the companies it plans to acquire, it is generally not feasible for these analyses to be complete in all respects. As a result, the Bank may assume unanticipated liabilities, or an acquired entity may not perform as well as expected. It is also possible that some or all of the planned synergies do not arise or that an acquisition leads to higher-than-expected costs. In addition, the Bank might have difficulty integrating an acquired entity. Failure to complete announced business combinations or failure to integrate acquired businesses successfully into those of the Bank could have a material adverse effect on the Bank's profitability. It could also lead to departures of key employees, or give rise to increased costs and reduced profitability if the Bank felt compelled to offer them financial incentives to remain.

Intense competition, especially in the Bank's home market of France, where it has the largest single concentration of its businesses, could adversely affect the Bank's net banking income and profitability.

Competition is intense in all of the Bank's primary business areas in France and the other countries in which it conducts large portions of its business, including other European countries and the United States. 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 French economy could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Bank and its competitors. In addition, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favorable terms.

Risks Related to the Notes

The Notes are deeply subordinated obligations.

The Issuer's obligations under the Notes are deeply subordinated obligations of the Issuer which are the most junior debt instruments of the Issuer, ranking *pari passu* among themselves and with all other present and future Parity Securities, and subordinated to and ranking behind the claims of all other unsubordinated and ordinarily subordinated creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer. In the event of liquidation, the Issuer's obligations under the Notes rank in priority only to any payments to holders of Equity Securities.

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

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Tier 1 Capital of the Issuer. See "Terms and Conditions of the Notes—Status of the Notes and Subordination" and "Capital Adequacy of the BNP Paribas Group" below. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Terms and Conditions of the Notes. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, in certain circumstances and/or upon the occurrence of certain events, payments of interest under the Notes may be restricted and, in certain cases, forfeited and the amount of Broken Interest and the Current Principal Amount of the Notes may be reduced, nearly to zero. See "Terms and Conditions of the Notes – Loss Absorption and Return to Profitability".

There are certain restrictions on payments under the Notes.

For so long as the mandatory interest provisions do not apply, the Issuer may elect, and in certain circumstances shall be required, not to pay interest falling due on the Notes on any Interest Payment Date. Any interest not so paid on any such Interest Payment Date shall be forfeited and shall no longer be due and payable by the Issuer, save as otherwise provided. See "Terms and Conditions of the Notes – Interest and Interest Suspension".

In addition, in certain circumstances, payment of interest will be suspended automatically upon the occurrence of a Capital Deficiency Event. See "Terms and Conditions of the Notes – Interest and Interest Suspension".

There is no limitation on issuing or guaranteeing debt.

There is no restriction on the amount of debt that the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank senior in priority of payment to the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment.

The Notes are undated securities.

The Notes are undated securities in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Notes at any time (except as provided in "Terms and Conditions of the Notes—Redemption and Purchase").

The Noteholders have no right to require redemption of the Notes, except if a judgment is issued for the insolvent judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason. See "Terms and Conditions of the Notes—Mandatory Redemption" below.

The Notes may be redeemed under certain circumstances.

The Notes are undated securities in respect of which there is no fixed redemption or maturity date. Nevertheless, the Notes may be redeemed at the option of the Issuer (i) in whole or in part on the First Call Date and on any Interest Payment Date thereafter and (ii) in whole (but not in part) at any time for certain tax or regulatory reasons. See “Terms and Conditions of the Notes—Redemption and Purchase”.

In certain circumstances for tax reasons (see “Terms and Conditions of the Notes—Redemption and Purchase”), the Issuer will be required to redeem the Notes in whole (but not in part).

In each case, early redemption of the Notes is subject to the prior approval of the Relevant Banking Regulator.

There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.

There is no prior market for the Notes.

There is currently no existing market for the Notes, and there can be no assurance that any market will develop for the Notes or that Noteholders will be able to sell their Notes in the secondary market. There is no obligation to make a market in the Notes. Application has been made to list the Notes on the Luxembourg Stock Exchange and admit them to trading on the EU-regulated market of the Luxembourg Stock Exchange.

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

Payments of interest on the Notes, or profits realized by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Noteholders generally in France and as a result of the entry into force of the EU Directive 2003/48/EC on the taxation of savings income is described under “Taxation” below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the audited consolidated financial statements of BNP Paribas as at, and for the years ended, December 31, 2006 and 2007 (the “**2006 Financial Statements**” and the “**2007 Financial Statements**” respectively, together with the respective statutory auditors’ reports thereon (together, the “**BNPP Auditors’ Reports**”), as contained, respectively, in BNP Paribas’ *document de référence* in English for 2006 (the “**2006 Registration Document**”) and BNP Paribas’ *document de référence* in English for 2007 (the “**2007 Registration Document**”); and
- (b) an information statement relating to the Issuer, dated May 29, 2008 (the “**Information Statement**”);

save that any statement contained herein or in a document all or the relevant portion of which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any such subsequent document all or the relevant portion of which is incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The information incorporated by reference above is available as follows:

| Information Incorporated by Reference | Reference |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------|
| <i>2006 Financial Statements</i> | |
| Consolidated Balance Sheet | Page 105 of the 2006 Registration Document |
| Consolidated Profit & Loss Account | Page 104 of the 2006 Registration Document |
| Consolidated Statement of Cash flows | Page 108 of the 2006 Registration Document |
| Appendices/Notes | Pages 109 to 191 of the 2006 Registration Document |
| Statutory Auditors’ Report on the Consolidated Financial Statements | Pages 192 & 193 of the 2006 Registration Document |
| <i>2007 Financial Statements</i> | |
| Consolidated Balance Sheet | Page 111 of the 2007 Registration Document |
| Consolidated Profit & Loss Account | Page 110 of the 2007 Registration Document |
| Consolidated Statement of Cash flows | Page 114 of the 2007 Registration Document |
| Appendices/Notes | Pages 115 to 220 of the 2007 Registration Document |
| Statutory Auditors’ Report on the Consolidated Financial Statements | Pages 221 & 222 of the 2007 Registration Document |
| <i>2007 Information Statement</i> | |
| Forward-Looking Statements | Page 3 of the 2007 Information Statement |
| Presentation of Financial Information | Page 4 of the 2007 Information Statement |
| Selected Financial Data | Pages 11 to 14 of the 2007 Information Statement |
| Recent Developments (including the Issuer’s quarterly results for the period ended March 31, 2008) | Pages 59 to 74 of the 2007 Information Statement |
| Business of the Group | Pages 75 to 94 of the 2007 Information Statement |

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|------------------------------------------------------------------|----------------------------------------------------|
| Risk Management | Pages 95 to 122 of the 2007 Information Statement |
| Governmental Supervision and Regulation of BNP Paribas in France | Pages 123 to 125 of the 2007 Information Statement |
| Capital Adequacy of the BNP Paribas Group | Pages 126 to 132 of the 2007 Information Statement |
| Management of the Bank | Pages 133 to 139 of the 2007 Information Statement |
| Independent Statutory Auditors | Page 140 of the 2007 Information Statement |

The information contained in the documents incorporated by reference listed in the table above is required to be furnished under European law and regulation; information contained in the documents incorporated by reference other than the information listed in the table above is for information purposes only. The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which or portions of which are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Prospectus. In addition, such documents will be available free of charge from the specified office in Luxembourg of BNP Paribas Securities Services, as well as on the website of the Luxembourg Stock Exchange (www.bourse.lu).

TERMS AND CONDITIONS OF THE NOTES

The issue outside the French Republic of the EUR 500,000,000 Undated Deeply Subordinated Non-Cumulative Notes (the “**Notes**”) of BNP Paribas (the “**Issuer**”) was decided on June 25, 2008 by the Chief Executive Officer (*Directeur Général*) of the Issuer, acting pursuant to a resolution of the board of directors (*conseil d’administration*) of the Issuer dated May 21, 2008. The Notes are issued with the benefit of a fiscal agency agreement (the “**Fiscal Agency Agreement**”), expected to be dated on or about June 27, 2008 among the Issuer, BNP Paribas Securities Services, as fiscal agent and principal paying agent (the “**Fiscal Agent**”, which expression shall, where the context so admits, include any successor for the time being of the Fiscal Agent), the other paying agents named therein (together, the “**Paying Agents**”, which expression shall, where the context so admits, include the Fiscal Agent and any successors for the time being of the Paying Agents or any additional paying agents appointed thereunder from time to time) and BNP Paribas Securities Services, as calculation agent (the “**Calculation Agent**”, which expression shall, where the context so admits, include any successor for the time being of the Calculation Agent). References below to the “**Agents**” shall be to the Fiscal Agent, the Paying Agents and/or the Calculation Agent, as the case may be. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Paying Agents. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

1. DEFINITIONS

For the purposes of these Conditions:

“**Absorption Year End**” means the end of the most recent fiscal year in which there was a Loss Absorption.

