



BNP PARIBAS

BNP Paribas Arbitrage Issuance B.V.

(incorporated in The Netherlands)

(as Issuer)

BNP Paribas

(incorporated in France)

(as Guarantor)

15,000 Certificates

(Settlement Currency in EUR)

linked to a Basket of Shares

due 16 August 2021

under the

Note, Warrant and Certificate Programme

BNP Paribas Arbitrage S.N.C.

(as Manager)

This document (the "**Prospectus**") constitutes a prospectus for the purposes of Directive 2003/71/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**"). This Prospectus contains information relating to the issue by BNP Paribas Arbitrage Issuance B.V. (the "**Issuer**" or "**BNPP B.V.**") of 15,000 Certificates (Settlement Currency in EUR) linked to a Basket of Shares to due 16 August 2021 (the "**Securities**") under the Note, Warrant and Certificate Programme (the "**Programme**") benefiting from a BNPP English law guarantee for unsecured W&C Securities (the "**Guarantee**") granted by BNP Paribas (the "**Guarantor**" or "**BNPP**") and has been prepared in accordance with Article 5(3) of the Prospectus Directive. This Prospectus incorporates by reference, *inter alia*, the Base Prospectus (as defined herein) relating to the Programme. See for further details the section "Documents Incorporated by Reference". The Notional Amount of each Security is EUR 1,000.

Application has been made to the *Autorité des marchés financiers* ("**AMF**") in France for approval of this Prospectus in its capacity as competent authority pursuant to Article 212.2 of its *Règlement Général* which implements the Prospectus Directive.

Application has been made for the Securities to be admitted to trading and listing on the professional segment of Euronext Paris.

The issue of the Securities will entitle the holder thereof to receive a cash amount (if any) calculated in accordance with the Economic Terms and Conditions set out below, all as set forth herein and in the Economic Terms and Conditions.

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

Each of BNPP B.V. and BNPP has a right of substitution as set out herein. In the event that either BNPP B.V. or BNPP exercises its right of substitution, a supplement to the Base Prospectus will be published on the website of the AMF (www.amf-france.org) and on the website of BNPP (<http://rates-globalmarkets.bnpparibas.com/gm/public/LegalDocs.aspx>)

Prospective purchasers of Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks and that they consider the suitability of the Securities as an investment in the light of their own circumstances and financial condition. The Securities involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Securities. See "Risk Factors" on page 30.

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

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SUMMARY OF THE PROSPECTUS

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

Section A - Introduction and warnings

Element	Title	
A.1	Warning that the summary should be read as an introduction and provision as to claims	<ul style="list-style-type: none"> • This summary should be read as an introduction to the Prospectus of BNPP B.V. dated 13 October 2016 (the "Prospectus"). • Any decision to invest in any Securities should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference. • Where a claim relating to information contained in the Prospectus is brought before a court in a Member State of the European Economic Area (the "EEA"), the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. • No civil liability will attach to the Issuer or the Guarantor in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of the Prospectus, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Securities.
A.2	Consent as to use the Prospectus, period of validity and other conditions attached	Not applicable as the Certificates are not being offered to the public as part of a Non-exempt Offer.

Section B - Issuer and Guarantor

Element	Title	
B.1	Legal and commercial name of the Issuer	BNP Paribas Arbitrage Issuance B.V. (" BNPP B.V. " or the " Issuer ").
B.2	Domicile/ legal form/ legislation/ country of incorporation	The Issuer was incorporated in the Netherlands as a private company with limited liability under Dutch law having its registered office at Herengracht 595, 1017 CE Amsterdam, the Netherlands.
B.4b	Trend information	BNPP B.V. is dependent upon BNPP. BNPP B.V. is a wholly owned subsidiary of BNPP specifically involved in the issuance of securities such as notes, warrants or certificates or other obligations which are developed, setup and sold to investors by other companies in the BNPP Group (including BNPP). The securities are hedged by acquiring hedging instruments and/or collateral from BNP Paribas and BNP Paribas entities as described in Element D.2 below. As a consequence, the Trend Information described with respect to BNPP shall also apply to BNPP B.V.
B.5	Description of the Group	BNPP B.V. is a wholly owned subsidiary of BNP Paribas. BNP Paribas is the ultimate holding company of a group of companies and manages financial operations for those subsidiary companies (together the " BNPP Group ").
B.9	Profit forecast or estimate	Not applicable, as there are no profit forecasts or estimates made in respect of the Issuer in the Prospectus to which this Summary relates.
B.10	Audit report qualifications	Not applicable, there are no qualifications in any audit report on the historical financial information included in the Prospectus.
B.12	Selected historical key financial information:	
	Comparative Annual Financial Data - In EUR	
		31/12/2015 (audited)
		31/12/2014 (audited)
	Revenues	315,558
	Net income, Group share	19,786
	Total balance sheet	43,042,575,328
	Shareholders' equity (Group share)	464,992
		445,206
	Comparative Interim Financial Data for the six-month period ended 30 June 2016 – In EUR	
		30/06/2016 (unaudited)
		30/06/2015 (unaudited)
	Revenues	183,330
	Net income, Group share	12,506
		10,233

Element	Title		
		30/06/2016 (unaudited)	31/12/2015 (audited)
	Total balance sheet	49,514,864,240	43,042,575,328
	Shareholders' equity (Group share)	477,498	464,992
	<p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial or trading position of the BNPP Group since 30 June 2016 (being the end of the last financial period for which interim financial statements have been published). There has been no material adverse change in the prospects of BNPP or the BNPP Group since 31 December 2015 (being the end of the last financial period for which audited financial statements have been published).</p> <p>There has been no significant change in the financial or trading position of BNPP B.V. since 30 June 2016 and there has been no material adverse change in the prospects of BNPP B.V. since 30 June 2016.</p>		
B.13	Events impacting the Issuer's solvency	Not applicable, as at 13 October 2016 and to the best of the Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 31 December 2015.	
B.14	Dependence upon other group entities	<p>The Issuer is dependent upon BNPP.</p> <p>BNPP B.V. is a wholly owned subsidiary of BNPP specifically involved in the issuance of securities such as notes, warrants or certificates or other obligations which are developed, setup and sold to investors by other companies in the BNPP Group (including BNPP). The securities are hedged by acquiring hedging instruments and/or collateral from BNP Paribas and BNP Paribas entities as described in Element D.2 below. See also Element B.5 above.</p>	
B.15	Principal activities	The principal activity of the Issuer is to issue and/or acquire financial instruments of any nature and to enter into related agreements for the account of various entities within the BNPP Group.	
B.16	Controlling shareholders	BNP Paribas holds 100 per cent. of the share capital of the Issuer.	
B.17	Solicited credit ratings	<p>BNPP B.V.'s long term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS) and BNPP B.V.'s short term credit ratings are A-1 (Standard & Poor's Credit Market Services France SAS).</p> <p>The Securities have not been rated.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>	
B.18	Description of the Guarantee	The Securities will be unconditionally and irrevocably guaranteed by BNP Paribas (" BNPP " or the " Guarantor ") pursuant to an English law deed of guarantee executed by BNPP on 10 June 2016 (the " Guarantee ").	

Element	Title	
		<p>In the event of a bail-in of BNPP but not BNPP B.V., the obligations and/or amounts owed by BNPP under the guarantee shall be reduced to reflect any such modification or reduction applied to liabilities of BNPP resulting from the application of a bail-in of BNPP by any relevant regulator (including in a situation where the Guarantee itself is not the subject of such bail-in).</p> <p>The obligations under the guarantee are direct unconditional, unsecured and unsubordinated obligations of BNPP and rank and will rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other direct, unconditional, unsecured and unsubordinated indebtedness of BNPP (save for statutorily preferred exceptions).</p>
B.19	Information about the Guarantor	
B.19/ B.1	Legal and commercial name of the Guarantor	BNP Paribas.
B.19/ B.2	Domicile/ legal form/ legislation/ country of incorporation	The Guarantor was incorporated in France as a <i>société anonyme</i> under French law and licensed as a bank having its head office at 16, boulevard des Italiens – 75009 Paris, France.
B.19/ B.4b	Trend information	<p><i>Macroeconomic environment</i></p> <p>Macroeconomic and market conditions affect BNPP's results. The nature of BNPP's business makes it particularly sensitive to macroeconomic and market conditions in Europe, which have been at times challenging and volatile in recent years.</p> <p>In 2015, the global economic activity remained sluggish. Activity slowed down in emerging countries, while a modest recovery continued in developed countries. The global outlook is still impacted by three major transitions: the slowing economic growth in China, the fall in prices of energy and other commodities, and an initial tightening of US monetary policy in a context of resilient internal recovery, while the central banks of several major developed countries are continuing to ease their monetary policies. For 2016, the IMF¹ is forecasting the progressive recovery of global economic activity but with low growth prospects on the medium term in developed and emerging countries.</p> <p>In that context, two risks can be identified:</p> <p><i>Financial instability due to the vulnerability of emerging countries</i></p> <p>While the exposure of the BNP Paribas Group in emerging countries is limited, the vulnerability of these economies may generate disruptions in the global financial system that could affect the Group and potentially alter its results.</p> <p>In numerous emerging economies, an increase in foreign currency commitments was observed in 2015, while the levels of indebtedness (both in foreign and local currencies) are already high. Moreover, the prospects of a progressive hike in key rates in the United States (first rate increase decided by the Federal Reserve in December 2015), as well as tightened financial volatility linked to</p>

¹ See: IMF – October 2015 Financial Stability Report, Advanced Countries and January 2016 update

Element	Title	
		<p>the concerns regarding growth in emerging countries, have contributed to the stiffening of external financial conditions, capital outflows, further currency depreciations in numerous emerging countries and an increase in risks for banks. This could lead to the downgrading of sovereign ratings.</p> <p>Given the possible standardisation of risk premiums, there is a risk of global market disruptions (rise in risk premiums, erosion of confidence, decline in growth, postponement or slowdown in the harmonisation of monetary policies, drop in market liquidity, problem with the valuation of assets, shrinking of the credit offering, and chaotic de-leveraging) that would affect all banking institutions.</p> <p><i>Systemic risks related to economic conditions and market liquidity</i></p> <p>The continuation of a situation with exceptionally low interest rates could promote excessive risk-taking by certain financial players: increase in the maturity of loans and assets held, less stringent loan granting policies, increase in leverage financing.</p> <p>Some players (insurance companies, pension funds, asset managers, etc.) entail an increasingly systemic dimension and in the event of market turbulence (linked for instance to a sudden rise in interest rates and/or a sharp price correction) they may decide to unwind large positions in an environment of relatively weak market liquidity.</p> <p>Such liquidity pressure could be exacerbated by the recent increase in the volume of assets under management placed with structures investing in illiquid assets.</p> <p><i>Laws and regulations applicable to financial institutions</i></p> <p>Recent and future changes in the laws and regulations applicable to financial institutions may have a significant impact on BNPP. Measures that were recently adopted or which are (or whose application measures are) still in draft format, that have or are likely to have an impact on BNPP notably include:</p> <ul style="list-style-type: none"> - the structural reforms comprising the French banking law of 26 July 2013 requiring that banks create subsidiaries for or segregate “speculative” proprietary operations from their traditional retail banking activities, the "Volcker rule" in the US which restricts proprietary transactions, sponsorship and investment in private equity funds and hedge funds by US and foreign banks, and expected potential changes in Europe; - regulations governing capital: CRD 4/CRR, the international standard for total-loss absorbing capacity ("TLAC") and BNPP's designation as a financial institution that is of systemic importance by the Financial Stability Board; - the European Single Supervisory Mechanism and the ordinance of 6 November 2014; - the Directive of 16 April 2014 related to deposit guarantee systems and its delegation and implementing decrees, the Directive of 15 May 2014 establishing a Bank Recovery and Resolution framework; - the Single Resolution Mechanism establishing the Single Resolution Council and the Single Resolution Fund; - the Final Rule by the US Federal Reserve imposing tighter prudential rules on the US transactions of large foreign banks, notably the obligation to create a separate intermediary holding company in the US (capitalised and subject to regulation) to house their US subsidiaries;

Element	Title		
		<ul style="list-style-type: none"> - the new rules for the regulation of over-the-counter derivative activities pursuant to Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, notably margin requirements for uncleared derivative products and the derivatives of securities traded by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants, and the rules of the US Securities and Exchange Commission which require the registration of banks and major swap participants active on derivatives markets and transparency and reporting on derivative transactions; - the new MiFID and MiFIR, and European regulations governing the clearing of certain over-the-counter derivative products by centralised counterparties and the disclosure of securities financing transactions to centralised bodies. <p>Cyber risk</p> <p>In recent years, financial institutions have been impacted by a number of cyber incidents, notably involving large-scale alterations of data which compromise the quality of financial information. This risk remains today and BNPP, like other banks, has taken measures to implement systems to deal with cyber attacks that could destroy or damage data and critical systems and hamper the smooth running of its operations. Moreover, the regulatory and supervisory authorities are taking initiatives to promote the exchange of information on cyber security and cyber criminality in order to improve the security of technological infrastructures and establish effective recovery plans after a cyber incident.</p>	
B.19/B.5	Description of the Group	BNPP is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 74 countries and has more than 189,000 employees, including close to 147,000 in Europe. BNPP is the parent company of the BNP Paribas Group (together the " BNPP Group ").	
B.19/B.9	Profit forecast or estimate	Not applicable, as there are no profit forecasts or estimates made in respect of the Guarantor in the Prospectus to which this Summary relates.	
B.19/B.10	Audit report qualifications	Not applicable, there are no qualifications in any audit report on the historical financial information included in the Prospectus.	
B.19/B.12	Selected historical key financial information:		
	Comparative Annual Financial Data - In millions of EUR		
		31/12/2015 (audited)	31/12/2014* (audited)
	Revenues	42,938	39,168
	Cost of risk	(3,797)	(3,705)
	Net income, Group share	6,694	157
		31/12/2015	31/12/2014*
	Common equity Tier 1 ratio (Basel 3 fully loaded, CRD4)	10.9%	10.3%
		31/12/2015 (audited)	31/12/2014* (audited)

Element	Title		
	Total consolidated balance sheet	1,994,193	2,077,758
	Consolidated loans and receivables due from customers	682,497	657,403
	Consolidated items due to customers	700,309	641,549
	Shareholders' equity (Group share)	96,269	89,458
	<i>* Restated according to the IFRIC 21 interpretation.</i>		
	Comparative Interim Financial Data for the six-month period ended 30 June 2016 – In millions of EUR		
		1H16 (unaudited)	1H15 (unaudited)
	Revenues	22,166	22,144
	Cost of risk	(1,548)	(1,947)
	Net income, Group share	4,374	4,203
		30/06/2016	31/12/2015
	Common equity Tier 1 ratio (Basel 3 fully loaded, CRD4)	11.1%	10.9%
		30/06/2016 (unaudited)	31/12/2015 (audited)
	Total consolidated balance sheet	2,171,989	1,994,193
	Consolidated loans and receivables due from customers	693,304	682,497
	Consolidated items due to customers	725,596	700,309
	Shareholders' equity (Group share)	97,509	96,269
	<p><i>Statements of no significant or material adverse change</i></p> <p>See Element B.12 above in the case of the BNPP Group.</p> <p>There has been no material adverse change in the prospects of BNPP since 31 December 2015 (being the end of the last financial period for which audited financial statements have been published).</p>		

Element	Title	
B.19/ B.13	Events impacting the Guarantor's solvency	Not applicable, as at 13 October 2016 and to the best of the Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since 30 June 2016.
B.19/ B.14	Dependence upon other Group entities	<p>Subject to the following paragraph, BNPP is not dependent upon other members of the BNPP Group.</p> <p>In April 2004, BNP Paribas SA began outsourcing IT Infrastructure Management Services to the BNP Paribas Partners for Innovation (BP²I) joint venture set up with IBM France at the end of 2003. BP²I provides IT Infrastructure Management Services for BNP Paribas SA and several BNP Paribas subsidiaries in France (including BNP Paribas Personal Finance, BP2S, and BNP Paribas Cardif), Switzerland, and Italy. In mid- December 2011 BNP Paribas renewed its agreement with IBM France for a period lasting until end-2017. At the end of 2012, the parties entered into an agreement to gradually extend this arrangement to BNP Paribas Fortis as from 2013.</p> <p>BP²I is under the operational control of IBM France. BNP Paribas has a strong influence over this entity, which is 50/50 owned with IBM France. The BNP Paribas staff made available to BP²I make up half of that entity's permanent staff, its buildings and processing centres are the property of the Group, and the governance in place provides BNP Paribas with the contractual right to monitor the entity and bring it back into the Group if necessary.</p> <p>ISFS, a fully-owned IBM subsidiary, handles IT Infrastructure Management for BNP Paribas Luxembourg.</p> <p>BancWest's data processing operations are outsourced to Fidelity Information Services. Cofinoga France's data processing is outsourced to SDDC, a fully-owned IBM subsidiary.</p> <p>See also Element B.5 above.</p>
B.19/ B.15	Principal activities	<p>BNP Paribas holds key positions in its two main businesses:</p> <ul style="list-style-type: none"> • Retail Banking and Services, which includes: <ul style="list-style-type: none"> • Domestic Markets, comprising: <ul style="list-style-type: none"> • French Retail Banking (FRB), • BNL banca commerciale (BNL bc), Italian retail banking, • Belgian Retail Banking (BRB), • Other Domestic Markets activities, including Luxembourg Retail Banking (LRB); • International Financial Services, comprising: <ul style="list-style-type: none"> • Europe-Mediterranean, • BancWest, • Personal Finance, • Insurance, • Wealth and Asset Management; • Corporate and Institutional Banking (CIB), which includes: <ul style="list-style-type: none"> • Corporate Banking, • Global Markets, • Securities Services,

Element	Title	
B.19/ B.16	Controlling shareholders	None of the existing shareholders controls, either directly or indirectly, BNPP. As at 31 December 2015, the main shareholders are Société Fédérale de Participations et d'Investissement (" SFPI ") a <i>public-interest société anonyme</i> (public limited company) acting on behalf of the Belgian government holding 10.2% of the share capital, BlackRock Inc. holding 5.1% of the share capital and Grand Duchy of Luxembourg holding 1.0% of the share capital. To BNPP's knowledge, no shareholder other than SFPI and BlackRock Inc. owns more than 5% of its capital or voting rights.
B.19/ B.17	Solicited credit ratings	BNPP's long term credit ratings are A with a stable outlook (Standard & Poor's Credit Market Services France SAS), A1 with a stable outlook (Moody's Investors Service Ltd.), A+ with a stable outlook (Fitch France S.A.S.) and AA (low) with a stable outlook (DBRS) and BNPP's short-term credit ratings are A-1 (Standard & Poor's Credit Market Services France SAS), P-1 (Moody's Investors Service Ltd.), F1 (Fitch France S.A.S.) and R-1 (middle) (DBRS Limited). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Section C – Securities

Element	Title	
C.1	Type and class of Securities/ ISIN	The Securities are certificates (" Certificates ") and are issued in Series. The Series Number of the Securities is CE2198CHG. The Tranche number is 1. The Certificates were issued on 16 August 2016 (the " Issue Date ") and each Certificate has a notional amount of EUR1,000. The ISIN is: XS1422299195. The Common Code is: 142229919. The Securities are cash settled Securities.
C.2	Currency	The currency of this Series of Securities is Euro (" EUR ").
C.5	Restrictions on free transferability	The Securities will be freely transferable, subject to the offering and selling restrictions in the United States, the European Economic Area, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, Norway, Poland, Romania, Spain, Sweden, the United Kingdom, Japan and Australia and under the Prospectus Directive and the laws of any jurisdiction in which the Securities are offered or sold.
C.8	Rights attaching to the Securities	Securities issued under the Prospectus will have terms and conditions relating to, among other matters: Status The Certificates are issued on an unsecured basis. Securities issued on an unsecured basis constitute direct, unconditional, unsecured and unsubordinated obligations of

Element	Title	
		<p>the Issuer and rank and will rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).</p> <p><i>Taxation</i></p> <p>The Holder must pay all taxes, duties and/or expenses arising from the exercise and settlement or redemption of the Securities and/or the delivery or transfer of the Entitlement. The Issuer shall deduct from amounts payable or assets deliverable to Holders certain taxes and expenses not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent determines are attributable to the Securities.</p> <p>Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code.</p> <p><i>Negative pledge</i></p> <p>The terms of the Securities will not contain a negative pledge provision.</p> <p><i>Events of Default</i></p> <p>The terms of the Securities will not contain events of default.</p> <p><i>Meetings</i></p> <p>The terms of the Securities will contain provisions for calling meetings of holders of such Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p><i>Governing law</i></p> <p>The Securities, the English Law Agency Agreement (as amended or supplemented from time to time), the Guarantee in respect of the Securities and any non-contractual obligations arising out of or in connection with the Securities, the English Law Agency Agreement (as amended or supplemented from time to time) and the Guarantee in respect of the Securities will be governed by and shall be construed in accordance with English law.</p>
C.9	Interest/ Redemption	<p><i>Interest</i></p> <p>The Securities do not bear or pay interest.</p> <p><i>Redemption</i></p> <p>Unless previously redeemed or cancelled, each Security will be redeemed on 16 August 2021 as set out in Element C.18.</p> <p>The Certificates may be redeemed early on occurrence of an Additional Disruption</p>

Element	Title	
		<p>Event or an Optional Additional Disruption Event or if performance of the Issuer's obligations under the Securities and/or any related hedging arrangements becomes illegal or by reason of force majeure or act of state becomes impossible or impracticable. The amount payable under the Securities on such cancellation will be the fair market value of each Security less the cost of unwinding related hedging arrangements.</p> <p>Representative of Holders of Securities</p> <p>No representative of the Holders of Securities has been appointed by the Issuer.</p> <p>Please also refer to Element C.8 above for rights attaching to the Securities.</p>
C.10	Derivative component in the interest payment	Not applicable.
C.11	Admission to Trading	Application is expected to be made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the professional segment of Euronext Paris.
C.15	How the value of the investment in the derivative securities is affected by the value of the underlying assets	<p>The amount payable on redemption is calculated by reference to the performance of a basket of shares (the "Basket of Shares" or the "Underlying Reference" and each share within the Basket of Shares, a "Share").</p> <p>See Elements C.18 and C.20 below.</p>
C.16	Maturity of the derivative Securities	The redemption date of the Securities is 16 August 2021 (the " Redemption Date ").
C.17	Settlement Procedure	<p>This Series of Securities is cash settled.</p> <p>The Issuer does not have the option to vary settlement.</p>
C.18	Return on derivative securities	<p>See Element C.8 above for the rights attaching to the Securities.</p> <p>Final Redemption</p> <p>Unless previously redeemed or purchased and cancelled, each Security entitles its Holder to receive from the Issuer on the Redemption Date a Cash Settlement Amount equal to</p> <p>NA x Basket Performance,</p> <p>where:</p> <p>"Basket Performance" means:</p>

Element	Title	
		$\text{Max} \left(0, \frac{\text{Basket}_F}{\text{Basket Initial}} \right)$ <p>Where:</p> <p>"Basket_F" means the Basket Value on the Redemption Valuation Date, as determined by the Calculation Agent;</p> <p>"Basket Initial" means the Basket Value on the Strike Date, as determined by the Calculation Agent;</p> <p>"NA" means the Notional Amount of a Certificate (being equal to EUR1,000);</p> <p>The "Basket Value" on any Calculation Date_t is equal to Basket_t, where the Basket Value is calculated recursively on each Calculation Date,</p> <p>where:</p> <p>"Basket_t" means on each Calculation Date_t:</p> $\text{Basket}_{t-1} \times \left(\frac{\text{PTF}_t}{\text{PTF}_{t-1}} \right) - \text{Fees}_t$ <p>where:</p> <p>"Fees_(t)" means the value of the fees on Calculation Date_t calculated as follows:</p> $\text{MF}_{(t)} + \text{RF}_{(t)}$ <p>"MF_(t+1)" means $\text{AF} * \frac{\text{Act}(t, t+1)}{360} * \text{Basket}_t$</p> <p>If t is a Rebalancing Date:</p> <p>"RF_(t+1)" means:</p> $\text{Basket}_t * \sum_{i=1}^{N_t} \text{RF} * \left n_i(t) \frac{\text{Udl}_{i,t}}{\text{PTF}_t} - n_i(t-1) \frac{\text{Udl}_{i,t}}{\text{PTF}_{t-1}} \frac{\text{Basket}_{t-1}}{\text{Basket}_t} \right $ <p>If t is not a Rebalancing Date:</p> <p>"RF_(t+1)" means zero.</p> <p>Where:</p> <p>"Act(t-1, t)" means the actual number of calendar days between t-1 and t, excluding t-1 but including t;</p> <p>"AF" means the Adjustment Factor of 1.20% per annum, being equal to the sum of the Advisory Fee and Issuer Fee;</p> <p>"Basket0" means 100%;</p> <p>"Calculation Date_t" means each Scheduled Trading Day from, and including, the Strike Date to, and including, the Redemption Valuation Date;</p>

Element	Title	
		<p>"FX_{i,t}" means the exchange rate expressed in EUR to convert the currency of the Basket Component i into EUR, on the Calculation Date, on a best efforts execution basis;</p> <p>"FX_{i,0}" means the exchange rate expressed in EUR to convert the currency of the Basket Component i into EUR, on the Strike Date, on a best efforts execution basis;</p> <p>"MF" means the Management Fee;</p> <p>"Management Fee" means the Adjustment Factor applied to the Basket Value for each day <i>pro rata temporis</i> as per the following formula:</p> <p>"MF_(t+1)" means $AF * \frac{Act(t, t + 1)}{360} * Basket_t$</p> <p>"n_i(t)" means the number of shares of Basket Component_i in PTF_t, determined by the Calculation Agent in accordance with the following formula:</p> <p>If t is a Rebalancing Date:</p> $P_{i,t} = \frac{PTF_t}{Udl_{i,t}}$ <p>If t is not a Rebalancing Date:</p> $n_i(t - 1);$ <p>"PTF_t" means the "Portfolio Value" on Calculation Date_t, as determined by the Calculation Agent in accordance with the following formula:</p> $PTF_{t^n} + \sum_{i=1}^N n_i(t)x(Udl_{i,t} - Udl_{i,t^n}) + \left(PTF_{t^n} - \sum_{i=1}^N (n_i(t)xUdl_{i,t^n}) \right) x \left(\frac{MM_{i,t}}{MM_{i,t}^*} - 1 \right)$ <p>where:</p> $"MM_t" \text{ means } MM_{t-1} x \left[1 + \left((ON_{t-1}) x \frac{Act(t-1,t)}{360} \right) \right]$ <p>where:</p> <p>"N" means the number of Shares in the Basket on the Rebalancing Date;</p> <p>"P_{i,t}" means the weighting of Basket Component_i in the Basket at date t, subject to the weighting constraints set out in the Basket Allocation Guidelines;</p> <p>"PTF₀" is equal to "MM₀" which is equal to 100%, with date 0 being the Strike Date;</p> <p>"ON_t" means the EONIA (Euro Over Night Index Average) rate for overnight deposits in EUR as calculated by the European Central Bank on an Act/360 day count and appearing on the Bloomberg system at about 7pm (Central European Time) (ticker: EONIA Index) on date t. In the event that EONIA does not appear on the Bloomberg system, this rate can be ascertained from any other source as the Calculation Agent may deem appropriate;</p>

Element	Title									
		<p>"t*" means the Rebalancing Date preceding t, the first Rebalancing Date being the Strike Date;</p> <p>"RF" means the Rebalancing Fee, being equal to 0.05%;</p> <p>"S_{i,o}" means the official closing price of Basket Component_i on the Rebalancing Date on which such Basket Component_i is added to the Basket;</p> <p>"S_{i,t}" means the official closing price of Basket Component_i on Calculation Date(t), with the Strike Price being the official closing price of Basket Component_i on the Strike Date, as specified in the table set out below;</p> <p>"S_{i,Final}" means the official closing price of Basket Component_i on the Redemption Valuation Date;</p> <p>"Udl_{i,t}" means the total return value of a Basket Component. The total return value of Basket Component_i is calculated from its initial value by the Calculation Agent by reinvesting a percentage of the dividends received in accordance with the following calculation:</p> $Udl_{i,t} = \frac{S_{i,t} + NDDividends_{i,t}}{S_{i,t-1}} \times \frac{FX_{i,t}}{FX_{i,t-1}}$ <p>"NDDividends_{i,t}" means for each Share(i) comprised in the Basket, the Gross Dividends (as defined below) in the same currency as Share_i declared ex-dividend on Calculation Date_t in respect of such Share_i comprised in the Basket on the date such dividend is declared ex-dividend less withholding taxes or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon applicable to an investor as of the date of payment of the dividend (hereafter, referred to as "Taxes").</p> <p>"Gross Dividend" means 100% of the gross cash dividend per Share_i declared by the issuer of Share_i, where "gross cash dividend" shall represent a sum before the withholding or deduction of Taxes at the source by or on behalf of any applicable authority having power to tax in respect of such dividend, and shall exclude any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon.</p> <p>As of the Trade Date the net declared dividend would be equal to the relevant D_i percentage specified below in respect to the jurisdiction of each Share_i applied to the Gross Dividend.</p> <table border="1" data-bbox="502 1697 920 2004"> <thead> <tr> <th data-bbox="502 1697 748 1809">Country</th> <th data-bbox="751 1697 920 1809">D_i</th> </tr> </thead> <tbody> <tr> <td data-bbox="502 1814 748 1877">Austria</td> <td data-bbox="751 1814 920 1877">72.50%</td> </tr> <tr> <td data-bbox="502 1881 748 1944">Belgium</td> <td data-bbox="751 1881 920 1944">73.00%</td> </tr> <tr> <td data-bbox="502 1948 748 2004">Bulgaria</td> <td data-bbox="751 1948 920 2004">95.00%</td> </tr> </tbody> </table>	Country	D _i	Austria	72.50%	Belgium	73.00%	Bulgaria	95.00%
Country	D _i									
Austria	72.50%									
Belgium	73.00%									
Bulgaria	95.00%									

Element	Title		
		Croatia	88.00%
		Cyprus	100.00%
		Czech Republic	65.00%
		Denmark	73.00%
		Estonia	100.00%
		Finland	70.00%
		France	70.00%
		Germany	73.63%
		Greece	90.00%
		Hungary	85.00%
		Ireland	80.00%
		Italy	74.00%
		Lithuania	85.00%
		Luxembourg	85.00%
		Netherlands	85.00%
		Norway	75.00%
		Portugal	72.00%
		Romania	95.00%
		Spain	81.00%
		Sweden	70.00%
		Switzerland	65.00%
		United Kingdom	100.00%
		<p>"Exchange" means, in respect of a Share, the Exchange specified for such Share in the table below;</p> <p>"Scheduled Trading Day" means any day on which the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s);</p> <p>"Calculation Agent" means BNP Paribas Arbitrage S.N.C.;</p> <p>"Redemption Valuation Date" means 2 August 2021 (subject to adjustment in</p>	