“**Account Holders**” has the meaning set forth in Condition 2.

“**Actual/Actual ICMA**” has the meaning set forth in Condition 4.2.3.

“**Agents**” has the meaning set forth in the preamble to these Conditions.

“**Alternate Representative**” has the meaning set forth in Condition 10.2.

“**Applicable Banking Regulations**” means, at any time, the capital adequacy regulations then in effect of the regulatory authority in the French Republic (or if the Issuer becomes domiciled in a jurisdiction other than the French Republic, such other jurisdiction) that are applicable to the Issuer.

“**Base Call Price**” has the meaning set forth in Condition 6.2.

“**BIS Press Release**” has the meaning set forth in Condition 3.

“**Broken Interest**” is only applicable with respect to an Interest Period whose Interest Payment Date is an Optional Interest Payment Date and means, with respect to the period from (and including) the immediately preceding Interest Payment Date (or in the case of the first Interest Payment Date, the Issue Date) to (but excluding) the date of the occurrence of a Capital Deficiency Event, the amount of interest accrued on the Notes during such period as calculated by the Calculation Agent.

“**Calculation Agent**” has the meaning set forth in the preamble to these Conditions.

“**Capital Deficiency Event**” means the first date on which either of the following events occurs:

- (a) the total risk-based consolidated capital ratio of the Issuer, calculated in accordance with Applicable Banking Regulations, falls below the minimum percentage required by Applicable Banking Regulations; or
- (b) the Issuer is notified by the Relevant Banking Regulator that it has determined, in its sole discretion, in view of the deteriorating financial condition of the Issuer, that the foregoing paragraph (a) of this definition would apply in the near term.

A Capital Deficiency Event shall be deemed to occur pursuant to paragraph (a) above on the date on which the Issuer publishes its annual or half-year results indicating that the total risk-based consolidated capital ratio has fallen

below the relevant level, or on any such other date on which the Issuer determines that such ratio has fallen below such level.

“**Clearstream, Luxembourg**” has the meaning set forth in Condition 2.

“**Consolidated Net Income**” means the consolidated net income (excluding minority interests) of the Issuer, as calculated and set out in the audited annual consolidated financial statements of the Issuer.

“**CRBF Regulation**” has the meaning set forth in Condition 3.

“**Current Principal Amount**” means the principal amount of the Notes outstanding at any time, calculated on the basis of the Original Principal Amount of the Notes as such amount may be reduced pursuant to the application of the Loss Absorption mechanism and/or reinstated on one or more occasions, pursuant to Conditions 5.1 and 5.2, respectively.

“**End of Capital Deficiency Event**” means, following a Capital Deficiency Event, the first date on which either of the following events occurs:

- (a) if the Capital Deficiency Event occurred pursuant to paragraph (a) of the definition of Capital Deficiency Event, the total risk-based consolidated capital ratio of the Issuer, calculated in accordance with Applicable Banking Regulations, complies with the minimum percentage required in accordance with Applicable Banking Regulations; or
- (b) if the Capital Deficiency Event occurred pursuant to paragraph (b) of the definition of Capital Deficiency Event, the notification by the Relevant Banking Regulator to the Issuer that it has determined, in its sole discretion, in view of the financial condition of the Issuer, that the circumstances which resulted in the Capital Deficiency Event have ended.

An End of Capital Deficiency Event shall be deemed to occur pursuant to paragraph (a) above on the date on which the Issuer publishes its annual or half-year results indicating that the total risk-based consolidated capital ratio has been restored to the relevant level, or on any such other date on which the Issuer determines that such ratio has been so restored.

“**Equity Securities**” means (a) the ordinary shares of the Issuer and (b) any other class of the Issuer’s share capital or other securities of the Issuer ranking junior to the Parity Securities.

“**Equity Securities Payment**” means any declaration or payment of a dividend on any Equity Securities (other than, for the avoidance of doubt, (x) a dividend or other distribution on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares, or (y) any redemption, purchase or acquisition of Equity Securities by any means).

“**Euroclear**” has the meaning set forth in Condition 2.

“**Euroclear France**” has the meaning set forth in Condition 2.

“**Euro-zone**” means the region comprised of member states of the European Union which have adopted the Euro as their national currency in accordance with the Treaty establishing the European Community, as amended.

“**First Call Date**” means July 2, 2018.

“**Fiscal Agency Agreement**” has the meaning set forth in the preamble to these Conditions.

“**Fiscal Agent**” has the meaning set forth in the preamble to these Conditions.

“**Fixed Rate Interest Amount**” has the meaning set forth in Condition 4.

“**Fixed Rate Interest Payment Date**” has the meaning set forth in Condition 4.

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

“**Floating Rate Interest Amount**” has the meaning set forth in Condition 4.

“**Floating Rate Interest Determination Date**” has the meaning set forth in Condition 4.

“**Floating Rate Interest Payment Date**” has the meaning set forth in Condition 4.

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

“**Interest Amount**” means a Fixed Rate Interest Amount and/or a Floating Rate Interest Amount, as the case may be.

“**Interest Non-Payment Notice**” has the meaning set forth in Condition 4.4.

“**Interest Payment Date**” means a Fixed Rate Interest Payment Date or a Floating Rate Interest Payment Date, as the case may be.

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

“**Issue Date**” means June 30, 2008.

“**Issuer**” means BNP Paribas.

“**Loss Absorption**” has the meaning set forth in Condition 5.

“**Mandatory Interest Payment**” means the amount of interest due on any Mandatory Interest Payment Date, as calculated in accordance with Condition 4.4.1.

“**Mandatory Interest Payment Date**” means each Interest Payment Date as to which at any time during the one-year period prior to such Interest Payment Date any of the following events occurs:

- (i) a declaration or payment of a dividend, or a payment of any nature by the Issuer on any Equity Securities (other than (x) a dividend or other distribution paid on the ordinary shares of the Issuer consisting solely of newly-issued ordinary shares, or (y) a redemption, repurchase or acquisition of any Equity Securities); or
- (ii) a payment of any nature by the Issuer on any Parity Securities (other than (x) a Reinstatement, or (y) any payment on any Parity Securities that was required to be made as a result of a dividend or other payment having been made on any Equity Securities or Parity Securities, or (z) a redemption, repurchase or acquisition of any Parity Securities),

provided, however, that if a Capital Deficiency Event occurred during the Interest Period immediately preceding such Interest Payment Date, such Interest Payment Date shall only be a Mandatory Interest Payment Date if such Capital Deficiency Event occurred prior to the relevant event described in sub-paragraph (i) or (ii) above.

“**Mandatory Reinstatement Amount**” means the lesser of (i) the difference between the Original Principal Amount of the Notes and the Current Principal Amount of the Notes, and (ii) the positive Consolidated Net Income of the Issuer as set out in its latest audited annual consolidated financial statements. Additionally, for the purpose of a Reinstatement pursuant to clause (ii) of the definition of “Mandatory Reinstatement Event”, the Mandatory Reinstatement Amount will be computed so that the Notes will be reinstated by a principal amount which is the same in percentage terms as the largest increase in principal amount of such Parity Securities.

“**Mandatory Reinstatement Event**” means (i) a Restricted Payment, or (ii) the increase by the Issuer of the principal amount of any Parity Securities other than the Notes, the terms of which contain a provision for the reinstatement of their principal amount similar to that of the Notes.

“**Masse**” has the meaning set forth in Condition 10.

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

“**Notional Interest Amount**” has the meaning set forth in Condition 4.4.

“**Optional Interest Payment Date**” means any Interest Payment Date other than a Mandatory Interest Payment Date.

“**Ordinarily Subordinated Obligations**” means any obligations (including any bonds or notes) of the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and which at all times rank *pari passu* and without any preference among themselves and equally and ratably with any other existing or future Ordinarily Subordinated Obligations, behind Unsubordinated Obligations but in priority to Equity Securities, the Notes, Parity Securities, *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer.

“**Original Principal Amount**” means the nominal amount of each Note on the Issue Date (*i.e.*, EUR 50,000), which amount may be permanently reduced in the event of a partial call as set forth in Condition 6.2.