Element	Title																																																																																	
		<p>accordance with the terms and conditions of the Securities (the "Conditions"));</p> <p>"Related Exchange" in respect of each Share shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;</p> <p>"Share_i or Basket Component_i" means the relevant Share set out in the table below (for the avoidance of doubt, being together the "Basket of Shares" or "Basket");</p>																																																																																
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Element	Title							
						Exchange		
		10.	Givaudan SA	GIVN VX Equity/https://www.givaudan.com/investors	CH0010645932	CHF	SIX Swiss Exchange	10% 1,991.00
		<p>"GBP" means the lawful currency of the United Kingdom, the relevant amount being expressed in pennies (one hundredth of a Pound Sterling);</p> <p>"Strike Date" means 2 August 2016;</p> <p>The above provisions are subject to adjustment as provided in the conditions of the Securities to take into account events in relation to the Underlying Reference or the Securities. This may lead to adjustments being made to the Securities or, in some cases, the Securities being terminated early at an early redemption amount (see Element C.9).</p> <p>Rebalancing</p> <p>A Basket Investment Advisor Agreement, governed by English law, has been entered into on 2 August 2016 between the Issuer, the Calculation Agent and Deutsche Bank (Suisse) SA (the "Basket Investment Advisor").</p> <p>Pursuant to the Basket Investment Advisor Agreement, the Basket Investment Advisor shall have the right, but not the obligation, no more than 20 times per Year, to recommend that one or more Basket Components within the Basket be reweighted, or replaced by one or more new Basket Components (each a "Recommendation") on any Scheduled Trading Day (each such date, a "Rebalancing Date"). Any such Recommendation must be made in accordance with the Basket Allocation Guidelines.</p> <p>The term "Year" means the period between the Strike Date and the first anniversary thereof, and then the period between subsequent anniversaries of the Strike Date thereafter. Following receipt of a Recommendation from the Basket Investment Advisor a Rebalancing will be effected. A "Rebalancing" occurs where the weighting of one or more Basket Component; is adjusted, including where a Basket Component is added to the Basket or removed from the Basket.</p> <p>A Rebalancing Fee is deducted for each Rebalancing and represents a percentage of the notional value of the purchase price (where a Basket Component is being added to the Basket or the weighting of a Basket Component is being increased pursuant to a Recommendation) or the sale price of a Basket Component (where a Basket Component is being removed from the Basket or the weighting of a Basket Component is being reduced pursuant to a Recommendation). Such notional purchase or sale price of any Basket Component shall be net of any taxed, duties or other withholding imposed in either of the jurisdiction in which the issuer of the Basket Component is incorporated and/or the jurisdiction in which the Issuer is incorporated.</p> <p>The "Basket Allocation Guidelines" are as follows:</p> <p>(a) any asset selected by the Basket Investment Advisor for inclusion as a Basket Component must:</p> <p>(i) be classified as common stock or equity by the exchange on which it is listed or admitted to trading provided that such asset must be a component of one or more of the following equity market indices STOXX® Europe 600 and any other equity index which the Calculation Agent determines in the future is acceptable for the purposes of inclusion in the Basket; and</p>						

Element	Title	
		<p>(ii) has, at the time it is the subject of a Recommendation for inclusion in the Basket, an average daily volume of trades which complies with BNP Paribas requirements at such time; and</p> <p>(b) at all times: the Basket must be comprised of a minimum of five Basket Components and a maximum of 50 Basket Components;</p> <p>(i) any one Basket Component may not have a weighting (W_i) of greater than 20 per cent.; and</p> <p>(ii) the sum of the positive weightings of the Basket Components must be less than or equal to 100 per cent and no Basket Component may be shorted.</p> <p><i>Fees</i></p> <p>The following fees are payable in connection with the Securities. As result of the deduction of the Advisory Fee and the Issuer Fee, the performance of the Basket on any day will be lower than the sum of the performance of the individual Basket Components.</p> <p><i>Advisory Fee</i></p> <p>The Basket Investment Advisor will receive from the Issuer a fee of 1 per cent per annum of the Basket Value paid <i>pro rata temporis</i> on a quarterly basis (the "Advisory Fee"). This amount is deducted by the Calculation Agent from the value of the Basket on a daily basis and is included in the Adjustment Factor described above.</p> <p><i>Issuer Fee</i></p> <p>The Issuer will receive a fee of 0.20 per cent per annum of the Basket Value paid <i>pro rata temporis</i> on a quarterly basis (the "Issuer Fee"). This amount is deducted by the Calculation Agent from the value of the Basket on a daily basis and is included in the Adjustment Factor described above.</p> <p><i>Rebalancing Fees</i></p> <p>A Rebalancing Fee of 0.05% is charged on each Rebalancing taking effect as described above in the definition of "RF".</p>
C.19	Final reference price of the Underlying	The final reference price of the Underlying Reference will be determined in accordance with the valuation mechanics set out in Element C.18 above subject to the occurrence of certain extraordinary events and adjustments affecting such underlying asset(s).
C.20	Underlying	<p>The Underlying Reference is the Basket of Shares.</p> <p>Information on the Shares constituting the Underlying Reference can be obtained from Bloomberg. See Element C.18 for the Bloomberg codes for these Shares.</p>

Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuer and the Guarantor	<p>Prospective purchasers of the Securities should be experienced with respect to options and options transactions and should understand the risks of transactions involving the Securities. An investment in the Securities presents certain risks that should be taken into account before any investment decision is made. Certain risks may affect the Issuer's ability to fulfil its obligations under the Securities or the Guarantor's ability to perform its obligations under the Guarantee, some of which are beyond its control. In particular, the Issuer and the Guarantor, together with the BNPP Group, are exposed to the risks associated with its activities, as described below:</p> <p>Guarantor</p> <p>Eleven main categories of risk are inherent in BNPP's activities:</p> <p>(1) <i>Credit Risk</i> - Credit risk is the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment;</p> <p>(2) <i>Counterparty Credit Risk</i> - Counterparty credit risk is the credit risk embedded in payment or transactions between counterparties. Those transactions include bilateral contracts such as over-the-counter (OTC) derivatives contracts which potentially expose the Bank to the risk of counterparty default, as well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions or portfolio;</p> <p>(3) <i>Securitisation</i> - Securitisation means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranced, having the following characteristics:</p> <ul style="list-style-type: none"> • payments made in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; • the subordination of tranches determines the distribution of losses during the life of the risk transfer. <p>Any commitment (including derivatives and liquidity lines) granted to a securitisation operation must be treated as a securitisation exposure. Most of these commitments are held in the prudential banking book; payments made in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures;</p> <p>(4) <i>Market Risk</i> - Market risk is the risk of incurring a loss of value due to adverse trends in market prices or parameters, whether directly observable or not.</p> <p>Observable market parameters include, but are not limited to, exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, and other parameters that</p>

Element	Title	
		<p>can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.</p> <p>Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.</p> <p>In fixed income trading books, credit instruments are valued on the basis of bond yields and credit spreads, which represent market parameters in the same way as interest rates or foreign exchange rates. The credit risk arising on the issuer of the debt instrument is therefore a component of market risk known as issuer risk.</p> <p>Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or goods may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.</p> <p>The market risk related to banking activities encompasses the risk of loss on equity holdings on the one hand, and the interest rate and foreign exchange risks stemming from banking intermediation activities on the other hand;</p> <p>(5) <i>Operational Risk</i> - Operational risk is the risk of incurring a loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Management of operational risk is based on an analysis of the “cause – event – effect” chain.</p> <p>Internal processes giving rise to operational risk may involve employees and/or IT systems. External events include, but are not limited to floods, fire, earthquakes and terrorist attacks. Credit or market events such as default or fluctuations in value do not fall within the scope of operational risk.</p> <p>Operational risk encompasses fraud, human resources risks, legal risks, non-compliance risks, tax risks, information system risks, conduct risks (risks related to the provision of inappropriate financial services), risk related to failures in operating processes, including loan procedures or model risks, as well as any potential financial implications resulting from the management of reputation risks;</p> <p>(6) <i>Compliance and Reputation Risk</i> - Compliance risk as defined in French regulations as the risk of legal, administrative or disciplinary sanctions, of significant financial loss or reputational damage that a bank may suffer as a result of failure to comply with national or European laws and regulations, codes of conduct and standards of good practice applicable to banking and financial activities, or instructions given by an executive body, particularly in application of guidelines issued by a supervisory body.</p> <p>By definition, this risk is a sub-category of operational risk. However, as certain implications of compliance risk involve more than a purely financial loss and may actually damage the institution’s reputation, the Bank treats compliance risk separately.</p> <p>Reputation risk is the risk of damaging the trust placed in a corporation by its customers, counterparties, suppliers, employees, shareholders, supervisors and any other stakeholder whose trust is an essential condition</p>

Element	Title	
		<p>for the corporation to carry out its day-to-day operations.</p> <p>Reputation risk is primarily contingent on all the other risks borne by the Bank;</p> <p>(7) <i>Concentration Risk</i> - Concentration risk and its corollary, diversification effects, are embedded within each risk, especially for credit, market and operational risks using the correlation parameters taken into account by the corresponding risk models.</p> <p>It is assessed at consolidated Group level and at financial conglomerate level;</p> <p>(8) <i>Banking Book Interest Rate Risk</i> - Banking book interest rate risk is the risk of incurring losses as a result of mismatches in interest rates, maturities and nature between assets and liabilities. For banking activities, this risk arises in non-trading portfolios and primarily relates to global interest rate risk;</p> <p>(9) <i>Strategic and Business Risks</i> - Strategic risk is the risk that the Bank's share price may fall because of its strategic decisions.</p> <p>Business risk is the risk of incurring an operating loss due to a change in the economic environment leading to a decline in revenue coupled with insufficient cost-elasticity.</p> <p>These two types of risk are monitored by the Board of Directors;</p> <p>(10) <i>Liquidity Risk</i> - In accordance with regulations, the liquidity risk is defined as the risk that a bank will be unable to honour its commitments or unwind or settle a position due to the situation on the market or idiosyncratic factors, within a given time frame and at a reasonable price or cost; and</p> <p>(11) <i>Insurance Underwriting Risk</i> - Insurance underwriting risk corresponds to the risk of a financial loss caused by an adverse trend in insurance claims. Depending on the type of insurance business (life, personal risk or annuities), this risk may be statistical, macroeconomic or behavioural, or may be related to public health issues or natural disasters. It is not the main risk factor arising in the life insurance business, where financial risks are predominant.</p> <p>(a) Difficult market and economic conditions have had and may continue to have a material adverse effect on the operating environment for financial institutions and hence on BNPP's financial condition, results of operations and cost of risk.</p> <p>(b) Due to the geographic scope of its activities, BNPP may be vulnerable to country or regional-specific political, macroeconomic and financial environments or circumstances.</p> <p>(c) BNPP's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.</p> <p>(d) Significant interest rate changes could adversely affect BNPP's revenues or profitability.</p> <p>(e) The prolonged low interest rate environment carries inherent systemic risks.</p>

Element	Title	
		<p>(f) The soundness and conduct of other financial institutions and market participants could adversely affect BNPP.</p> <p>(g) BNPP may incur significant losses on its trading and investment activities due to market fluctuations and volatility.</p> <p>(h) BNPP may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.</p> <p>(i) Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.</p> <p>(j) Laws and regulations adopted in response to the global financial crisis may materially impact BNPP and the financial and economic environment in which it operates.</p> <p>(k) BNPP is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.</p> <p>(l) BNPP may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations.</p> <p>(m) There are risks related to the implementation of BNPP's strategic plan.</p> <p>(n) BNPP may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions.</p> <p>(o) Intense competition by banking and non-banking operators could adversely affect BNPP's revenues and profitability.</p> <p>(p) A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNPP's results of operations and financial condition.</p> <p>(q) BNPP's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.</p> <p>(r) BNPP's hedging strategies may not prevent losses.</p> <p>(s) Adjustments to the carrying value of BNPP's securities and derivatives portfolios and BNPP's own debt could have an impact on its net income and shareholders' equity.</p> <p>(t) The expected changes in accounting principles relating to financial instruments may have an impact on BNPP's balance sheet and regulatory capital ratios and result in additional costs.</p> <p>(u) BNPP's competitive position could be harmed if its reputation is damaged.</p> <p>(v) An interruption in or a breach of BNPP's information systems may result in material losses of client or customer information, damage to BNPP's reputation and lead to financial losses.</p> <p>(w) Unforeseen external events may disrupt BNPP's operations and cause substantial losses and additional costs.</p>

Element	Title	
		<p>Issuer</p> <p>The main risks described above in relation to BNPP also represent the main risks for BNPP B.V., either as an individual entity or a company in the BNPP Group.</p> <p>Dependency Risk</p> <p>BNPP B.V. is an operating company. The assets of BNPP B.V. consist of the obligations of other BNPP Group entities. The ability of BNPP B.V. to meet its own obligations will depend on the ability of other BNPP Group entities to fulfil their obligations. In respect of securities it issues, the ability of BNPP B.V. to meet its obligations under such securities depends on the receipt by it of payments under certain hedging agreements that it enters with other BNPP Group entities. Consequently, Holders of BNPP B.V. securities will, subject to the provisions of the Guarantee issued by BNPP, be exposed to the ability of BNP Group entities to perform their obligations under such hedging agreements.</p> <p>Market Risk</p> <p>BNPP B.V. takes on exposure to market risks arising from positions in interest rates, currency exchange rates, commodities and equity products, all of which are exposed to general and specific market movements. However, these risks are hedged by option and swap agreements and therefore these risks are mitigated in principle.</p> <p>Credit Risk</p> <p>BNPP B.V. has significant concentration of credit risks as all OTC contracts are acquired from its parent company and other BNPP Group entities. Taking into consideration the objective and activities of BNPP B.V. and the fact that its parent company is under supervision of the European Central Bank and the <i>Autorité de Contrôle Prudentiel et de Résolution</i> management considers these risks as acceptable. The long term senior debt of BNP Paribas is rated (A) by Standard & Poor's and (A1) by Moody's.</p> <p>Liquidity Risk</p> <p>BNPP B.V. has significant liquidity risk exposure. To mitigate this exposure, BNPP B.V. entered into netting agreements with its parent company and other BNPP Group entities.</p>
D.3	Key risks regarding the Securities	<p>In addition to the risks (including the risk of default) that may affect the Issuer's ability to fulfil its obligations under the Securities or the Guarantor's ability to perform its obligations under the Guarantor, there are certain factors which are material for the purposes of assessing the market risks associated with the Securities issued under the Prospectus, including:</p> <p>Market Risks</p> <p>The Securities are unsecured obligations;</p> <p>the trading price of the Securities is affected by a number of factors including, but not limited to, (in respect of Securities linked to an Underlying Reference) the price of the relevant Underlying Reference(s), time to redemption and volatility and such factors mean that the trading price of the Securities may be below the Cash</p>

Element	Title	
		<p>Settlement Amount;</p> <p>exposure to the Underlying Reference in many cases will be achieved by the Issuer entering into hedging arrangements and, in respect of Securities linked to an Underlying Reference, potential investors are exposed to the performance of these hedging arrangements and events that may affect the hedging arrangements and consequently the occurrence of any of these events may affect the value of the Securities;</p> <p><i>Holder Risks</i></p> <p>the meetings of Holders provisions permit defined majorities to bind all Holders;</p> <p>in certain circumstances Holders may lose the entire value of their investment;</p> <p><i>Issuer/Guarantor Risks</i></p> <p>a reduction in the rating, if any, accorded to outstanding debt securities of the Issuer or Guarantor (if applicable) by a credit rating agency could result in a reduction in the trading value of the Securities;</p> <p>certain conflicts of interest may arise (see Element E.4 below);</p> <p><i>Legal Risks</i></p> <p>the occurrence of an additional disruption event or optional additional disruption event may lead to an adjustment to the Securities early redemption or may result in the amount payable on scheduled redemption being different from the amount expected to be paid at scheduled redemption and consequently the occurrence of an additional disruption event and/or optional additional disruption event may have an adverse effect on the value or liquidity of the Securities;</p> <p>expenses and taxation may be payable in respect of the Securities;</p> <p>the Securities may be redeemed in the case of illegality or impracticability and such cancellation or redemption may result in an investor not realising a return on an investment in the Securities;</p> <p>any judicial decision or change to an administrative practice or change to English law after the date of the Prospectus could materially adversely impact the value of any Securities affected by it;</p> <p><i>Secondary Market Risks</i></p> <p>the only means through which a Holder can realise value from the Security prior to its Redemption Date is to sell it at its then market price in an available secondary market and that there may be no secondary market for the Securities (which could mean that an investor has to exercise or wait until redemption of the Securities to realise a greater value than its trading value);</p> <p>an active secondary market may never be established or may be illiquid and this may adversely affect the value at which an investor may sell its Securities (investors may</p>

Element	Title	
		<p>suffer a partial or total loss of the amount of their investment).</p> <p>BNP Paribas Arbitrage S.N.C. is required to act as market-maker in respect of the Securities. BNP Paribas Arbitrage S.N.C. will endeavour to maintain a secondary market throughout the life of the Securities, subject to normal market conditions and will submit bid and offer prices to the market. The spread between bid and offer prices may change during the life of the Securities. However, during certain periods, it may be difficult, impractical or impossible for BNP Paribas Arbitrage S.N.C. to quote bid and offer prices, and during such periods, it may be difficult, impracticable or impossible to buy or sell these Securities. This may, for example, be due to adverse market conditions, volatile prices or large price fluctuations, a large marketplace being closed or restricted or experiencing technical problems such as an IT system failure or network disruption.</p> <p><i>Risks relating to Underlying Reference Asset(s)</i></p> <p>In addition, there are specific risks in relation to Securities which are linked to an Underlying Reference and an investment in such Securities will entail significant risks not associated with an investment in a conventional debt security. Risk factors in relation to the Securities as they are Underlying Reference linked Securities include:</p> <ul style="list-style-type: none"> • exposure to one or more shares; • similar market risks to a direct equity investment; • potential adjustment events or extraordinary events affecting shares and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Securities; and • discretionary adjustment events due to rebalancings (i.e. a Basket Component within the Basket may be removed, reweighted or replaced with a new Basket Component in accordance with the Basket Allocation Guidelines) following Recommendations provided by the Basket Investment Advisor up to 20 times per Year and effected by the Calculation Agent. A Rebalancing Fee of 0.05% will be charged on each Rebalancing taking effect.
D.6	Risk warning	<p>See Element D.3 above.</p> <p>In the event of the insolvency of the Issuer or if it is otherwise unable or unwilling to repay the Securities when repayment falls due, an investor may lose all or part of his investment in the Securities.</p> <p>If the Guarantor is unable or unwilling to meet its obligations under the Guarantee when due, an investor may lose all or part of his investment in the Securities.</p> <p>In addition, investors may lose all or part of their investment in the Securities as a result of the terms and conditions of the Securities.</p>

Section E - Offer

Element	Title	
E.2b	Reasons for the offer and use of proceeds	The net proceeds from the issue of the Securities became part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.
E.3	Terms and conditions of the offer	Not applicable – the Securities are not being offered to the public as part of a Non-exempt Offer. The issue price per Security is 100%.
E.4	Interest of natural and legal persons involved in the issue/offer	Any Manager and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business. Other than as mentioned above, and save for any potential conflicts of interest that may arise as a consequence of the Issuer and/or the Guarantor and their affiliates (i) undertaking different roles in connection with the Securities, including Issuer of the Securities, and the Calculation Agent of the Securities, (ii) engaging in trading activities (including hedging activities) relating to the Underlying Reference or other instruments or derivative products based on or relating to the Underlying Reference, (iii) issuing other derivative instruments in respect of the Underlying Reference and (iv) acting in a number of different capacities in relation to the Underlying Reference, including but not limited to issuers of the constituent Shares of the Underlying Reference, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer, including conflicts of interests.
E.7	Expenses charged to the investor by the Issuer or an offeror	No expenses are being charged to an investor by the Issuer.

RISK FACTORS

Prospective purchasers of the Securities offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all of the information in this 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 fulfil its obligations under the Securities) in making an investment decision. Investors may lose the value of their entire investment in certain circumstances.

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

Risks Relating to BNPP and its Industry

See Chapter 5 ("Risks and Capital Adequacy", except pages 249 to 269) of the BNPP 2015 Registration Document (as defined below), which is incorporated by reference in this document.

Risks related to the macroeconomic and market environment

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

BNPP's businesses are highly sensitive to changes in financial markets and economic conditions globally and especially in Europe. In recent years, BNPP has been, and may again in the future be, confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign debt, the capital markets, credit or liquidity, regional or global recessions, sharp fluctuations in commodity prices, currency exchange rates or interest rates, volatility in prices of financial derivatives, inflation or deflation, restructurings or defaults, corporate or sovereign debt rating downgrades or adverse political and geopolitical events (such as natural disasters, pandemics, societal unrest, geopolitical tensions, acts of terrorism and military conflicts). Such disruptions, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on BNPP's financial condition, results of operations or cost of risk. In 2016, the macroeconomic environment could be subject to various specific risks, including geopolitical tensions, financial market volatility, slowdowns in China and emerging markets, weak growth in the Euro-zone, decreasing prices of commodities and the gradual unwinding of exceptionally accommodating monetary policies in the United States. Measures taken or that may be taken by central banks to stimulate growth and prevent deflation, including the "quantitative easing" measures announced by the European Central Bank (the "ECB") in January and December 2015, may prove to be insufficient or could have negative effects on the banking industry possibly bringing margin pressure but not necessarily lending volume growth.

Moreover, a resurgence of a sovereign debt crisis cannot be ruled out. In particular, European markets have experienced significant disruptions in recent years as a result of concerns regarding the ability of certain countries or institutions in the Euro-zone to refinance their debt obligations. At several points in recent years these disruptions caused tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union. BNPP holds and in the future may hold substantial portfolios of sovereign debt and has and may in the future have substantial amounts of loans outstanding to sovereign borrowers; a new sovereign debt crisis could cause it to incur impairment charges or losses on sales. BNPP also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to financial institutions with which it does business. More generally, the sovereign debt crisis had, and could again in the future have, an

indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and more generally on the environment in which BNPP operates.

If economic conditions generally or in Europe in particular were to deteriorate due among other things to concerns over the European economy (in turn triggered by the heightened risk of or even the occurrence of a sovereign default, the failure of a significant financial institution or the exit of a country from the Euro-zone), a continued decline in oil and commodity prices, a continued or increased slowdown of economic growth in emerging countries and China in particular, terrorist attacks or political instability, the resulting market disruptions could have a significant adverse impact on the credit quality of BNPP's customers and financial institution counterparties, on market parameters such as interest rates, foreign exchange rates and stock market indices, and on BNPP's results of operations, liquidity, ability to raise financing on acceptable terms and financial condition.

Due to the geographic scope of its activities, BNPP may be vulnerable to country or regional-specific political, macroeconomic and financial environments or circumstances

BNPP is exposed to country risk, meaning the risk that economic, financial, political or social conditions of a foreign country, especially a country in which it operates, will affect its financial interests. BNPP monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. Moreover, factors specific to a particular country or region in which BNPP operates could create difficult operating conditions, leading to operating losses or asset impairments.

BNPP's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors

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

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

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

Significant interest rate changes could adversely affect BNPP's revenues or profitability

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

The prolonged low interest rate environment carries inherent systemic risks

The prolonged period of low interest rates since the 2008/2009 financial crisis may have contributed to, and may continue to contribute to, excessive risk-taking by financial market participants such as lengthening maturities of financings and assets held, more lenient lending standards and increased leveraged lending. Certain of the market participants that may have taken or may take additional or excessive risk are of systemic importance, and any unwinding of their positions during periods of market turbulence or stress (and hence reduced liquidity) could have a destabilising effect on markets and could lead BNPP to record operating losses or asset impairments.

The soundness and conduct of other financial institutions and market participants could adversely affect BNPP

BNPP's ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumours or questions about, one or more financial services institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. BNPP has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment banks, mutual and alternative investment funds, and other institutional clients with which it regularly executes transactions. BNPP can also be exposed to the risks related to the increasing involvement in the financial sector of players subject to little or no regulations (unregulated funds, trading venues or crowdfunding platforms). BNPP is exposed to credit and counterparty risk in the event of default or financial distress of BNPP's counterparties or clients. This risk could be exacerbated if the collateral held by BNPP cannot be realised upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to BNPP or in case of a failure of a significant financial market participant such as a central counterparty. It is worth noting in this respect that regulatory changes requiring mandatory clearing of standardised over-the-counter (OTC) derivatives through central counterparties have resulted in an increase of the exposure of financial market participants to such central counterparties.

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

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

BNPP may incur significant losses on its trading and investment activities due to market fluctuations and volatility

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

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

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

Financial and economic conditions affect the number and size of transactions for which BNPP provides securities underwriting, financial advisory and other investment banking services. BNPP's revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the fees that BNPP 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 BNPP receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by BNPP's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues BNPP receives from its asset management business. BNPP experienced some or all of these effects during the sharp market downturns of recent years and could experience them again in future market downturns, which may occur periodically and unexpectedly.

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

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

Regulatory Risks

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

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

In 2013 and 2014, France made significant changes to its legal and regulatory framework applicable to banking institutions. The French banking law of 26 July 2013 on the separation and regulation of banking activities and the related implementing decrees and orders specified the required separation between financing operations activities and so-called "speculative" operations that must henceforth (as from 1 July 2015) be conducted by ring-fenced subsidiaries subject to specific capital and liquidity requirements on a stand-alone basis. This banking law also introduced a mechanism for preventing and resolving banking crises, which is supervised by the French banking regulator ("*Autorité de Contrôle Prudentiel et de Résolution*", "**ACPR**") with expanded powers. In the event of a failure, the law provides for mechanisms such as the power to require banks to adopt structural changes, issue new securities, cancel outstanding equity or subordinated debt securities and convert subordinated debt into equity, and to require the intervention of the French Deposit Guarantee and Resolution Fund ("*Fonds de Garantie des Dépôts et de Résolution*"). The Ordinance of 20 February 2014 provided in particular for the strengthening of the governance rules within banking institutions, a reinforced and harmonised at the EU level sanctions regime, an extended scope of prudential surveillance with in particular additional prudential requirements, a harmonisation of the rules relating to the approval of credit institutions within the European Union, and an update of the rules relating to the consolidated surveillance and the exchange of information.

At the European level, many of the provisions of the EU Directive and Regulation on prudential requirements "CRD 4/CRR" dated 26 June 2013, implementing the Basel III capital requirements, took effect as of 1 January 2014 and many delegated and implementing acts provided for in the Directive and Regulation CRD 4/CRR were adopted in 2014. The prudential ratio requirements and the designation of BNPP as a systemically important financial institution increased BNPP's prudential requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. In 2011-2012, BNPP implemented an adaptation plan in anticipation of these requirements, including reducing its balance sheet and bolstering its capital. In addition, the Financial Stability Board published on 9 November 2015 the final principles and term sheet regarding TLAC (or "**total loss absorbing capacity**"), which will require "Global Systemically Important

Banks" (including BNPP) to maintain a significant amount of liabilities and instruments readily available for bail-in, in addition to the Basel III capital requirements, in order to enable authorities to implement an orderly resolution that minimises impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss. Given the timing and manner of their adoption, the full impact of TLAC requirements on BNPP cannot be accurately predicted and could cause its financing costs to increase.

Regarding the European "Banking Union", the European Union adopted, in October 2013, a Single Supervisory Mechanism ("**SSM**") under the supervision of the ECB; as a consequence, since November 2014, BNPP, along with all institutions qualified as important in the Euro-zone, are now under the direct supervision of the ECB, with respect to prudential regulation matters entrusted to the ECB by Council Regulation dated 15 October 2013. Within the SSM, the ECB is, in particular, tasked with carrying out an annual supervisory review and evaluation process ("**SREP**") and stress tests, in connection with which it has powers to require banks to hold capital requirements in excess of minimum capital requirements in order to address specific risks (so-called "Pillar 2" requirements), and more generally to impose additional liquidity requirements and possibly other regulatory measures. Such measures could have an adverse impact on BNPP's results of operations and financial condition.

In addition to the SSM, the EU Bank Recovery and Resolution Directive of 15 May 2014 ("**BRRD**"), implemented in France by the Ordinance of 20 August 2015 strengthens the tools to prevent and resolve banking crises, in particular, in order to ensure that any losses are borne in priority by banks' creditors and shareholders and to minimise taxpayers' exposure to losses and provides for the implementation of resolution funds at the national levels. Under the BRRD and the Ordinance of 20 August 2015, the ACPR or the Single Resolution Board (the "**SRB**"), which was established by Regulation of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Resolution Fund ("**SRF**"), may commence resolution proceedings in respect of a banking institution, such as BNPP, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalise or restore the viability of the institution. Resolution tools are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of capital instruments (such as subordinated bonds) qualifying as additional tier 1 and tier 2 instruments, and finally by creditors in accordance with the order of their claims in normal insolvency proceedings. Certain powers, including the power to write-down capital instruments (including subordinated bonds), can also be exercised as a precautionary measure, outside of resolution proceedings. The implementation of these tools and powers may result in significant structural changes to the relevant financial institutions (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write-down of claims of their shareholders and creditors (including subordinated and senior creditors).

Pursuant to the SRM, on 19 December 2014, the Council adopted the proposal for a Council implementing act to calculate the contributions of banks to the SRF, which replaces national resolution funds as from 1 January 2016 and provides for annual contributions to the SRF to be made by banks calculated on the basis of their liabilities, excluding own funds and covered deposits and adjusted for risks. Moreover, the Regulation of the European Commission dated 21 October 2014, adopted pursuant to the BRRD provides for an obligation for banks to have adequate financial resources to ensure the effective application of the resolution tools and powers by the relevant resolution authority. In this context, the resolution authorities, such as the ACPR or the SRB, shall determine the annual contributions to be paid to resolution financing arrangements by each banking institution in proportion to its risk profile. As a consequence, contributions to the SRF and to resolution financing arrangements will be significant for BNPP, will result in an increase in fees and will, as a consequence, weigh on BNPP's results of operations.