“**Parity Securities**” means (x) any deeply subordinated obligations (*titres subordonnés de dernier rang*) or other instruments issued by the Issuer which (i) rank, or are expressed to rank, *pari passu* among themselves and with the Notes and behind the *prêts participatifs* granted to the Issuer, the *titres participatifs* issued by the Issuer, the Ordinarily Subordinated Obligations and the Unsubordinated Obligations and (ii) meet the requirements to be eligible as Tier 1 Capital (as defined below) of the Issuer, or (y) any claim against the Issuer by any subsidiary of the Issuer under a support agreement, guarantee or other agreement or instrument issued by the Issuer in favor of any subsidiary of the Issuer that has issued or will issue preferred securities or preferred or preference shares, the proceeds of which issuance qualify as Tier 1 Capital of the Issuer (for the avoidance of doubt, “Parity Securities” include, without limitation, BNP Paribas’ US\$1,350,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on June 29, 2005, its EUR 1,000,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on October 17, 2005, its US\$400,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on October 17, 2005, its EUR 750,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on April 12, 2006, its £450,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on April 19, 2006, its EUR 150,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on July 13, 2006, its £325,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on July 13, 2006, its EUR 750,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on April 13, 2007, its US\$600,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on June 6, 2007, its US\$1,100,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on June 25, 2007, its £200,000,000 Undated Deeply Subordinated Non-Cumulative Notes issued on October 23, 2007, and any claims under the support agreements relating to (i) BNP Paribas Capital Preferred L.L.C.’s 9.003% Noncumulative Company Preferred Securities, (ii) BNP Paribas Capital Preferred III L.L.C.’s 6.625% Noncumulative Company Preferred Securities, (iii) BNP Paribas Capital Preferred IV L.L.C.’s 6.342% Noncumulative Company Preferred Securities and (iv) BNP Paribas Capital Preferred VI L.L.C.’s 5.868% Noncumulative Company Preferred Securities).

“**Parity Securities Payment**” means any payment of any nature on any Parity Securities (other than, for the avoidance of doubt, (x) any payment on any Parity Securities (other than the Notes) that was required to be made as a result of a dividend or other payment having been made on any Equity Securities or Parity Securities, or (y) any redemption, purchase or acquisition of Parity Securities by any means).

“**Paying Agents**” has the meaning set forth in the preamble to these Conditions.

“**Reinstatement**” has the meaning set forth in Condition 5.

“**Relevant Banking Regulator**” means the SGCB or its successor or any other relevant regulatory authority by which the Issuer is then supervised.

“**Relevant Date**” has the meaning set forth in Condition 8.

“**Representative**” has the meaning set forth in Condition 10.1.

“**Restricted Payment**” means an Equity Securities Payment or a Parity Securities Payment.

“**Return to Profitability**” has the meaning set forth in Condition 5.

“**SGCB**” means the *Secrétariat général de la Commission bancaire*.

“**TARGET Business Day**” means a day on which the TARGET System is operating.

“**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer System or any successor thereto.

“**Tier 1 Capital**” has the meaning set forth in Condition 3.

“**Underlying Security**” has the meaning set forth in Condition 4.4.

“**Underlying Security Payment Percentage**” has the meaning set forth in Condition 4.4.

“**Unsubordinated Obligations**” means any obligations (including any bonds or notes) of the Issuer which constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and which rank in priority to the Ordinarily Subordinated Obligations.

2. FORM, DENOMINATION AND TITLE

The Notes will be issued in dematerialized bearer form (*au porteur*) in the denomination of EUR 50,000 each. Title to the Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* referred to in Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be entered in the books of Euroclear France S.A. (“**Euroclear France**”, located at 115, rue Réaumur, 75002 Paris, France), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holder**” shall mean any authorized financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes the depositary banks for Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

3. STATUS OF THE NOTES AND SUBORDINATION

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

The proceeds of the issue of the Notes will be treated, for regulatory purposes, as *fonds propres de base* of the Issuer (“**Tier 1 Capital**”). *Fonds propres de base* shall have the meaning given to it in Article 2 of *Règlement n° 90-02* dated February 23, 1990, as amended, of the *Comité de la Réglementation Bancaire et Financière* (the “**CRBF Regulation**”), or otherwise recognized as *fonds propres de base* by the SGCB. The CRBF Regulation should be read in conjunction with the press release of the Bank for International Settlements dated October 27, 1998 concerning instruments eligible for inclusion in Tier 1 Capital (the “**BIS Press Release**”). The French language version of the BIS Press Release is attached as an exhibit to the report published annually by the SGCB entitled “*Modalités de calcul du ratio international de solvabilité*”.

The principal and interest on the Notes (which constitute *obligations* under French law) constitute direct, unconditional, unsecured, undated and deeply subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and rank and will rank *pari passu* among themselves and with all other present and future Parity Securities, but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, Ordinarily Subordinated Obligations and Unsubordinated Obligations of the Issuer.

In the event of liquidation of the Issuer, the Notes shall rank in priority to any payments to holders of Equity Securities.

There is no restriction on the amount of debt that the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank senior in priority of payment to the Notes.

4. INTEREST AND INTEREST SUSPENSION

4.1 General

The Notes bear interest on their Current Principal Amount at a fixed rate of 7.781% per annum (the “**Fixed Interest Rate**”) from (and including) the Issue Date to (but excluding) the First Call Date, payable annually in arrears on a non-cumulative basis on July 2 of each year (each, a “**Fixed Rate Interest Payment Date**”), commencing on July 2, 2009. Thereafter, the Notes will bear interest on their Current Principal Amount at a floating rate equal to 3-month Euribor plus a margin equal to 3.750% per annum (the “**Floating Interest Rate**”), as determined by the Calculation Agent in accordance with Condition 4.3 below and payable quarterly in arrears on a non-cumulative basis on January 2, April 2, July 2 and October 2 of each year (each, a “**Floating Rate Interest Payment Date**”), commencing on October 2, 2018. For the avoidance of doubt, the Floating Interest Rate is equivalent to the Fixed Interest Rate following conversion of the Fixed Interest Rate into a floating interest rate using the mid-market interest rate swap rate in EUR as quoted at the time of pricing for a period equivalent to the Fixed Rate Interest Period, plus one percent.

Interest will cease to accrue on the Notes on the due date for redemption thereof unless, upon such due date, payment of principal is improperly withheld or refused or if default otherwise occurs in respect of payment thereof. In such event, interest will continue to accrue at the relevant rate as specified in the preceding paragraph (before as well as after any judgment) on the Original Principal Amount of the Notes until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholder.

4.2 Fixed Interest Rate

- 4.2.1 The amount of interest (the “**Fixed Rate Interest Amount**”) payable on the Notes on each Fixed Rate Interest Payment Date will be the product of the Current Principal Amount of the Notes and the Fixed Interest Rate, multiplied by the Actual/Actual-ICMA day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).
- 4.2.2 If interest is required to be calculated in respect of a Fixed Rate Interest Period where the Current Principal Amount of the Notes is less than their Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Fixed Interest Rate to the Current Principal Amount of the Notes as determined from time to time within the Fixed Rate Interest Period, multiplying such product by the Actual/Actual-ICMA day count fraction for each relevant portion of the Fixed Rate Interest Period, adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).
- 4.2.3 The Calculation Agent will cause such Fixed Rate Interest Amount to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and will cause the publication thereof in accordance with Condition 11 as soon as possible after its determination but in no event later than the fourth TARGET Business Day thereafter.

For the purposes of this Condition:

“**Actual/Actual-ICMA**” means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

“**Regular Period**” means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

4.3 Floating Rate

- 4.3.1 Determination of Floating Interest Rate

The Notes bear interest at the Floating Interest Rate from the First Call Date, payable on each Floating Rate Interest Payment Date.

The Floating Interest Rate for each Floating Rate Interest Period will be determined by the Calculation Agent on the following basis:

- (a) the Calculation Agent will determine the 3-month rate for deposits in Euros which appears on the display designated on Reuters Page EURIBOR01 (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11:00 a.m. (Brussels time), on the second TARGET Business Day before the first day of the relevant Floating Rate Interest Period (the “**Floating Rate Interest Determination Date**”); or
- (b) if at the specified time such rate does not appear on that page, the Calculation Agent will:
 - (A) request the principal London office of each of four major banks in the Euro-zone interbank market as selected by it (but which shall not include the Calculation Agent) to provide a quotation of the rate at which deposits in Euros are offered by it at approximately 11:00 a.m. (Brussels time) on the Floating Rate Interest Determination Date to prime banks in the Euro-zone interbank market for a 3-month period and in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations, with the highest and lowest (or, in the event of equality, one of the highest and/or lowest) of such quotations being disregarded for purposes of the calculation; or
- (c) if fewer than two such quotations are provided as requested by the Calculation Agent in accordance with the above paragraph, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in the Euro-zone, selected by the Calculation Agent, at approximately 11:00 a.m. (Brussels time) on the first day of the relevant Floating Rate Interest Period for loans in Euros to leading Euro-zone banks for a 3-month period and in an amount that is representative for a single transaction in that market at that time,

and the Floating Interest Rate for such Floating Rate Interest Period shall be equal to the sum of 3.750% per annum and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, the Floating Interest Rate applicable to the Notes during such Floating Rate Interest Period will be the sum of 3.750% per annum and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Floating Rate Interest Period.

4.3.2 Calculation of Floating Rate Interest Amount by the Calculation Agent

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each Floating Rate Interest Determination Date in relation to each Floating Rate Interest Period, calculate the amount of interest (the “**Floating Rate Interest Amount**”) payable in respect of each Note for such Floating Rate Interest Period. The Floating Rate Interest Amount payable on the Notes on the relevant Floating Rate Interest Payment Date will be the product of the Current Principal Amount of the Notes and the Floating Interest Rate for such Floating Rate Interest Period, multiplied by the actual number of days in such Interest Period divided by

360 and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

If interest is required to be calculated in respect of the Floating Rate Interest Period where the Current Principal Amount of the Notes is less than their Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Floating Interest Rate to the Current Principal Amount of the Notes as determined from time to time within the Floating Rate Interest Period, multiplying such product by the actual number of days divided by 360 for each relevant portion of the Floating Rate Interest Period, adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

4.3.3 Publication of Floating Interest Rate and Floating Rate Interest Amount

The Calculation Agent will cause the Floating Interest Rate and the Floating Rate Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and will cause the publication thereof in accordance with Condition 11 on or as soon as practicable after the first day of the relevant Floating Rate Interest Period. The Floating Rate Interest Amount so published may subsequently be amended (or appropriate arrangements made by way of adjustment). If the Notes become due and payable under Condition 6.2(b) or 6.3 (in case of a purchase of all the outstanding Notes) or under Condition 9, no publication of the Floating Interest Rate or the Floating Rate Interest Amount so calculated need be made.

4.4 Mandatory Interest and Optional Interest

4.4.1 Mandatory Interest Payment

The Issuer shall, on each Mandatory Interest Payment Date, for so long as the mandatory interest provisions apply (as set out in the definition of “Mandatory Interest Payment Date”), pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Mandatory Interest Payment Date.

In order to calculate the amount of interest required to be paid on the Notes on a Mandatory Interest Payment Date pursuant to this Condition 4.4.1 (the “**Mandatory Interest Payment**”):

- (x) if the Mandatory Interest Payment results from an event described in sub-paragraph (i) of the definition of Mandatory Interest Payment Date, it will be calculated on the basis of the Current Principal Amount of the Notes applying the Interest Rate for such Interest Period, as the case may be, and
- (y) if the Mandatory Interest Payment results from an event described in sub-paragraph (ii) of the definition of Mandatory Interest Payment Date, it shall be equal to the Notional Interest Amount.

“**Notional Interest Amount**” means, in respect of any Note, the amount of interest which would have been payable, absent a voluntary or automatic non-payment of interest pursuant to Conditions 4.4.2 and 4.5 below, for the one-year period prior to, and including, such Interest Payment Date, calculated by the Issuer on the basis of the Current Principal Amount of such Note, multiplied by the Underlying Security Payment Percentage, as calculated by the Issuer prior to the relevant Interest Payment Date.

“**Underlying Security**” means the class of Parity Securities in respect of which the payments made represent the highest proportion of the payment which would have been payable during the one-year period prior to, and including, the relevant Interest Payment Date.

“**Underlying Security Payment Percentage**” means the ratio, calculated by the Issuer as a percentage, equal to (i) the payments effectively made on the Underlying Security during the one-year period prior to, and including, the relevant Interest Payment Date, divided by (ii) the payment which would have been payable during such period on the Underlying Security.

Interest accrued and payable on any Mandatory Interest Payment Date is not subject to reduction in accordance with Condition 5.1.

4.4.2 Optional Interest Payment

For so long as the mandatory interest provisions do not apply, the Issuer may elect not to pay interest on any Optional Interest Payment Date, in particular with a view to restoring its regulatory capital in order to ensure the continuity of its activities without weakening its financial structure.

On any Optional Interest Payment Date, the Issuer may, at its option, pay all or part of the interest in respect of the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Optional Interest Payment Date, but the Issuer shall have, subject to such election and decision having been made as described above, no obligation to make such payment and any such failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Notice of non-payment of all or any interest under the Notes on any Optional Interest Payment Date (an “**Interest Non-Payment Notice**”) shall be given to the Noteholders in accordance with Condition 11 and, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, to the Luxembourg Stock Exchange. The Interest Non-Payment Notice shall be given no later than two TARGET Business Days prior to the relevant Optional Interest Payment Date.

Save as otherwise provided, any interest not paid on an Optional Interest Payment Date will be forfeited and accordingly will no longer be due and payable by the Issuer.

The amount of Broken Interest in respect of the Interest Period ending immediately prior to any Optional Interest Payment Date may be reduced following a Capital Deficiency Event, as provided in Condition 5.1.

Payment of interest will automatically be suspended upon the occurrence of a Capital Deficiency Event (and until the occurrence of an End of Capital Deficiency Event), unless the relevant Interest Payment Date is a Mandatory Interest Payment Date.

4.5 Optional Interest and Capital Deficiency Event

4.5.1 Interest Payable on Optional Interest Payment Dates Following the Occurrence of a Capital Deficiency Event

In the event that during any Interest Period, on or at any time prior to the fifth Business Day prior to an Optional Interest Payment Date, a Capital Deficiency Event has occurred or would occur upon payment of the interest due on the next Optional Interest Payment Date:

- (x) the accrual of interest, if any, in respect of the Notes shall automatically be suspended. In addition, the amount of Broken Interest may be reduced to absorb losses in accordance with Condition 5.1; and
- (y) no interest on the Notes shall accrue nor be payable by the Issuer with respect to the remaining period in such Interest Period or any other Interest Period during the period starting on the date of the Capital Deficiency Event and ending on the date of the End of Capital Deficiency Event.

4.5.2 Interest Payable on Optional Interest Payment Dates after End of Capital Deficiency Event

At the option of the Issuer, any Broken Interest, to the extent not reduced to absorb losses in accordance with Condition 5.1, may be paid on the first Optional Interest Payment Date falling on or after the date of the End of Capital Deficiency Event. Any Broken Interest not paid by the Issuer on such first Optional Interest Payment Date will be forfeited.

In respect of any Optional Interest Payment Date which occurs on or after the End of Capital Deficiency Event, interest on the Notes will recommence accruing on its Current Principal Amount, on the basis of the number of days elapsed during the period from (and including) the date of End of Capital Deficiency Event to (but excluding) the next succeeding Interest Payment Date as calculated by the Calculation Agent in accordance with Condition 4.2 or, as the case may be, 4.3. At the option of the Issuer, such interest may be paid on the next succeeding Optional Interest Payment Date occurring as from the date of the End of Capital Deficiency Event (inclusive). Any such interest not paid by the Issuer on such first Optional Interest Payment Date will be forfeited.

5. LOSS ABSORPTION AND RETURN TO PROFITABILITY

5.1 Loss Absorption

In the event that, at any time, a Capital Deficiency Event has occurred, the board of directors of the Issuer will convene an extraordinary shareholders' meeting to be held during the three months following the occurrence of such event in order to propose a share capital increase or any other measure regarded as necessary or useful to remedy such event. If a share capital increase or any such other proposed measure is not adopted by the Issuer's extraordinary shareholders' meeting or if the share capital increase is not sufficiently subscribed to remedy such event in full, or if such event remains in effect at the end of the Quarter following the Quarter during which the Capital Deficiency Event has occurred, the board of directors of the Issuer will implement, within ten days, a reduction of the amount of Broken Interest, if any, and thereafter for purposes of computing the Interest Amount a reduction of the Current Principal Amount of the Notes (a "**Loss Absorption**"). "**Quarter**" means one quarter of a calendar year, *i.e.*, January 1st to March 31st, April 1st to June 30th, July 1st to September 30th and October 1st to December 31st.