Moreover, the Directive of 16 April 2014 on deposit guarantee schemes, transposed into French law by the Ordinance of 20 August 2015 created national deposit guarantee schemes. Other proposals for legislative and regulatory reforms could also have an impact if they were enacted into law. Thus, a draft European Parliament Regulation dated 24 November 2015 completed such Directive of 16 April 2014 through a step plan to create a European deposit insurance scheme that will progressively cover all or part of participating national deposit guarantee schemes.

Furthermore, a proposal for a Regulation of the European Parliament and of the Council of 29 January 2014 on structural measures improving the resilience of EU credit institutions, as amended on 19 June 2015, would prohibit certain proprietary trading activities by European credit institutions that meet certain criteria (particularly as to size) and require them to conduct certain high-risk trading activities only through subsidiaries.

Finally, new regulations designed to enhance the transparency and soundness of financial markets, such as the so-called "EMIR" Regulation of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and the measures adopted or to be adopted thereunder (including in relation to collateral requirements for non-centrally cleared derivatives), Regulation of 25 November 2015 on transparency of securities financing transactions and Directive and Regulation of 15 May 2014 on markets in financial instruments ("**MiFID 2**") may be a source of additional uncertainty and compliance risk and, more generally, the costs incurred due to the implementation of such regulations may have a negative impact on the profitability of certain activities currently conducted by BNPP and weigh on BNPP's results of operations and financial condition.

Bank regulation in the United States has been substantially changed and expanded in the wake of the financial crisis, including most recently as follows. The U.S. Federal Reserve's final rule imposing enhanced prudential standards on the U.S. operations of large foreign banks will require BNPP to create a new intermediate holding company ("**IHC**") for its U.S. subsidiaries by 1 July 2016, which will be required to comply with risk-based and leverage capital requirements, liquidity requirements, supervisory stress testing and capital planning requirements as well as other prudential requirements on a stand-alone basis. Under proposals that remain under consideration, the IHC and the combined U.S. operations of BNPP may become subject to limits on credit exposures to any single counterparty, and the combined U.S. operations of BNPP may also become subject to an early remediation regime which could be triggered by risk-based capital, leverage, stress tests, liquidity, risk management and market indicators. The Federal Reserve has also indicated that it is considering future rulemakings that could apply the U.S. rules implementing the Basel III liquidity coverage ratio to the U.S. operations of certain large foreign banking organizations. On 30 November 2015, the U.S. Federal Reserve published proposed rules that would implement in the United States the Financial Stability Board's standards for a TLAC framework. The proposed rules would require, among other things, BNPP's intermediate U.S. holding company to maintain minimum amounts of "internal" TLAC, which would include minimum levels of tier 1 capital and long-term debt satisfying certain eligibility criteria and a related TLAC buffer commencing 1 January 2019. BNPP's intermediate U.S. holding company would be required to issue all such TLAC instruments to a foreign parent entity (a non-U.S. entity that controls the intermediate holding company). The proposed rules would also impose limitations on the types of financial transactions that BNPP's intermediate holding company could engage in. Finally, the "Volcker Rule", adopted by the U.S. regulatory authorities in December 2013, places certain restrictions on the ability of U.S. and non-U.S. banking entities, including BNPP and its affiliates, to engage in proprietary trading and to sponsor or invest in private equity and hedge funds. BNPP was generally required to come into compliance with the Volcker Rule by July 2015, although the U.S. Federal Reserve has indicated that the conformance deadline for pre-2014 "legacy" investments in and relationships with private equity funds and hedge funds will be extended until 21 July 2017. The Volcker Rule's implementing regulations are highly complex and may be subject to further regulatory interpretation and guidance, and its full impact will not be known with certainty for some time. U.S. regulators have also recently adopted or proposed new rules regulating OTC derivatives activities under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. In late 2015, the U.S. Federal Reserve and other U.S. banking

regulators finalized margin requirements applicable to uncleared swaps and security-based swaps entered into by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants that are regulated by one of the U.S. banking regulators, including BNPP. These margin requirements, which are scheduled to come into effect in phases beginning in September 2016, will require BNPP to post and collect additional, high-quality collateral for certain transactions, which will increase the costs of uncleared swaps and security-based swaps offered by BNPP to its customers who are "U.S. persons" as defined under the rules which apply globally. The U.S. Securities and Exchange Commission also finalized rules in 2015 requiring the registration of security-based swap dealers and major security-based swap participants as well as obligations relating to transparency and mandatory reporting of security-based swap transactions. Further rules and regulations are expected in 2016 to complete this regulatory framework. The scope and timing for the implementation of these requirements, and therefore their impact on BNPP's swap business, is difficult to predict at this stage.

In sum, extensive legislative and regulatory reform in respect of financial institutions has been enacted in recent years and some remains in progress. It is impossible to accurately predict which additional measures will be adopted or to determine the exact content of such measures and, given the complexity and uncertainty of a number of these measures, their ultimate impact on BNPP. The overall effect of these measures, whether already adopted or in the process of being adopted, may be to restrict BNPP's ability to allocate and apply capital and funding resources, limit its ability to diversify risk, reduce the availability of certain funding and liquidity resources, increase its funding costs, increase the cost for or reduce the demand for the products and services it offers, result in the obligation to carry out internal reorganizations, structural changes or divestitures, affect its ability to conduct (or impose limitations on) certain types of business as currently conducted, limit its ability to attract and retain talent, and, more generally, affect its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations.

BNPP is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates

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

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the Group operates;
- changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks;
- changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations;
- changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds;
- changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls, risk management and compliance;
- expropriation, nationalisation, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership;

These changes, the scope and implications of which are highly unpredictable, could substantially affect BNPP and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed specifically at financial institutions, such as measures relating to the funds industry or promoting

technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect BNPP's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

BNPP may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties

BNPP is exposed to regulatory compliance risk, i.e. the failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to BNPP's reputation and private rights of action (including class actions introduced into French law in 2014), non-compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licenses. This risk is further exacerbated by continuously increasing regulatory scrutiny of financial institutions. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, BNPP faces significant legal risk in its business, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further.

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

BNPP is currently involved in various litigations and investigations as summarized in Note 8.b "Contingent liabilities: legal proceedings and arbitration" to its 2015 consolidated financial statements. It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on BNPP's operating results for any particular period.

Risks related to BNPP, its Strategy, Management and Operations

Risks related to the implementation of BNPP's strategic plans

BNPP has announced a certain number of strategic objectives, in particular in a strategic plan for the 2014-2016 period presented in March 2014 and a transformation plan for CIB for the 2016-2019 period presented in

February 2016. These plans contemplate a number of initiatives, including simplifying BNPP's organisation and operations, continuing to improve operating efficiency, adapting certain businesses to their economic, regulatory and technological environment and implementing various business development initiatives.

The plans include a number of financial targets and objectives relating to net banking income, operating costs, net income, capital adequacy ratios and return on equity, among other things. These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions. On 5 February 2015 and 5 February 2016, BNPP provided updates regarding the implementation of the 2014-2016 strategic plan and presented the transformation plan of CIB 2016-2019 on 5 February 2016.

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

BNPP may experience difficulties integrating acquired companies and may be unable to realise the benefits expected from its acquisitions

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

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

Intense competition by banking and non-banking operators could adversely affect BNPP's revenues and profitability

Competition is intense in all of BNPP's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding. In particular, competitors subject to less extensive regulatory requirements or to less strict capital requirements (e.g., debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (e.g., internet and mobile operators, fintechs), could be more competitive. If BNPP is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for BNPP and its competitors. It is also possible that the presence in the global marketplace of State-owned financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, or the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large

or systemically significant financial institutions, could lead to distortions in competition in a manner adverse to large private-sector institutions such as BNPP.

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

In connection with its lending activities, BNPP regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". BNPP'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 BNPP seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in BNPP's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on BNPP's results of operations and financial condition.

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

BNPP's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses

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

BNPP's hedging strategies may not prevent losses

If any of the variety of instruments and strategies that BNPP uses to hedge its exposure to various types of risk in its businesses is not effective, BNPP may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if BNPP 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 BNPP'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 BNPP'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 BNPP's reported earnings.

Adjustments to the carrying value of BNPP's securities and derivatives portfolios and BNPP's own debt could have an impact on its net income and shareholders' equity

The carrying value of BNPP's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of its assets or its debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect its consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, its capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

The expected changes in accounting principles relating to financial instruments may have an impact on BNPP's balance sheet and regulatory capital ratios and result in additional costs

In July 2014, the International Accounting Standards Board published International Financial Reporting Standard 9 ("**IFRS 9**") "Financial Instruments", which is set to replace IAS 39 as from 1 January 2018 after its adoption by the European Union. The standard amends and complements the rules on the classification and measurement of financial instruments. It includes a new impairment model based on expected credit losses ("**ECL**"), while the current model is based on provisions for incurred losses, and new rules on general hedge accounting. The new approach based on ECL could result in substantial additional impairment charges for BNPP and add volatility to its regulatory capital ratios, and the costs incurred by BNPP relating to the implementation of such norms may have a negative impact on its results of operations.

BNPP's competitive position could be harmed if its reputation is damaged

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

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

As with most other banks, BNPP relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services (as illustrated by the launch of Hello bank! in 2014), and the development of cloud computing. Any failure or interruption or breach in security of these systems could result in failures or interruptions in BNPP's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. BNPP cannot provide

assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorised access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognised until launched against a target, BNPP may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in BNPP's information systems and any subsequent disclosure of confidential information related to any client, counterpart or employee of BNPP (or any other person) or any intrusion or attack against BNPP's communication system could have an adverse effect on BNPP's reputation, financial condition and results of operations.

Unforeseen external events may disrupt BNPP's operations and cause substantial losses and additional costs

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

Risk Factors Relating to BNPP B.V.

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

Dependency Risk

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

Market risk

BNPP B.V. takes on exposure to market risks arising from positions in interest rates, currency exchange rates, commodities and equity products, all of which are exposed to general and specific market movements. However, these risks are hedged by option and swap agreements and therefore these risks are mitigated in principle.

Credit risk

BNPP B.V. has significant concentration of credit risks as all OTC contracts are acquired from its parent company and other BNPP Group entities. Taking into consideration the objective and activities of BNPP B.V. and the fact that its parent company is under supervision of the European Central Bank and the *Autorité de*

Contrôle Prudentiel et de Résolution management considers these risks as acceptable. The long term senior debt of BNP Paribas is rated (A) by Standard & Poor's and (A1) by Moody's.

Liquidity risk

BNPP B.V. has significant liquidity risk exposure. To mitigate this exposure, BNPP B.V. entered into netting agreements with its parent company and other BNPP Group entities.

Risk Factors Relating to Securities

1. General

The Securities involve a high degree of risk, which may include (in addition to the risks relating to the Issuer (including the default risk) and Guarantor's ability to fulfil their obligations under the Securities to investors) price risks associated with the Underlying Reference (as defined below), among others, interest rate, foreign exchange, inflation, correlation, time value and political risks. Prospective purchasers of Securities should recognise that their Securities may be redeemed for no value. Purchasers should be prepared to sustain a total loss of the purchase price of their Securities. See "*Certain Factors Affecting the Value and Trading Price of Securities*" below. Prospective purchasers of Securities should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities and the particular underlying Shares to which the value of the relevant Securities may relate, as specified in this Prospectus (such reference, each being an "**Underlying Reference**").

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

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

Fluctuations in the price of the relevant share, global depositary receipt ("**GDR**") or American despositary receipt ("**ADR**") or value of the basket of shares, GDRs and/or ADRs will affect the value of Share Securities. Purchasers of Securities risk losing their entire investment if the value of the relevant Underlying Reference does not move in the anticipated direction.

The Issuer may issue several issues of Securities relating to various Underlying References. However, no assurance can be given that the Issuer will issue any Securities other than the Securities to which this Prospectus relates. At any given time, the number of Securities outstanding may be substantial. Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. Securities on shares are priced primarily on the basis of the value of underlying securities.

Possible Illiquidity of the Securities in the Secondary Market

It is very difficult to predict the price at which Securities will trade in the secondary market or whether such market will be liquid or illiquid. Also, to the extent Securities of a particular issue are redeemed, the number of Securities of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Securities of such issue. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities.

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

BNP Paribas Arbitrage S.N.C. is required to act as market-maker. In those circumstances, BNP Paribas Arbitrage S.N.C. will endeavour to maintain a secondary market throughout the life of the Securities, subject to normal market conditions and will submit bid and offer prices to the market. The spread between bid and offer prices may change during the life of the Securities. However, during certain periods, it may be difficult, impractical or impossible for BNP Paribas Arbitrage S.N.C. to quote bid and offer prices, and during such periods, it may be difficult, impracticable or impossible to buy or sell these Securities. This may, for example, be due to adverse market conditions, volatile prices or large price fluctuations, a large marketplace being closed or restricted or experiencing technical problems such as an IT system failure or network disruption.

There may be no secondary market for the Securities and to the extent that an issue of Securities is or becomes illiquid, an investor may have to wait until redemption of such Securities to realise greater value than its then trading value. Securities sold in the United States or to U.S. persons may be subject to transfer restrictions.

Potential Loss of the Holder's Investment in the Securities

Each Holder may receive a Cash Settlement Amount the aggregate value of which may be less than the value of the Holder's investment in the Securities. In certain circumstances Holders may lose the entire value of their investment.

Absence of Rights in respect of the Underlying Reference

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

Securities are Unsecured Obligations

The Securities are unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* with themselves. The Securities will be guaranteed by BNPP pursuant to the BNPP English Law W&C Guarantee. The obligations of BNPP under the BNPP Guarantees are unsubordinated and unsecured obligations of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations, subject as may from time to time be mandatory under French law.

Certain Factors Affecting the Value and Trading Price of Securities

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

Before selling Securities, Holders should carefully consider these factors set out below, which may cause the value and trading price of the Securities to fluctuate, either positively or negatively:

- (a) the trading price of the Securities;
- (b) the value and volatility of the Underlying Reference. Movements in the value and/or volatility of the Underlying Reference may cause the value of the Securities to either rise or fall;
- (c) the time remaining until the scheduled redemption date of the Securities. The value of the Securities may fluctuate as the time remaining until the scheduled redemption date decreases;
- (d) the probable range of Cash Settlement Amounts;

- (e) any change(s) in interim interest rates and dividend yields, if applicable. Movements in interest rates and/or dividends may cause the value of the Securities to either rise or fall;
- (f) any change(s) in currency exchange rates;
- (g) the depth of the market or liquidity of the Underlying Reference; and
- (h) any related transaction costs.

Such factors may mean that the trading price of the Securities is below the Cash Settlement Amount.

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

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

Meetings of Holders

The Terms and Conditions of the Securities contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

Potential Conflicts of Interest

- (i) Certain entities within the Group or its affiliates (including the Manager) may also engage in trading activities (including hedging activities) relating to the Underlying Reference and other instruments or derivative products based on or relating to the Underlying Reference of any Securities for their proprietary accounts or for other accounts under their management.
- (ii) BNPP B.V. and BNPP and their Affiliates (including the Manager) may also issue other derivative instruments in respect of the Underlying Reference.
- (iii) BNPP B.V. and BNPP and their Affiliates (including, if applicable, any Manager) may also act as underwriter in connection with future offerings of shares or other securities relating to an issue of Securities or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a commercial banking capacity for such companies.
- (iv) Because the Calculation Agent (as defined below) may be an Affiliate of the Issuer or, if applicable, the Guarantor, potential conflicts of interest may exist between the Calculation Agent and holders of the Securities, including with respect to certain determinations and judgments that the Calculation Agent must make, including whether a Market Disruption Event (as defined in the Conditions) has occurred. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment however, subject to always acting only within the parameters allowed by the terms and conditions of the Securities, it has no responsibility to take investors' interests into account.