Notwithstanding any other provision, the Current Principal Amount of each Note shall never be reduced to an amount lower than one cent of one euro (EUR 0.01).

The amounts by which Broken Interest and, as the case may be, the Current Principal Amount of the Notes are reduced to enable the Issuer to absorb losses in order to ensure the continuity of its activities in accordance with the Applicable Banking Regulations, will be (in the case that a Capital Deficiency Event has occurred pursuant to clause (a) of the definition thereof) the lower of (i) the amount of the excess of (a) the total consolidated capital required by Applicable Banking Regulations over (b) the total consolidated capital of the Issuer after the share capital increase or any other measures adopted by the shareholders' meeting of the Issuer to remedy such Capital Deficiency Event (or the total consolidated capital of the Issuer in the absence of such measures) and (ii) the sum of the amounts of Broken Interest, if any, and the Current Principal Amount of the Notes before such reduction. In the case that a Capital Deficiency Event has occurred pursuant to clause (b) of the definition thereof, the amounts by which Broken Interest and, as the case may be, the Current Principal Amount of the Notes are reduced, will be determined by the Issuer with the consent of the Relevant Banking Regulator.

For the avoidance of doubt, the first remedy to the Capital Deficiency Event will be the share capital increase or the implementation of any other measures adopted by the extraordinary shareholders' meeting of the Issuer to remedy such Capital Deficiency Event. To the extent such increase of share capital or other measures are not sufficient, the Loss Absorption will be applied first against the amount of Broken Interest, if any, and thereafter, if necessary, against the Current Principal Amount of the Notes as herein described.

Broken Interest and the Current Principal Amount of the Notes may be reduced on one or more occasions, as required.

In the event that other Parity Securities which would be subject to such reductions are outstanding, such reductions will be applied on a pro-rata basis among the Notes and such other Parity Securities.

Interest accrued and payable on any Mandatory Interest Payment Date is not subject to reduction.

Notice of any Capital Deficiency Event and of any End of Capital Deficiency Event shall be given to the Noteholders in accordance with Condition 11 and, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, the Luxembourg Stock Exchange. Such notice shall be given as soon as practicable following the occurrence of a Capital Deficiency Event and of any End of Capital Deficiency Event. Notice of any reduction of the Current Principal Amount of the Notes shall be given to the Noteholders in accordance with Condition 11 and, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, the Luxembourg Stock Exchange. Such notice shall be given at least seven days prior to the relevant reduction of the Current Principal Amount.

For the avoidance of doubt, the occurrence of a Capital Deficiency Event and any resulting notice will be effective only with respect to the interest amount due on the immediately following Interest Payment Date. As appropriate, the Issuer will make a new determination and deliver other notice(s) with respect to any subsequent Interest Payment Date in relation to which a Capital Deficiency Event is continuing or occurs again.

5.2 Return to Profitability

If, following a Loss Absorption, the Issuer has recorded positive Consolidated Net Income for at least two consecutive fiscal years (a **“Return to Profitability”**) following the end of the most recent fiscal year in which there was a Loss Absorption (the **“Absorption Year End”**), the Issuer shall increase the Current Principal Amount of the Notes (a **“Reinstatement”**) on any date and in any amount that it determines (either up to the Original Principal Amount or up to any other amount lower than the Original Principal Amount), to the extent any such Reinstatement complies with Applicable Banking Regulations.

Irrespective of whether a Return to Profitability has occurred, the Issuer shall increase the Current Principal Amount of the Notes in an amount equal to the Mandatory Reinstatement Amount on any date that it determines if (i) a Mandatory Reinstatement Event has occurred since the Absorption Year End, and (ii) the Issuer has not since such Mandatory Reinstatement Event occurred made a Reinstatement up to the Original Principal Amount pursuant to the provisions of the immediately preceding paragraph.

The amount of any Reinstatement will not exceed the amount of the latest positive Consolidated Net Income of the Issuer.

For the avoidance of doubt, any Reinstatement shall be made in a maximum amount that will ensure that such Reinstatement does not trigger the occurrence of a Capital Deficiency Event or, except with respect to any optional redemption by the Issuer of the Notes in accordance with their terms, a worsening of a Capital Deficiency Event.

No payments will be made to holders of Equity Securities, in each case to the extent categorized as Tier 1 Capital, before all amounts due, but unpaid, to all Noteholders under the Notes have been paid by the Issuer.

In the event that other Parity Securities are outstanding and may also benefit from a reinstatement or an increase of their current principal amount in accordance with their terms, any Reinstatement will be applied on a pro-rata basis with other reinstatements or increases of the principal amount made on such other Parity Securities.

Such Reinstatement or increase of the Current Principal Amount of the Notes shall be made on one or more occasions in the conditions described above until the Current Principal Amount of the Notes has been reinstated to the Original Principal Amount (save in the event of occurrence of another Capital Deficiency Event).

For the avoidance of doubt, any Broken Interest that has been reduced pursuant to Condition 5.1 shall not be reinstated pursuant to this Condition 5.2.

Notice of any Return to Profitability shall be given to the Noteholders in accordance with Condition 11 and, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, the Luxembourg Stock Exchange. Such notice shall be given as soon as practicable following the occurrence of a Return to Profitability. Notice of any Reinstatement and any increase of the Current Principal Amount of the Notes shall be given to the Noteholders in accordance with Condition 11 and, for so long as the

Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, to the Luxembourg Stock Exchange. Such notice shall be given at least seven days prior to the relevant Reinstatement and increase of the Current Principal Amount of the Notes.

6. REDEMPTION AND PURCHASE

The Notes may not be redeemed otherwise than in accordance with this Condition 6.

6.1 No Final Redemption

The Notes are undated securities in respect of which there is no fixed redemption or maturity date.

6.2 Issuer's Call Options Subject to the Approval of the Relevant Banking Regulator

(a) General Call Option

On the First Call Date and on any Interest Payment Date thereafter, the Issuer, subject to having given not less than 30, and not more than 60, days' prior notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 11, and subject to prior approval of the Relevant Banking Regulator, may, at its option, redeem the Notes in whole or in part at a price (the "**Base Call Price**") equal to the Original Principal Amount of the Notes, together with any amounts outstanding thereon, including accrued interest.

In the case of a partial call, this shall be performed by way of an equal reduction of the Current Principal Amount of each of the Notes. For the avoidance of doubt, such reduction of Current Principal Amount is distinct from a Loss Absorption. Unlike in the case of a Loss Absorption, following a partial call the Original Principal Amount of each Note shall be permanently reduced by the amount of principal called and paid for.

(b) Redemption for Regulatory Reasons or Taxation Reasons

(i) If by reason of any change in French law, any change in Applicable Banking Regulations, or any change in the official application or interpretation of such laws or regulations, becoming effective on or after the Issue Date, the proceeds of the Notes cease to be eligible as Tier 1 Capital for the Issuer, the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 11, and subject to the prior approval of the Relevant Banking Regulator, redeem the Notes (in whole but not in part) at the Base Call Price provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the proceeds of the Notes cease to meet the requirements to be eligible as Tier 1 Capital.

(ii) If by reason of any change in the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), or any other change in the tax treatment of the Notes, becoming effective on or after the Issue Date, interest payment under the Notes is no longer tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 11, and subject to the prior approval of the Relevant Banking Regulator, redeem the Notes (in whole but not in part) at the Base Call Price provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes.

- (iii) If by reason of a change in the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8.2, the Issuer may, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11, and subject to the prior approval of the Relevant Banking Regulator, redeem the Notes (in whole but not in part) at the Base Call Price provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.
- (iv) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8.2, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 11, and subject to the prior approval of the Relevant Banking Regulator, redeem the Notes (in whole but not in part) at the Base Call Price provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.

6.3 Purchases

The Issuer may at any time purchase Notes in the open market or otherwise at any price provided that it has obtained the prior approval of the Relevant Banking Regulator.

6.4 Cancellation

All Notes which are purchased or redeemed by the Issuer pursuant to Conditions 6.2 or 6.3 (other than in the event of a partial call, as set out in Condition 6.2(a)) will be cancelled and accordingly may not be reissued or sold.

7. PAYMENTS AND CALCULATIONS

7.1 Method of Payment

Payments in respect of principal and interest on the Notes will be made in EUR by credit or transfer to a EUR denominated account (or any other account to which EUR may be credited or transferred) specified by the payee with a bank in a country within the TARGET System. Such payments shall be made to the Account Holders (including the depositary banks for Euroclear and Clearstream, Luxembourg) for the benefit of the Noteholders and all payments validly made to such Account Holders in favor of Noteholders will be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged by the Issuer, the Fiscal Agent or any Paying Agent to the Noteholders in respect of such payments.

7.2 Payments on Business Days

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

For the purposes of this Condition, “**Business Day**” means any day, not being a Saturday or a Sunday on which Euroclear France, Euroclear and Clearstream, Luxembourg are operating and which is a TARGET Business Day.

7.3 Fiscal Agent, Paying Agents and Calculation Agent

The name and specified office of the initial Fiscal Agent, Principal Paying Agent and Calculation Agent are as follows:

FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT
BNP Paribas Securities Services
Immeuble Tolbiac
25, quai Panhard Levassor
75450 Paris Cedex 09
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agents or Calculation Agent and/or to appoint a substitute Fiscal Agent, Paying Agent, Calculation Agent and additional or other Paying Agents or approve any change in the office through which the Fiscal Agent, the Calculation Agent or any Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, a Paying Agent having a specified office in Luxembourg, and (iii) a Calculation Agent having a specified office in a European city. If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Notes, the Issuer shall appoint some other leading European bank engaged in the Euro interbank market (acting through its principal Paris or Luxembourg office) to act in its place, subject to having given notice to the Noteholders in accordance with Condition 11 not more than 45 nor less than 30 days prior to such appointment. The Calculation Agent may not resign its duties without a successor having been so appointed. Any notice of a change in Fiscal Agent, Paying Agent, Calculation Agent or their specified office shall be given to Noteholders as specified in Condition 11.

7.4 Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of these Conditions whether by the Calculation Agent or the relevant banks in the Euro-zone interbank market (or any of them) shall (in the absence of willful default or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents, the Fiscal Agent, the relevant banks in the Euro-zone interbank market and the Noteholders. No Noteholder shall (in the absence of the aforesaid willful default or manifest error) be entitled to proceed against the Calculation Agent or any of the foregoing entities in connection with the exercise or non-exercise by them of their powers, duties and discretionary judgments.

8. TAXATION

8.1 Withholding Tax Exemption

Because the Notes constitute *obligations* under French law, are denominated in euro and accordingly are deemed to be issued outside of France for taxation purposes, payments of interest and other revenues made by the Issuer in respect of the Notes to non-French tax residents who do not invest from a permanent establishment or a fixed base situated in France and who are not concurrently shareholders of the Issuer benefit under present law (as interpreted in the *Instruction* of the *Direction Générale des Impôts* 5 I-11-98 dated September 30, 1998 and in the *Rescrit* of the *Direction Générale des Impôts* 2007/59 dated January 8, 2008) from the exemption provided for in Article 131 *quater* of the French *Code général des impôts* (General Tax Code) from deduction of tax at source. Accordingly, such payments do not give the right to any tax credit from any French source.

8.2 Additional Amounts

If French law or regulations should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the French Republic or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary so that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a Noteholder (or beneficial owner (*ayant droit*)):

- (a) who is subject to such taxes, duties, assessments or other governmental charges in respect of such Note by reason of his having some present or former connection with the French Republic other than the mere holding of such Note; or
- (b) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or
- (c) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

For this purpose, the “**Relevant Date**” in relation to any Note means whichever is the later of (A) the date on which the payment in respect of such Note first becomes due and payable, and (B) if the full amount of money payable on such date in respect of such Note has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given in accordance with Condition 11 to Noteholders that such money has been so received.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts that may be payable under the provisions of this Condition 8.

9. MANDATORY REDEMPTION

If any judgment is issued for the insolvent judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer has been liquidated for any other reason, then the Notes shall become immediately due and payable as described below.

The rights of the Noteholders in the event of a liquidation of the Issuer will be calculated on the basis of the Original Principal Amount of the Notes they hold together with interest accrued and due in accordance with the Conditions and any other outstanding payments under the Notes. No payments will be made to the Noteholders before all amounts due, but unpaid, to all other creditors of the Issuer (including holders of Unsubordinated Obligations, holders of Ordinarily Subordinated Obligations, lenders in relation to *prêts participatifs* granted to the

Issuer and holders of *titres participatifs* issued by the Issuer, but excluding Parity Securities, which will be paid *pro rata* with the Notes) have been paid by the Issuer, as ascertained by the judicial liquidator.

No payments will be made to holders of Equity Securities before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer, as ascertained by the judicial liquidator.

10. REPRESENTATION OF THE NOTEHOLDERS

Noteholders will form a *masse* under French law in defense of their common interests (hereinafter referred to as the “*Masse*”).

The *Masse* will be governed by the provisions of the French Code de commerce (with the exception of the provisions of Articles L. 228-48, L. 228-59, L.228-65-II, L.228-71, R.228-63, R.228-67, R.228-69 and R.228-72 thereof), subject to the provisions below.

10.1 A Legal Entity

The *Masse* will be treated as a separate legal entity and will act in part through its representative (hereinafter referred to as the “**Representative**”) and in part through general assemblies of Noteholders.

The *Masse*, acting alone and to the exclusion of all individual Noteholders, will exercise the collective rights of the Noteholders with respect to the Notes, both present and future.

10.2 Representative

A person of any nationality may serve as the Representative of the *Masse*. However, the following persons may not be designated a Representative:

- (a) the Issuer, the members of the Issuer’s board of directors (*conseil d’administration*), the Issuer’s executive officers (*directeurs généraux*), the Issuer’s statutory auditors or the Issuer’s employees, as well as the ascendants, descendants or spouses of any such persons; or
- (b) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), executive officers (*directeurs généraux*), members of their board of directors, executive board or supervisory board, their statutory auditors or their employees, as well as the ascendants, descendants or spouses of any such persons; or
- (c) companies holding 10% or more of the share capital of the Issuer, or companies in which the Issuer holds 10% or more of the share capital; or
- (d) persons who are restricted from the practice of banking or who have been deprived of the right to direct, administer or manage a company in any capacity whatsoever.

The initial Representative of the *Masse* has been designated as:

Delphine Dahan
3, rue des Quatre Fourchettes
95130 Franconville
France

The alternate representative (the “**Alternate Representative**”) has been designated as:

Marc-Olivier Roos
111, avenue de Verdun
92130 Issy les Moulineaux
France

In the event of the death, incapacity, resignation or revocation of the powers of the Representative, he or she will be replaced by the Alternate Representative, and all references to the “Representative” herein will be

deemed to refer to the “Alternate Representative”. The Alternate Representative will then have the same powers as the Representative.

In the event of the death, incapacity, resignation or revocation of the powers of the Alternate Representative, he or she will be replaced by a person selected at a general assembly of Noteholders.

The Issuer shall pay to the Representative an amount of EUR 300 per year in connection with his or her services, payable on the anniversary of the Issue Date in each year, commencing on the first such anniversary in 2008. The Alternate Representative will be entitled to payment of the same amount only if it begins to exercise the duties of Representative on a permanent basis; such compensation will begin to accrue on the date that the Alternate Representative assumes these duties.

Interested parties will at all times have the right to obtain the name and address of the Representative and the Alternate Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

10.3 Powers of the Representative

The Representative shall, in the absence of any decision by the general assembly of Noteholders that provides otherwise, have the power to take undertake all actions that aim at defending the common interests of the Noteholders. All legal proceedings initiated against the Noteholders must be initiated against the Representative, and all legal proceedings initiated by the Noteholders must be initiated by the Representative.

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

10.4 General Assemblies of Noteholders

General assemblies of Noteholders may be held at any time, at the request of either the Issuer or the Representative. One or more Noteholders, who individually or collectively hold at least one-thirtieth of the outstanding Notes, may demand that the Issuer and the Representative convene a general assembly. If a general assembly has not been convened within two months of the date of this demand, these Noteholders may designate one person among them to petition a court within the jurisdiction of the Paris Court of Appeals to appoint an agent (*mandataire*) on the Noteholders’ behalf, who will then be responsible for convening a general assembly.

Notice of the date, time, place and agenda of any general assembly of Noteholders will be published as provided under Condition 11.

Each Noteholder has the right to participate in general assemblies in person or by proxy. Each Note carries the right to one vote.