Certain Considerations Regarding Purchasing Securities as Hedges

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

The Issuer or the Guarantor (if applicable) may be substituted by another entity

The conditions of the Securities provide (except in the case of U.S. Securities) that the Issuer may, without the consent of the Holders and without regard to the interests of particular Holders, agree to the substitution of another company as the principal obligor under any Securities in place of the Issuer, subject to the conditions set out in Security Condition 13.1 (*Substitution of the Issuer or the Guarantor*). In particular, where the substitute is not BNPP, BNPP will guarantee the performance of the substitute's obligations under the Securities.

The conditions of the Securities also provide that the Issuer may, without the consent of the Holders and without regard to the interests of particular Holders, agree to the substitution of another company as the guarantor in respect of any Securities issued by BNPP B.V. in place of BNPP, subject to the conditions set out in Security Condition 13.2 (*Substitution of the Issuer or the Guarantor*). In particular, the creditworthiness of the substitute guarantor must be at least equal to that of BNPP, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner by reference to, *inter alia*, the long term senior debt ratings assigned by such rating agencies as the Calculation Agent determines.

The Issuer will give Holders notice of such substitution in accordance with Security Condition 10 (*Notices*).

Credit Ratings may not Reflect all Risks

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

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

Effect of Credit Rating Reduction

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

Waiver of set-off

The Holders of the Securities waive any right of set-off, compensation and retention in relation to such Securities, insofar as permitted by applicable law.

Taxation

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

EU financial transaction tax

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

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating member states. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating member state. A financial institution may be, or be deemed to be, "established" in a participating member state in a broad range of circumstances, including (a) by transacting with a person established in a participating member state or (b) where the financial instrument which is subject to the financial transaction is issued in a participating member state.

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

However, the FTT proposal remains subject to negotiation between the participating member states and the scope of any such tax is uncertain. Additional EU member states may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

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

The U.S. Hiring Incentives to Restore Employment Act (the "**HIRE Act**") imposes a 30% withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. While significant aspects of the application of the relevant provisions of the HIRE Act to the Securities are uncertain, if an Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation – Hiring Incentives to Restore Employment Act.*" in the Base Prospectus.

EU Resolution and Recovery Directive

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

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016.

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

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

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

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

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

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

Implementation of BRRD in France

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

The impact of the BRRD and its implementing provisions on credit institutions, including BNPP, is currently unclear but its current and future implementation and application to BNPP or the taking of any action under it could materially affect the activity and financial condition of BNPP and the value of any Securities.

The French *Code monétaire et financier*, as amended by the Ordinance also provides that in exceptional circumstances, where the general bail-in tool is applied, the relevant resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers, in particular where: (a) it is not possible to bail-in that liability within a reasonable time; (b) the exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines of the

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

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

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

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

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

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

Implementation of BRRD in The Netherlands

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

French Insolvency Law

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

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

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

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

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the amount of debt securities held by the holders expressing a vote). No quorum is required to hold the Assembly.

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

Change of Law

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

Termination of Securities in the Event of Illegality or Impracticability

If the Issuer determines that the performance of its obligations under the Securities has become illegal or impracticable in whole or in part for any reason, the Issuer may redeem the Securities by paying to each Holder the fair market value of such Securities less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements. Such redemption may result in an investor not realising a return on an investment in the Securities.

Post-issuance Information

Other than the current composition of the Basket being available from the Calculation Agent on request, the Issuer will not provide post-issuance information in relation to the Underlying Reference. In such an event, investors will not be entitled to obtain such information from the relevant Issuer.

2. Product Specific Risk Factors

Certain Considerations Associated with Share Securities

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

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

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

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

Certain Considerations Associated with rebalancings of the Basket

Pursuant to the Basket Investment Advisor Agreement, the Basket Investment Advisor shall have the right, but not the obligation, up to 20 times per Year, to recommend that one or more Basket Components within the Basket be removed, reweighted, or replaced by one or more new Basket Components (each a "**Recommendation**") on any Scheduled Trading Day (each such date, a "**Rebalancing Date**"). Any such Recommendation must be made in accordance with the Basket Allocation Guidelines. The term "**Year**" means the period between the Strike Date and the first anniversary thereof, and then the period between subsequent anniversaries of the Strike Date thereafter.

Following receipt of a Recommendation from the Basket Investment Advisor a Rebalancing will be effected by the Calculation Agent. Accordingly, the weighting and identity of the Basket Components in the Basket to be used for calculations of the Cash Settlement Amount may change significantly during the life of the Securities. Any such change may have an adverse effect on the value and performance of the Securities and accordingly on the Cash Settlement Amount which may be significantly lower than par or even equal to zero. In addition, a Rebalancing Fee of 0.05% will be charged on each Rebalancing taking effect.

3. Additional Factors Relating to Disruption and Adjustments

Additional Disruption Events and Optional Additional Disruption Events

If an Additional Disruption Event occurs, or any Optional Additional Disruption Event occurs, the Securities may be subject to adjustment (including adjustments to the Basket of Shares) or early redemption or the amount payable on scheduled redemption may be different from the amount expected to be paid at scheduled redemption.

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

Market Disruption Events or failure to open of an exchange

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

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

Potential Adjustment Events relating to Share Securities

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

Extraordinary Events relating to Share Securities

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

- (A) adjustments to any of the terms of the Securities (including adjustments to and/or substitution of constituent shares of the Basket of Shares);
- (B) early redemption in whole or in part or the amount payable on scheduled redemption being different from the amount expected to be paid at scheduled redemption;
- (C) the Calculation Agent making an adjustment to any terms of the Securities which corresponds to any adjustment to the settlement terms of options on the Shares traded on such exchanges(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Option Exchange**") or, if options on the Shares are not traded on the Options Exchange, the Calculation Agent making such adjustment, if any, to any terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

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

No Capital Protection

The Certificates are not capital protected. There is a risk of partial or, in certain circumstances, total capital loss, and consequently an investment in the Certificates involves significant risk, and should therefore only be considered by investors who can afford a total loss in their investment.

Settlement Currency

The Settlement Currency (in which the Cash Settlement Amount will be paid) is Euro ("**EUR**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease (1) the Investor's Currency-equivalent yield on the Certificates, (2) the Investor's Currency-equivalent value of the principal or cash settlement amount payable (as applicable) in respect of the Certificates and (3) the Investor's Currency-equivalent market value of the Certificates. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive a lower Cash Settlement Amount (when converted into the Investor's Currency) than expected, or no Cash Settlement Amount at all.

Dividends

In order to constitute a dividend for the purposes of the terms and conditions of the Certificates, the ex-dividend date must have occurred in respect of the relevant dividend on or prior to the relevant Calculation Date_t. A share trades ex-dividend on or after the ex-dividend date. The person who owns the relevant share on the ex-dividend date will be entitled to the relevant dividend payment, regardless of who owns the share after the ex-dividend date.

FORWARD-LOOKING STATEMENTS

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

PRESENTATION OF FINANCIAL INFORMATION

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

The audited consolidated financial statements of BNPP for the years ended 31 December 2014 and 31 December 2015 have been prepared in accordance with international financial reporting standards ("**IFRS**") as adopted by the European Union. IFRS differs in certain significant respects from generally accepted accounting principles in the United States ("**U.S. GAAP**"). The Group has made no attempt to quantify the impact of those differences. In making an investment decision, investors must rely upon their own examination of the BNP Paribas Group, the terms of an offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP, and how those differences might affect the information herein. The Group's fiscal year ends on 31 December and references in the BNPP 2014 Registration Document and the BNPP 2015 Registration Document (in each case, as defined in "*Documents Incorporated by Reference*" below) and any update to the BNPP 2015 Registration Document (in each case, incorporated by reference herein) to any specific fiscal year are to the 12-month period ended 31 December of such year.

Due to rounding, the numbers presented throughout the BNP Paribas Disclosure and in the table under the heading "Capitalization of BNPP and the BNP Paribas Group" in the General Information section below may not add up precisely, and percentages may not reflect precisely absolute figures.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the Base Prospectus dated 9 June 2016 prepared in relation to Certificates issued under the Programme which received visa n°16-238 from the AMF on 9 June 2016 (the "**Base Prospectus**") but excluding pages 240 to 313 (*Risk Factors*) and pages 1216 to 1231 (*General Information*);
- (b) the first supplement to the Base Prospectus dated 4 August 2016 which received visa n°16-385 from the AMF on 4 August 2016 (the "**First Supplement**");
- (c) the second supplement to the Base Prospectus dated 12 October 2016 which received visa n°16-479 from the AMF on 12 October 2016 (the "**Second Supplement**");
- (d) the statutory annual reports for 2014 (the "**2014 BNPP B.V. Annual Report**") and 2015 (the "**2015 BNPP B.V. Annual Report**") which include, respectively, the audited annual non-consolidated financial statements of BNP Paribas BNPP B.V. as at, and for the years ended, 31 December 2014 and 31 December 2015 (the "**BNPP B.V. 2014 Financial Statements**" and the "**BNPP B.V. 2015 Financial Statements**" respectively) and the respective auditors' reports thereon;
- (e) BNPP's *document de référence et rapport financier annuel* in English for 2014 with filing number D.15-0107 including the consolidated financial statements for the year ended 31 December 2014 and the statutory auditor's report thereon other than Chapter 7 (A Responsible Bank: Information on BNP Paribas' Economic, Social, Civic and Environmental Responsibility), the sections entitled "Person Responsible for the Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein (the "**BNPP 2014 Registration Document**");
- (f) BNPP's *document de référence et rapport financier annuel* in English for 2015 with filing number D.16-0126 including the consolidated financial statements for the year ended 31 December 2015 and the statutory auditor's report thereon other than Chapter 7 (A Responsible Bank: Information on BNP Paribas' Economic, Social, Civic and Environmental Responsibility), the sections entitled "Person Responsible for the Registration Document" and the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein (the "**BNPP 2015 Registration Document**");
- (g) the BNPP *Actualisation du Document de référence déposée auprès de l'AMF le 3 mai 2016* (in English) with filing number D.16-0126-A01 (the "**First Update to the BNPP 2015 Registration Document**");
- (h) the BNPP *Actualisation du Document de référence 2015 et rapport financier semestriel déposée auprès de l'AMF le 1^{er} août 2016* (in English) (other than the sections entitled "Persons Responsible for the Update to the Registration Document" and the "Table of Concordance") with filing number D.16-0126-A02 (the "**Second Update to the BNPP 2015 Registration Document**"); and
- (i) the unaudited interim financial statements for the six-month period ended 30 June 2016 of BNPP B.V. (including the review report thereon issued by Mazars Paardekooper Hoffman Accountants N.V. represented by J.C. Van Oldenbeek) (the "**BNPP B.V. Interim Financial Statements**"),

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

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

The information incorporated by reference above is available as follows:

Information Incorporated by Reference	Reference
BNP PARIBAS	
<i>BNPP 2014 REGISTRATION DOCUMENT</i>	
Profit and loss account for the year ended 31 December 2014	Page 138 of the BNPP 2014 Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity	Page 139 of the BNPP 2014 Registration Document
Balance sheet at 31 December 2014	Page 140 of the BNPP 2014 Registration Document
Cash flow statement for the year ended 31 December 2014	Page 141 of the BNPP 2014 Registration Document
Statement of changes in shareholders' equity between 1 January 2013 and 31 December 2014	Pages 142 to 143 of the BNPP 2014 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 144 to 240 of the BNPP 2014 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended 31 December 2014	Pages 241 to 242 of the BNPP 2014 Registration Document
Chapter 5 ("Risks and Capital Adequacy")	Pages 243 to 382 of the BNPP 2014 Registration Document
<i>BNPP 2015 REGISTRATION DOCUMENT</i>	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
3. Risk Factors	
3.1. Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 233 to 398 of the BNPP 2015 Registration Document
4. Information about the Issuer	
4.1. History and development of the Issuer	Pages 5 and 6 of the BNPP 2015 Registration Document
4.1.1. The legal and commercial name of the Issuer	Page 519 of the BNPP 2015 Registration Document
4.1.2. The place of registration of the Issuer and its registration number;	Pages 519 and 538 (back cover) of the BNPP 2015 Registration Document
4.1.3. The date of incorporation and the length of life of the Issuer, except where indefinite;	Page 519 of the BNPP 2015 Registration Document
4.1.4. - the domicile and legal form of the Issuer, - the legislation under which the Issuer operates, - its country of incorporation, and - the address and telephone number of its registered office (or principal place of business if different from its registered office).	Pages 519 and 538 (back cover) of the BNPP 2015 Registration Document
4.1.5. Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	Page 125 of the BNPP 2015 Registration Document
5. Business Overview	
5.1.1. A brief description of	Pages 6 to 15, 159 to 161 and 512 to 518 of the BNPP

- the Issuer's principal activities stating, - the main categories of products sold and/or services performed.	2015 Registration Document
5.1.2. An indication of any significant new products and/or activities.	Pages 6 to 15, 159 to 161 and 512 to 518 of the BNPP 2015 Registration Document
5.1.3. A brief description of the principal markets in which the Issuer competes.	Pages 6 to 15, 159 to 161 and 512 to 518 of the BNPP 2015 Registration Document
5.1.4. The basis for any statements in the registration document made by the Issuer regarding its competitive position.	Pages 6 to 15 and 106 to 116 of the BNPP 2015 Registration Document
6. Organisational Structure	
6.1. If the Issuer is part of a group, a brief description of the group and of the Issuer's position within it.	Page 4 of the BNPP 2015 Registration Document
6.2. If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Page 510 of the BNPP 2015 Registration Document
7. Trend Information	
7.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	Pages 126 to 127 of the BNPP 2015 Registration Document
8. Profit Forecasts or Estimates	
8.1. A statement setting out the principal assumptions upon which the Issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.	N/A
8.2. A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the Issuer. Where financial information relates to the previous financial year and only contains non-misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements: (a) the person responsible for this financial	N/A