10.5 Powers of General Assemblies

A general assembly is empowered to deliberate on the reduction of compensation for the Representative or the Alternate Representative, and may also decide to remove or replace the Representative or the Alternate Representative. A general assembly may also act on any other matter that affects the collective rights of the Noteholders with respect to the Notes, both present and future, including authorizing the Representative to act as plaintiff or defendant in any action.

A general assembly may further deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, including any proposal in connection with arbitration or settlement proceedings relating to disputed rights or rights that were the subject of judicial decisions; *provided, however*, that a general assembly may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares, and provided further that no amendment to the status of the Notes may be approved without the prior consent of the Relevant Banking Regulator.

A general assembly may validly deliberate on the first date on which it is convened only if the Noteholders present or otherwise represented at such assembly hold at least one-quarter of the Notes then outstanding. On the second date on which a general assembly is convened, if any, no such quorum shall be required. Decisions at assemblies shall be taken based on a simple majority of votes cast, either by Noteholders attending the assembly in person or who are otherwise represented at such assembly for voting purposes.

Decisions of general assemblies must be published in accordance with the provisions set forth in Condition 11.

10.6 Information to the Noteholders

Each Noteholder or his or her representative will have the right, during the 15-day period preceding the date of each general assembly, to consult or make a copy of the text of the resolutions to be proposed as well as any reports to be presented at the general assembly, which will be available for inspection at the principal office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of the general assembly given in accordance with Condition 11.

10.7 Expenses

The Issuer will pay all expenses incurred in connection with the functioning of the *Masse*, including the expenses of calling and holding general assemblies and the Representative's compensation, and more generally will pay all administrative costs of the *Masse* as documented at a general assembly of Noteholders, it being expressly stipulated that no expenses may be offset against interest payable on the Notes.

11. NOTICES

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Notes are cleared through such clearing systems. So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, any notice shall also be published (i) in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*), or (ii) on the website of the Luxembourg Stock Exchange (www.bourse.lu). If any such publication is not practicable, notice shall be validly given if published in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

12. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

13. FURTHER ISSUES

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

14. GOVERNING LAW AND JURISDICTION

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

In relation to any legal action or proceeding arising out of or in connection with the Notes, the Issuer irrevocably submits to the jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, after deduction of underwriting and management commissions of EUR 3,750,000, amount to approximately EUR 496,250,000. The Bank intends to use the proceeds from the issue of the Notes for general corporate purposes.

RECENT DEVELOPMENTS

The recent developments discussed below cover the period since the date of the Information Statement, which is incorporated by reference.

BNP Paribas Lease Group and JCB Announce European Finance Joint Venture

On May 26, 2008, BNP Paribas Lease Group, the European leader in leasing solutions for business and professional equipment, announced that it had entered into a new joint venture partnership with JCB, Europe's leading construction and agricultural equipment manufacturer, to offer retail and wholesale financing solutions in JCB's European markets.

The JCB Finance joint venture in Europe will offer a full range of leasing and other retail finance programmes to create new sales opportunities for JCB machines in Europe, as well as providing flexible facilities to support dealer inventory and demonstration equipment requirements.

In 1994, after many years of fruitful collaboration in France, the two organizations created their first joint venture dedicated to financing JCB's French sales. Since then, cooperation between BNP Paribas Lease Group and JCB has continued to grow in Europe and, more recently, in India and North America.

The joint venture, 50.1 % of which is held by BNP Paribas Lease Group and 49.9 % by JCB, will initially offer retail financing solutions for new and used JCB machines in France, Spain, Italy and Germany with extended services and territorial coverage planned in due course.

BNP Paribas acquires Bank Of America's Equity Prime Brokerage Business and Becomes a Leading Prime Broker in the USA

On June 10, 2008, BNP Paribas announced it had signed a definitive agreement to acquire the equity prime brokerage business of Bank of America. The transaction is subject to regulatory approval with completion expected in the second half of 2008. The transaction will involve the transfer of client relationships, employees and technology systems.

Bank of America's equity prime brokerage business provides a wide range of services to hedge funds including secured financing, securities settlement, custody, capital introduction, securities lending, leading-edge technology and custom IT solutions. It is a low risk, low capital consumption, service oriented business. With 13 years of successful growth, more than 500 hedge fund clients, and more than 300 employees, the acquisition of Bank of America's equity prime brokerage business propels BNP Paribas into one of the leading prime brokers in the U.S.

Already a European leader in its CIB activities and a leader globally in Equity Derivatives, BNP Paribas' U.S. CIB strategy has always been to grow in areas where it has real expertise to compete successfully against strong domestic U.S. counterparts. This acquisition is in line with that strategy: it enables the Bank to offer its cutting-edge EQD platform to an even wider client base while keeping in line with BNP Paribas' risk standards. It allows BNP Paribas to accelerate its organic growth in the US by a targeted acquisition with a very good strategic fit, limited integration risk and negligible impact on Tier 1 capital ratio.

TAXATION

This summary is based on laws, regulations and administrative circulars now in effect, all of which are subject to change, possibly with retroactive effect, or different interpretations. Investors should consult their own tax advisors in determining the tax consequences to them of purchasing, holding and disposing of Notes, including the application to their particular situation of the French tax considerations discussed below.

EU Directive on the Taxation of Savings Income

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive (in this section “Taxation”, the “**Directive**”) on taxation of savings income under which EU Member States are required from July 1, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments, provided however that the relevant beneficial owner of the payment may instead elect for the disclosure of information method or for the tax certificate procedure, as applicable. The rate of such withholding tax equals 15% for the first three years after the date of implementation of the Directive, this rate being increased to 20% for the subsequent three years and 35% thereafter. The ending of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries.

In relation to French taxation, the Directive has been implemented in French law under Article 242 *ter* of the *Code général des impôts* and Articles 49 I *ter* to 49 I *sexies* of the Schedule III to the *Code général des impôts* (General Tax Code).

The Directive, as well as several agreements concluded between Luxembourg and certain dependant territories of the European Union, have been implemented in Luxembourg by the laws dated June 21, 2005 (the “**Laws**”).

French Taxation

Payments on the Notes issued by the Bank

Because the Notes constitute *obligations* under French law, are denominated in euro and accordingly are deemed to be issued outside of France for taxation purposes, payments of interest and other revenues made by the Issuer in respect of the Notes to non-French tax residents who do not invest from a permanent establishment or a fixed base situated in France and who are not concurrently shareholders of the Issuer benefit under present law (as interpreted in the *Instruction* of the *Direction Générale des Impôts* 5 I-11-98 dated September 30, 1998 and in the *Rescrit* of the *Direction Générale des Impôts* 2007/59 dated January 8, 2008) from the exemption provided for in Article 131 *quater* of the French *Code Général des Impôts* (General Tax Code) from deduction of tax at source. Accordingly, such payments do not give the right to any tax credit from any French source.

Taxation on sale, disposal or redemption of Notes

Non-French resident holders of Notes who do not hold the Notes in connection with a business or profession conducted in France will not be subject to any French income tax or capital gains tax on the sale, disposal or redemption of Notes. Transfers of Notes made outside France will not be subject to any stamp duty or other transfer taxes imposed in France.

Luxembourg Taxation

Luxembourg non-residents

BNP Paribas has been advised that, under Luxembourg tax law currently in effect and subject to the provisions of the Laws implementing the Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (i.e. Aruba, British Virgin Islands, Guernsey,

Isle of Man, Jersey, Montserrat, and Netherlands Antilles collectively the “**Dependent Territories**”), there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg non-resident Noteholders.

Under the Laws, a Luxembourg based paying agent (within the meaning of the Directive) is required since July 1, 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or a residual entity (“**Residual Entity**”) within the meaning of article 4.2. of the Directive (i.e. an entity without legal personality save for (1) a Finnish *avoin yhtiö* and *kommandiittiyhtiö / öppet bolag* and *kommanditbolag* and (2) a Swedish *handelsbolag* and *kommanditbolag*, and whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognized in accordance with Council Directive 85/611/EEC) resident or established in another Member State of the European Union, unless such individual or Residual Entity elects for the disclosure of information method. The same regime applies to payments made by a Luxembourg based paying agent to an individual or Residual Entity resident in one of the Dependent Territories.

The withholding tax rate is initially 15 per cent, increasing steadily to 20 per cent (as from July 1, 2008) and to 35 per cent (as from July 1, 2008). The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

Pursuant the law dated December 23, 2005, a 10 per cent withholding tax is levied as from January 1, 2006 on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents. Only interest accrued after July 1, 2005 falls within the scope of this withholding tax. 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.