<p>information, if different from the one which is responsible for the prospectus in general, approves that information;</p> <p>(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;</p> <p>(c) this financial information has not been audited.</p>	
<p>8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.</p>	N/A
<p>9. Administrative, Management, and Supervisory Bodies</p>	
<p>9.1 Names, business addresses and functions in the Issuer of the members of the administrative, management or supervisory bodies, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>	Pages 30 to 45 and 101 of the BNPP 2015 Registration Document
<p>9.2. Administrative, Management, and Supervisory bodies conflicts of interests.</p> <p>Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated.</p> <p>In the event that there are no such conflicts, make a statement to that effect.</p>	Pages 46 to 68 and 72 to 74 of the BNPP 2015 Registration Document
<p>10. Major Shareholders</p>	
<p>10.1. To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.</p>	Pages 16 to 17 of the BNPP 2015 Registration Document
<p>10.2. A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.</p>	Page 17 of the BNPP 2015 Registration Document
<p>2015 FINANCIAL STATEMENTS</p>	
<p>Profit and loss account for the year ended 31 December 2015</p>	Page 132 of the BNPP 2015 Registration Document
<p>Statement of net income and changes in assets and</p>	Page 133 of the BNPP 2015 Registration Document

liabilities recognised directly in equity	
Balance sheet at 31 December 2015	Page 134 of the BNPP 2015 Registration Document
Cash flow statement for the year ended 31 December 2015	Page 135 of the BNPP 2015 Registration Document
Statement of changes in shareholders' equity between 1 January 2015 and 31 December 2015	Pages 136 and 137 of the BNPP 2015 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 138 to 230 of the BNPP 2015 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended 31 December 2015	Pages 231 and 232 of the BNPP 2015 Registration Document
<i>First Update to the BNPP 2015 Registration Document</i>	
Quarterly Financial Information	Pages 4 to 64 of the First Update to the BNPP 2015 Registration Document
Risk factors	Pages 65, 66 to 71 of the First Update to the BNPP 2015 Registration Document
Remuneration and benefits	Pages 72 to 86 of the First Update to the BNPP 2015 Registration Document
Legal and arbitration proceedings	Page 87 of the First Update to the BNPP 2015 Registration Document
Documents on display	Page 88 of the First Update to the BNPP 2015 Registration Document
Significant change in the issuer's financial or trading position	Page 88 of the First Update to the BNPP 2015 Registration Document
Additional Information	Page 65 of the First Update to the BNPP 2015 Registration Document
Statutory Auditors	Page 89 of the First Update to the BNPP 2015 Registration Document
<i>Second Update to the BNPP 2015 Registration Document</i>	
Half year management report	Pages 3 to 67 of the Second Update to the BNPP 2015 Registration Document
Group presentation	Page 3 of the Second Update to the BNPP 2015 Registration Document
2016 first half results	Pages 4 to 65 of the Second Update to the BNPP 2015 Registration Document
Long term and short term credit ratings	Page 67 of the Second Update to the BNPP 2015 Registration Document
Related parties	Page 67 of the Second Update to the BNPP 2015 Registration Document
Risk factors	Pages 67 and 154 of the Second Update to the BNPP 2015 Registration Document
Recent events	Pages 4 to 13 of the Second Update to the BNPP 2015 Registration Document
Financial information as at 30 June 2016	Pages 69 to 153 of the Second Update to the BNPP 2015 Registration Document
Consolidated financial report as at 30 June 2016	Pages 69 to 151 of the Second Update to the BNPP 2015 Registration Document
Profit and loss account for the first half of 2016	Page 70 of the Second Update to the BNPP 2015 Registration Document

Statement of net income and changes in assets and liabilities recognised directly in equity	Page 71 of the Second Update to the BNPP 2015 Registration Document
Balance sheet at 30 June 2016	Page 72 of the Second Update to the BNPP 2015 Registration Document
Cash flow statement for the first half of 2016	Page 73 of the Second Update to the BNPP 2015 Registration Document
Statement of changes in shareholders' equity between 1 January 2015 and 30 June 2016	Pages 74 to 75 of the Second Update to the BNPP 2015 Registration Document
Notes to the financial statements (prepared in accordance with IFRS as adopted by the European Union)	Pages 76 to 151 of the Second Update to the BNPP 2015 Registration Document
Statutory auditors' review report on the 2016 interim financial information	Pages 152 to 153 of the Second Update to the BNPP 2015 Registration Document
Additional information	Pages 164 to 175 of the Second Update to the BNPP 2015 Registration Document
Ownership structure at 30 June 2016	Page 164 of the Second Update to the BNPP 2015 Registration Document
Changes in BNP Paribas' capital	Pages 165 to 166 of the Second Update to the BNPP 2015 Registration Document
Significant changes	Page 175 of the Second Update to the BNPP 2015 Registration Document
Trends	Page 175 of the Second Update to the BNPP 2015 Registration Document
BNP PARIBAS ARBITRAGE ISSUANCE B.V.	
<i>2014 BNPP B.V. Annual Report</i>	
Managing Director's Report	Pages 3 to 4 of the 2014 BNPP B.V. Annual Report
Balance Sheet at 31 December 2014	Page 5 of the 2014 BNPP B.V. Annual Report
Profit & Loss Account for the year ended 31 December 2014	Page 6 of the 2014 BNPP B.V. Annual Report
Cashflow Statement for the year ended 31 December 2014	Page 7 of the 2014 BNPP B.V. Annual Report
Shareholder's equity	Page 8 of the 2014 BNPP B.V. Annual Report
Notes/Other Information	Pages 9 to 17 of the 2014 BNPP B.V. Annual Report
Auditor's Report of the Financial Statements of BNPP B.V. for the year ended 31 December 2014	Pages 18 to 22 of the 2014 BNPP B.V. Annual Report
<i>2015 BNPP B.V. Annual Report</i>	
Managing Director's Report	Pages 3 to 4 of the 2015 BNPP B.V. Annual Report
Balance Sheet at 31 December 2015	Page 5 of the 2015 BNPP B.V. Annual Report
Profit & Loss Account for the year ended 31 December 2015	Page 6 of the 2015 BNPP B.V. Annual Report
Cashflow Statement for the year ended 31 December 2015	Page 7 of the 2015 BNPP B.V. Annual Report
Shareholder's equity	Page 8 of the 2015 BNPP B.V. Annual Report
Notes/Other Information	Pages 9 to 17 of the 2015 BNPP B.V. Annual Report
Auditor's Report of the Financial Statements of BNPP B.V. for the year ended 31 December 2015	Pages 18 to 21 of the 2015 BNPP B.V. Annual Report
<i>BNPP B.V. Interim Financial Statements</i>	
Managing Director's Report	Pages 3 to 4 of the BNPP B.V. Interim Financial

	Statements
Balance Sheet	Page 5 of the BNPP B.V. Interim Financial Statements
Profit and loss account	Page 6 of the BNPP B.V. Interim Financial Statements
Cash flow statement	Page 7 of the BNPP B.V. Interim Financial Statements
Shareholder's equity	Page 8 of the BNPP B.V. Interim Financial Statements
Notes to the Financial Statements	Pages 9 to 16 of the BNPP B.V. Interim Financial Statements
Other Information	Page 17 of the BNPP B.V. Interim Financial Statements
Review Report	Page 18 of the BNPP B.V. Interim Financial Statements

<i>Base Prospectus</i>
All pages of the Base Prospectus except pages 240 to 313 (<i>Risk Factors</i>) and pages 1216 to 1231 (<i>General Information</i>)
<i>First Supplement to the Base Prospectus and Second Supplement to the Base Prospectus</i>
All pages.

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

The Issuer will provide, free of charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference in (a) to (c) above. Each of the documents incorporated by reference in (d) to (i) above will only be made available by the Issuer and the Guarantor to which such document relates. Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Prospectus.

In addition, copies of any documents incorporated by reference will be made available, free of charge, by BNP Paribas Securities Services, Luxembourg Branch and BNP Paribas Arbitrage S.N.C. Requests for such documents should be directed to the specified office of such Agents. Such documents will, along with this Prospectus, be available for viewing via the website of BNPP (<https://rates-globalmarkets.bnpparibas.com/gm/Public/LegalDocs.aspx>).

ECONOMIC TERMS AND CONDITIONS

PART A – CONTRACTUAL TERMS

The terms and conditions of the Securities comprise the Terms and Conditions of the Certificates and Annex 3 – (Additional Terms and Conditions for Share Securities), each as contained in the Base Prospectus incorporated by reference in this Prospectus (the "**Conditions**") as amended and supplemented by the economic terms and conditions below (the "**Economic Terms and Conditions**"). Terms defined in the Conditions shall have the same meaning in the Economic Terms and Conditions. References in the Conditions to "applicable or relevant Final Terms" shall, for the purposes of the issue of the Securities, be deemed to refer to the "Economic Terms and Conditions". Terms used herein but not otherwise defined shall have the meanings ascribed to them in the Conditions.

SPECIFIC PROVISIONS FOR THE SECURITIES

SERIES NUMBER	NO OF SECURITIES	OF NO. SECURITIES ISSUED	OF ISIN	COMMON CODE	VALOREN	ISSUE PRICE PER SECURITY	REDEMPTION DATE
CE2198CHG	15,000	15,000	XS1422299195	142229919	31997509	100% of Notional Amount	the 16 August 2021

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1. Issuer: BNP Paribas Arbitrage Issuance B.V.
2. Guarantor: BNP Paribas.
3. Trade Date: 2 August 2016.
4. Issue Date: 16 August 2016.
5. Consolidation: Not applicable.
6. Type of Securities:
 - (a) Certificates.
 - (b) The Securities are Share Securities.

The provisions of Annex 3 (Additional Terms and Conditions for Share Securities) shall apply.

Unwind Costs: Applicable.
7. Form of Securities: Clearing System Global Security.
8. Business Day Centre(s): The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 1 is TARGET2 System.
9. Settlement: Settlement will be by way of cash payment (Cash Settled Securities).
10. Rounding Convention for Cash Settlement Amount: Not applicable.
11. Variation of Settlement:
 - (a) Issuer's option to vary settlement: The Issuer does not have the option to vary settlement in respect of the Securities.

12. Final Payout: Unless previously redeemed or purchased and cancelled by the Issuer, the Final Payout will be equal to:

NA x Basket Performance,

where:

"Basket Performance" means:

$$\text{Max} \left(0, \frac{\text{Basket}_F}{\text{Basket Initial}} \right)$$

Where:

"Basket_F" means the Basket Value on the Redemption Valuation Date, as determined by the Calculation Agent;

"Basket Initial" means the Basket Value on the Strike Date, as determined by the Calculation Agent;

"Basket Value" has the meaning given to it in Part C (*Other Applicable Terms*); and

"NA" means the Notional Amount of a Certificate (being equal to EUR1,000).

Payout Switch: Not applicable.

Aggregation: Not applicable.

13. Relevant Asset(s): Not applicable.

14. Entitlement: Not applicable.

15. Exchange Rate/Conversion Rate: Not applicable.

16. Settlement Currency: The settlement currency for the payment of the Cash Settlement Amount is Euros ("EUR").

17. Syndication: The Securities will be distributed on a non-syndicated basis.

18. Minimum Trading Size: Not applicable.

19. Principal Security Agent: BNP Paribas Arbitrage S.N.C.

20. Registrar: Not applicable.

21. Calculation Agent: BNP Paribas Arbitrage S.N.C.
160-162 boulevard MacDonald, 75019 Paris, France.

22. Governing law: English law.

23. Masse provisions (Condition 9.4): Not applicable.

PRODUCT SPECIFIC PROVISIONS

24. Hybrid Securities: Not applicable.

25. Index Securities: Not applicable.

26. Share Securities:

Applicable

- (a) Share(s)/Share Company/Basket Company/GDR/ADR: Each Share_i as specified in the table set out below (each a "Share" or "Basket Component", and together the "Basket of Shares" or "Basket") provided that such Basket and the is subject to adjustment in accordance with the terms set out in Part C (*Other Applicable Terms*).

i	Share _i / Basket Component _i	Bloomberg Code/Web site	ISIN	Share Currency	Exchange	W _i	Strike Price
11.	Inditex SA	ITX SQ Equity/http ://www.ind itex.com/in vestors	ES0148396007	EUR	SIBE - Mercado Continuo Español	10%	30.61
12.	Luxottica Group SpA	LUX IM Equity/http ://www.lux ottica.com/ en/investor s	IT0001479374	EUR	Borsa Italiana	10%	42.58
13.	Compass Group PLC	CPG LN Equity/http ://www.co mpass- group.com/ investor- centre.htm	GB00BLNN3L44	GBP	London Stock Exchange	10%	1,436.00
14.	Reckitt Benckiser Group PLC	RB/ LN Equity/http ://www.rb. com/invest ors/	GB00B24CGK77	GBP	London Stock Exchange	10%	7,399.00
15.	Beiersdorf AG	BEI GY Equity/http ://www.bei ersdorf.co. uk/investor s/overview	DE0005200000	EUR	Xetra/Fran kfurt Stock Exchange	10%	84.50
16.	Roche Holding AG	ROG VX Equity/http ://www.roc he.com/in vestors.htm	CH0012032048	CHF	SIX Swiss Exchange	10%	245.40
17.	Merck KGaA	MRK GY Equity/http ://www.me rckgroup.c om/en/inve stors/invest ors.html	DE0006599905	EUR	Frankfurt Stock Exchange	10%	98.50
18.	Fresenius SE Co KGaA	FRE GY Equity/http ://www.fr esenius.co m/investors	DE0005785604	EUR	Frankfurt Stock Exchange	10%	66.29
19.	Assa Abloy AB	ASSAB SS Equity/http ://www.ass aabloy.com /en/com/in vestors/	SE0007100581	SEK	NASDAQ OMX/Sto ckholm Stock Exchange	10%	184.10

20.	Givaudan SA	GIVN VX Equity/https://www.givaudan.com/investors	CH0010645932	CHF	SIX Swiss Exchange	10%	1,991.00
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"**GBP**" means the lawful currency of the United Kingdom, the relevant amount in pence (one hundredth of a Pound Sterling).

- (b) Relative Performance Basket: Not applicable.
- (c) Share Currency: As set out in the table at paragraph 26(a) above.
- (d) ISIN of Share(s): As specified in the table set out at paragraph 26(a) above.
- (e) Exchange(s): As specified in the table set out at paragraph 26(a) above.
- (f) Related Exchange(s): All Exchanges.
- (g) Exchange Business Day: Exchange Business Day (All Shares Basis).
- (h) Scheduled Trading Day: Scheduled Trading Day (All Shares Basis).
- (i) Weighting: As set out in the table at paragraph 26(a) above under the column entitled "W_i".
- (j) Settlement Price: Not applicable.
- (k) Specified Maximum Days of Disruption: As defined in Condition 1.
- (l) Valuation Time: As per the Conditions.
- (m) Delayed Redemption on Occurrence of an Extraordinary Event: Not applicable.
- (n) Share Correction Period: As per Conditions.
- (o) Dividend Payment: Not applicable.
- (p) Listing Change: Not applicable.
- (q) Listing Suspension: Not applicable.
- (r) Illiquidity: Not applicable.
- (s) Tender Offer: Applicable.
- (t) CSR Event: Not applicable.
27. ETI Securities: Not applicable.
28. Debt Securities: Not applicable.
29. Commodity Securities: Not applicable.
30. Inflation Index Securities: Not applicable.
31. Currency Securities: Not applicable.
32. Fund Securities: Not applicable.
33. Futures Securities: Not applicable.
34. Credit Securities: Not applicable.

35. Underlying Interest Rate Securities: Not applicable.
36. Preference Share Certificates: Not applicable.
37. OET Certificates: Not applicable.
38. Additional Disruption Events: Applicable.
39. Optional Additional Disruption Events: (a) The following Optional Additional Disruption Event applies to the Securities: Not applicable.
(b) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event: Not applicable.
40. Knock-in Event: Not applicable.
41. Knock-out Event: Not applicable.