There is no Luxembourg withholding tax payable on payments received by resident or non-resident Noteholders upon repayment of the principal or upon redemption of the Notes at their nominal value.

Prospective purchasers of the Notes should consult their own tax advisers as to the applicable tax consequences of the ownership of the Notes, based on their particular circumstances. This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or deposit the Notes. It is included herein solely for preliminary information purposes and is not intended to be, nor should it construed to be, legal or tax advice.

SUBSCRIPTION AND SALE

BNP Paribas UK Limited (the “**Lead Manager and Sole Bookrunner**”), as well as Barclays Bank PLC, Danske Bank A/S, ING Belgium S.A./N.V., J.P. Morgan Securities Ltd., Lloyds TSB Bank plc and The Royal Bank of Scotland plc (the “**Co-Lead Managers**”, and together with the Lead Manager, the “**Managers**”) have, pursuant to a subscription agreement dated April 12, 2007 (the “**Subscription Agreement**”), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for the Notes at a price equal to 100% of their Original Principal Amount. The Issuer and the Managers have, in the Subscription Agreement, reached an agreement in relation to commissions and expenses, with the combined underwriting and management commission being 0.75% of the Original Principal Amount of the Notes. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

General

No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

France

No prospectus (including any supplement or replacement thereto) has been prepared in connection with the offering of the Notes that has been approved by the AMF or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the AMF. Each of the Managers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will only be made in France to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, articles L.411-1, L.411-2, D. 411-1, D.411-2, D. 411-3, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier*, except that qualified investors shall not include individuals. The direct or indirect distribution to the public in France of any Notes so acquired may be made only as provided by Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier* and applicable regulations thereunder.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws.

Each Manager has represented and agreed that:

- (i) it has not offered or sold, and will not offer or sell, the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons; and
- (ii) it will send to each distributor or dealer to which it sells the Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance on Regulation S.

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

Terms used in this section have the meanings given to them by Regulation S.

United Kingdom

Each Manager has represented, warranted and agreed that:

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

Italy

Each Manager has acknowledged and agreed that no prospectus has been nor will be published in Italy in connection with the offering of the Notes and that such offering has not been cleared by the Italian Securities Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, or the “CONSOB”) and, accordingly, has represented and agreed that the Notes may not and will not be offered, sold or delivered, nor may or will copies of the Prospectus or any other documents relating to the Notes or the Prospectus be distributed in Italy, other than to qualified investors (*investitori qualificati*), as defined (i) in Article 2, paragraph (e)(i) to (iii) of the Prospectus Directive (with the exception of (a) management companies (*società di gestione del risparmio*) authorized to manage individual portfolios on behalf of third parties and (b) fiduciary companies (*società fiduciarie*) authorized to manage individual portfolios pursuant to Article 60(4) of the Legislative Decree No. 415 of July 23, 1996, as amended or (ii) pursuant to another exemption from the requirements of Articles 94 et seq. of Legislative Decree No. 58 of February 24, 1998, as amended (the “Italian Finance Law”) and CONSOB Regulation No. 11971 of May 14, 1999 (“Regulation No. 11971”).

Each Manager has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes or the Prospectus, in Italy may and will be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, will be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Italian Finance Law, Legislative Decree No. 385 of September 1, 1993, as amended (the “Italian Banking Law”), Regulation No. 16190, and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of the Italian Banking Law and the implementing guidelines of the Bank of Italy; and
- (iii) in compliance with any other applicable notification requirement or limitation which may be imposed upon the offer of the Notes by the CONSOB or the Bank of Italy.

This Prospectus and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Article 100-*bis* of the Italian Finance Act affects the transferability of the Notes in the Republic of Italy to the extent that any placing of the Notes is made solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if has not been published a prospectus compliant with the Prospectus Directive, purchasers of Notes who are acting outside of the course of their business or profession may in certain

circumstances be entitled to declare such purchase void and to claim damages from any authorized person at whose premises the Notes were purchased, unless an exemption provided for under the Italian Finance Act applies.

GENERAL INFORMATION

1. Clearing Systems

The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear. The Common Code number for the Notes is 037372765. The International Securities Identification Number (ISIN) for the Notes is FR0010638338.

2. Listing and admission to trading on the EU-Regulated Market of the Luxembourg Stock Exchange

Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the EU-regulated market of the Luxembourg Stock Exchange.

3. Authorization

The issuance of the Notes was authorized pursuant to a decision of the Chief Executive Officer (*Directeur Général*) of the Issuer dated June 25, 2008 and acting pursuant to a resolution of the board of directors (*conseil d'administration*) of the Issuer dated May 21, 2008.

4. Documents on Display

Copies of:

- (i) the *statuts* of BNP Paribas and the Fiscal Agency Agreement relating to the Notes,
- (ii) the most recently published audited annual report in French (incorporating the audited accounts) of BNP Paribas, called the "*Document de Référence*", which has been filed with the AMF under the number D.08-0108 dated March 13, 2008, as amended by an *Actualisation* filed with the AMF under the number D.08-0108-A01 dated May 15, 2008, and
- (iii) the Information Statement relating to BNP Paribas dated May 29, 2008,

will be available for inspection during the usual business hours on any weekday (except Saturdays and public holidays) at the specified offices of the Paying Agents. In addition, the *Document de Référence* (as well as an English translation thereof) and the Information Statement are available on the Issuer's website: "www.invest.bnpparibas.com". The BNP Paribas Group's principal subsidiaries and associated companies (whose book value exceeds 1% of the Group's share capital) are listed on pages 232-234 of the *Document de Référence*. A copy of this Prospectus is also available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Further, as long as any Notes remain outstanding, copies of the audited consolidated and unconsolidated annual financial statements, the semi-annual consolidated interim financial statements (and related reports) and the quarterly results' press releases of BNP Paribas for the most recent financial period will be available in the English language, free of charge, at the specified offices of the Paying Agents. The Issuer will not provide any post-issuance information other than as set forth herein or except if required by any applicable laws and regulations.

5. Trend Information

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

6. Legal and Arbitration Proceedings

Save as disclosed in the Information Statement on page 94, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering at least the 12 months prior to the date of this Prospectus which may

have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

7. Significant Change

No significant change has occurred in the financial position of the Group since March 31, 2008 (being the end of the last financial period for which interim financial information has been published).

8. Material Contracts

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

9. Third Party Information

Information contained in this Prospectus 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.

10. Auditors

The statutory auditors of the Group are currently the following:

Deloitte & Associés (which has replaced Barbier Frinault & Autres) was appointed as Statutory Auditor at the Annual General Meeting of May 23, 2006 for a six-year period expiring at the close of the Annual General Meeting called in 2012 to approve the financial statements for the year ending December 31, 2011. Deloitte & Associés is represented by Pascal Colin.

PricewaterhouseCoopers Audit was re-appointed as Statutory Auditor at the Annual General Meeting of May 23, 2006 for a six-year period expiring at the close of the Annual General Meeting called in 2012 to approve the financial statements for the year ending December 31, 2011. The firm was first appointed at the Annual General Meeting of May 26, 1994. PricewaterhouseCoopers Audit, represented by Étienne Boris, is a member of the PricewaterhouseCoopers network.

Mazars & Guérard was re-appointed as Statutory Auditor at the Annual General Meeting of May 23, 2006 for a six-year period expiring at the close of the Annual General Meeting called in 2012 to approve the financial statements for the year ending December 31, 2011. The firm was first appointed at the Annual General Meeting of May 23, 2000. Mazars & Guérard is represented by Hervé Hélias.

Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars & Guérard are registered as Statutory Auditors with the Regional Association of Statutory Auditors of Versailles (*Compagnie Régionale des Commissaires aux Comptes de Versailles*) and are placed under the authority of the French national accounting oversight board (*Haut Conseil du Commissariat aux Comptes*).

The Statutory Auditors have audited the consolidated financial statements of the Group as of and for the year ended December 31, 2006 and 2007 and issued an unqualified opinion.

The addresses of the statutory auditors of BNP Paribas are as follows:

- (i) PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex;
- (ii) Deloitte & Associés, 185, avenue Charles de Gaulle, 92524 Neuilly sur Seine Cedex; and
- (iii) Mazars & Guérard, 61, rue Henri-Regnault, 92400, Courbevoie.

11. Interest of Persons involved in the Issue

Save as disclosed in “Subscription and Sale” above, no person involved in the offer of the Notes has an interest material to the offer.

12. Yield

The yield for the Notes will be 7.781%, calculated on an annual basis. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

THE ISSUER

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