42. EXERCISE, VALUATION AND REDEMPTION

- (a) Notional Amount of each EUR1,000 Certificate:
- (b) Partly Paid Certificates: The Certificates are not Partly Paid Certificates.
- (c) Interest: Not applicable.
- (d) Fixed Rate Provisions: Not applicable.
- (e) Floating Rate Provisions: Not applicable.
- (f) Screen Rate Determination: Not applicable.
- (g) ISDA Determination: Not applicable.
- (h) FBF Determination: Not applicable.
- (i) Linked Interest Certificates: Not applicable.
- (j) Payment of Premium Amount(s): Not applicable.
- (k) Index Linked Interest Certificates: Not applicable.
- (l) Share Linked Interest Certificates: Not applicable.
- (m) ETI Linked Interest Certificates: Not applicable.
- (n) Debt Linked Interest Certificates: Not applicable.
- (o) Commodity Linked Interest Certificates: Not applicable.
- (p) Inflation Index Linked Interest/Premium Amount Certificates: Not applicable.

(q)	Currency Linked Interest/Premium Amount Certificates:	Not applicable.
(r)	Fund Linked Interest/Premium Amount Certificates:	Not applicable.
(s)	Futures Linked Interest/Premium Amount Certificates:	Not applicable.
(t)	Underlying Interest Rate Linked Interest Provisions	Not applicable.
(u)	Instalment Certificates:	The Certificates are not Instalment Certificates.
(v)	Issuer Call Option:	Not applicable.
(w)	Holder Put Option:	Not applicable.
(x)	Automatic Early Redemption:	Not applicable.
(y)	Renouncement Notice Cut-off Time:	Not applicable.
(z)	Strike Date:	2 August 2016.
(aa)	Strike Price:	As specified in the table set out at paragraph 26(a) above.
(bb)	Redemption Valuation Date:	2 August 2021.
(cc)	Averaging:	Not applicable.
(dd)	Observation Dates:	Not applicable.
(ee)	Observation Period:	Not applicable.
(ff)	Settlement Business Day:	Not applicable.
(gg)	Cut-off Date:	Not applicable.
(hh)	Security Threshold on the Issue Date:	Not applicable.
(ii)	Identification information of Holders as provided by Condition 29:	Not applicable.

DISTRIBUTION AND US SALES ELIGIBILITY

43.	U.S. Selling Restrictions:	Not applicable.
44.	Additional U.S. Federal income tax consequences:	Not applicable.
45.	Registered broker/dealer:	Not applicable.
46.	TEFRA C or TEFRA Not Applicable:	TEFRA Not Applicable.

PROVISIONS RELATING TO COLLATERAL AND SECURITY

47.	Collateral Security Conditions:	Not applicable.
48.	Notional Value Repack Securities:	Not applicable.

49. Other terms or special conditions: Applicable. See the provisions set out in Part C (*Other Applicable Terms*).

PART B – OTHER INFORMATION

1. Listing and Admission to trading

Application has been made or will be made to the Euronext Paris for the Securities to be admitted to trading and to be listed on the professional segment of Euronext Paris.

2. Ratings

Ratings: The Certificates have not been rated.

3. Performance of Underlying/Formula/Other Variable, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying Reference

The Certificates are EUR denominated Certificates with a five (5) year maturity.

The Certificates are not principal protected. If neither redeemed early nor purchased and cancelled, the investor will receive a Cash Settlement Amount linked to the performance of the Basket of Shares pursuant to the provisions detailed in paragraph 12 of Part A.

Details of the performance of the Shares are available on the website of the relevant Exchange detailed in paragraph 26(a) of Part A and their volatility may be obtained from the Calculation Agent by e-mail to the following address: eqd_distribution_france@bnpparibas.com.

Details of the fees payable in connection with the Certificates is set out in Part D.

Other than the current composition of the Basket being available from the Calculation Agent on request, the Issuer will not provide post-issuance information relating to the Basket Components and the Basket.

4. Operational Information

Relevant Clearing System(s): Euroclear and Clearstream, Luxembourg

If other than Euroclear Bank S.A./N.V., Not applicable.

Clearstream Banking, S.A., Euroclear France,
include the relevant identification number(s):

5. Historic Interest Rates

Not applicable.

6. Buy-back Provisions

Not applicable.

PART C – OTHER APPLICABLE TERMS

1. Basket Value

The "**Basket Value**" on any Calculation Date_t is equal to Basket_t, where the Basket Value is calculated recursively on each Calculation Date_t,

where:

"**Basket_t**" means on each Calculation Date_t:

$$Basket_{t-1} \times \left(\frac{PTF_t}{PTF_{t-1}} \right) - Fees_t$$

where:

"**Fees_(t)**" means the value of the fees on Calculation Date_t calculated as follows: $MF_{(t)} + RF_{(t)}$

"**MF_(t+1)**" means $AF * \frac{Act(t, t+1)}{360} * Basket_t$

If t is a Rebalancing Date:

"**RF_(t+1)**" means:

$$Basket_t * \sum_{i=1}^{N_t} RF * \left| n_{i,(t)} \frac{Udl_{i,t}}{PTF_t} - n_{i,(t-1)} \frac{Udl_{i,t}}{PTF_{t-1}} \frac{Basket_{t-1}}{Basket_t} \right|$$

If t is not a Rebalancing Date:

"**RF_(t+1)**" means zero.

Where:

"**Act(t-1, t)**" means the actual number of calendar days between t-1 and t, excluding t-1 but including t;

"**AF**" means the Adjustment Factor of 1.20% per annum, being equal to the sum of the Advisory Fee and Issuer Fee (each as defined in Part D (*Additional Information*));

"**Basket₀**" means 100%;

"**Calculation Date_t**" means each Scheduled Trading Day from, and including, the Strike Date to, and including, the Redemption Valuation Date;

"**FX_{i,t}**" means the exchange rate expressed in EUR to convert the currency of the Basket Component i into EUR, on the Calculation Date_t, on a best efforts execution basis;

"**FX_{i,0}**" means the exchange rate expressed in EUR to convert the currency of the Basket Component i into EUR, on the Strike Date, on a best efforts execution basis;

"**MF**" means the Management Fee;

"**Management Fee**" means the Adjustment Factor applied to the Basket Value for each day *pro rata temporis* as per the following formula:

" $MF_{(t+1)}$ " means $AF * \frac{Act(t, t+1)}{360} * Basket_t$

" $n_i(t)$ " means the number of shares of Basket Component_i in PTF_t, determined by the Calculation Agent in accordance with the following formula:

If t is a Rebalancing Date:

$$P_{i,t} \frac{PTF_t}{Udl_{i,t}}$$

If t is not a Rebalancing Date:

$$n_i(t-1);$$

" PTF_t " means the "**Portfolio Value**" on Calculation Date_t, as determined by the Calculation Agent in accordance with the following formula:

$$PTF_{t^*} + \sum_{i=1}^N n_i(t) * (Udl_{i,t} - Udl_{i,t^*}) + \left(PTF_{t^*} - \sum_{i=1}^N (n_i(t) * Udl_{i,t^*}) \right) * \left(\frac{MM_{i,t}}{MM_{i,t^*}} - 1 \right)$$

where:

$$"MM_t" \text{ means } MM_{t-1} * \left[1 + \left((ON_{t-1}) * \frac{Act(t-1, t)}{360} \right) \right]$$

where:

"**N**" means the number of Shares in the Basket on the Rebalancing Date;

" $P_{i,t}$ " means the weighting of Basket Component_i in the Basket at date t, subject to the weighting constraints set out in the Basket Allocation Guidelines;

" PTF_0 " is equal to " MM_0 " which is equal to 100%, with date 0 being the Strike Date;

" ON_t " means the EONIA (Euro Over Night Index Average) rate for overnight deposits in EUR as calculated by the European Central Bank on an Act/360 day count and appearing on the Bloomberg system at about 7pm (Central European Time) (ticker: EONIA Index) on date t. In the event that EONIA does not appear on the Bloomberg system, this rate can be ascertained from any other source as the Calculation Agent may deem appropriate;

" t^* " means the Rebalancing Date preceding t, the first Rebalancing Date being the Strike Date;

"**RF**" means the Rebalancing Fee, being equal to 0.05%;

" $S_{i,0}$ " means the official closing price of Basket Component_i on the Rebalancing Date on which such Basket Component_i is added to the Basket;

" $S_{i,t}$ " means the official closing price of Basket Component_i on Calculation Date(t), with the Strike Price being the official closing price of Basket Component_i on the Strike Date, as specified in the table set out at paragraph 26(a) of Part A above;

" $S_{i,Final}$ " means the official closing price of Basket Component_i on the Redemption Valuation Date; and

" $Udl_{i,t}$ " means the total return value of a Basket Component. The total return value of Basket Component_i is calculated from its initial value by the Calculation Agent by reinvesting a percentage of the dividends received in accordance with the following calculation:

$$Udl_{i,t} = \frac{S_{i,t} + NDDividends_{i,t}}{S_{i,t-1}} \times \frac{FX_{i,t}}{FX_{i,t-1}}$$

"**NDDividends_{i,t}**" means for each Share(i) comprised in the Basket, the Gross Dividends (as defined below) in the same currency as Share_i declared ex-dividend on Calculation Date_t in respect of such Share_i comprised in the Basket on the date such dividend is declared ex-dividend less withholding taxes or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon applicable to an investor as of the date of payment of the dividend (hereafter, referred to as "**Taxes**").

"**Gross Dividend**" means 100% of the gross cash dividend per Share_i declared by the issuer of Share_i, where "**gross cash dividend**" shall represent a sum before the withholding or deduction of Taxes at the source by or on behalf of any applicable authority having power to tax in respect of such dividend, and shall exclude any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon.

2. **Basket Investment Advisor Agreement and Basket Allocation Guidelines**

A Basket Investment Advisor Agreement, governed by English law, has been entered into on 2 August 2016 between the Issuer, the Calculation Agent and Deutsche Bank (Suisse) SA (the "**Basket Investment Advisor**").

Pursuant to the Basket Investment Advisor Agreement, the Basket Investment Advisor shall have the right, but not the obligation, no more than 20 times per Year, to recommend that one or more Basket Components within the Basket be reweighted, or replaced by one or more new Basket Components (each a "**Recommendation**") on any Scheduled Trading Day (each such date, a "**Rebalancing Date**"). Any such Recommendation must be made in accordance with the Basket Allocation Guidelines and these Economic Terms and Conditions.

For the purpose of this paragraph 2, the term "**Year**" means the period between the Strike Date and the first anniversary thereof, and then the period between subsequent anniversaries of the Strike Date thereafter. Following receipt of a Recommendation from the Basket Investment Advisor a Rebalancing will be effected. A "**Rebalancing**" occurs where the weighting of one or more Basket Component_i is adjusted, including where a Basket Component is added to the Basket or removed from the Basket.

A Rebalancing Fee is deducted for each Rebalancing and represents a percentage of the notional value of the purchase price (where a Basket Component is being added to the Basket or the weighting of a Basket Component is being increased pursuant to a Recommendation) or the sale price of a Basket Component (where a Basket Component is being removed from the Basket or the weighting of a Basket Component is being reduced pursuant to a Recommendation). Such notional purchase or sale price of any Basket Component shall be net of any taxes, duties or other withholding imposed in either of the jurisdiction in which the issuer of the Basket Component is incorporated and/or the jurisdiction in which the Issuer is incorporated. The Rebalancing Fee is determined in accordance with paragraph 1 above.

The "**Basket Allocation Guidelines**" are as follows:

- (a) any asset selected by the Basket Investment Advisor for inclusion as a Basket Component must:
 - (i) be classified as common stock or equity by the exchange on which it is listed or admitted to trading provided that such asset must be a component of one or more of the following equity market indices STOXX[®] Europe 600 and any other equity index which the Calculation Agent determines in the future is acceptable for the purposes of inclusion in the Basket; and
 - (ii) has, at the time it is the subject of a Recommendation for inclusion in the Basket, an average daily volume of trades which complies with BNP Paribas requirements at such time; and

- (b) at all times:
- (i) the Basket must be comprised of a minimum of five Basket Components and a maximum of 50 Basket Components;
 - (ii) any one Basket Component may not have a weighting (W_i) of greater than 20 per cent.; and
 - (iii) the sum of the positive weightings of the Basket Components must be less than or equal to 100 per cent and no Basket Component may be shorted.

PART D – ADDITIONAL INFORMATION

For the avoidance of doubt, the information set out in this Part D (*Additional Information*) is provided for information purposes only and does not form part of the Terms and Conditions of the Securities

1. Taxes

For information purposes only, as of the Trade Date the net declared dividend would be equal to the relevant D_i percentage specified below in respect to the jurisdiction of each Share_i applied to the Gross Dividend.

Country	D_i
Austria	72.50%
Belgium	73.00%
Bulgaria	95.00%
Croatia	88.00%
Cyprus	100.00%
Czech Republic	65.00%
Denmark	73.00%
Estonia	100.00%
Finland	70.00%
France	70.00%
Germany	73.63%
Greece	90.00%
Hungary	85.00%
Ireland	80.00%
Italy	74.00%
Lithuania	85.00%
Luxembourg	85.00%
Netherlands	85.00%
Norway	75.00%
Portugal	72.00%
Romania	95.00%

Spain	81.00%
Sweden	70.00%
Switzerland	65.00%
United Kingdom	100.00%

The D_i percentage specified above is subject to amendment following any change of applicable Taxes.

2. Fees

The following fees are payable in connection with the Securities. As result of the deduction of the Advisory Fee and the Issuer Fee, the performance of the Basket on any day will be lower than the sum of the performance of the individual Basket Components.

Advisory Fee

The Basket Investment Advisor will receive from the Issuer a fee of 1 per cent per annum of the Basket Value paid *pro rata temporis* on a quarterly basis (the "**Advisory Fee**"). This amount is deducted by the Calculation Agent from the value of the Basket on a daily basis and is included in the Adjustment Factor described in paragraph 1 of Part C (*Other Applicable Terms*)

Issuer Fee

The Issuer will receive a fee of 0.20 per cent per annum of the Basket Value paid *pro rata temporis* on a quarterly basis (the "**Issuer Fee**"). This amount is deducted by the Calculation Agent from the value of the Basket on a daily basis and is included in the Adjustment Factor described in paragraph 1 of Part C (*Other Applicable Terms*).

Rebalancing Fees

A Rebalancing Fee is charged on each Rebalancing taking effect as described in the paragraph 2 of Part C (*Other Applicable Terms*).

USE OF PROCEEDS

The net proceeds of the issue of the Securities will become part of the general funds of BNPP B.V. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

GENERAL INFORMATION

1. Authorisation

The issue of Certificates under the Programme was approved by resolutions of the Board of Directors of BNPP B.V. dated 2 May 2016.

2. Approval and Listing on Euronext Paris

This Prospectus has received visa n°16-481 on 13 October 2016 from the *Autorité des marchés financiers* ("AMF").

Application has been made or will be made to the Euronext Paris for the Securities to be admitted to trading on the professional segment of Euronext Paris. The listing fees in respect of the Securities will be equal to EUR 1,987.

3. Documents Available

From the date hereof and so long as the Securities are outstanding, copies of the following documents will, when published, be available for inspection at the specified office for the time being in Luxembourg of BNP Paribas Securities Services, Luxembourg Branch and at the specified office for the time being in Paris of BNP Paribas Arbitrage S.N.C.:

- (i) copies of the *Statuts* of BNPP;
- (ii) copies of the constitutional documents of BNP Paribas Arbitrage Issuance B.V. and BNPP;
- (iii) the audited annual consolidated financial statements of BNPP for the years ended 31 December 2014 and 31 December 2015;
- (iv) the audited annual non-consolidated financial statements of BNPP B.V. for the years ended 31 December 2014 and 31 December 2015 (BNPP B.V. does not produce consolidated annual reports);
- (v) the most recently published audited annual consolidated financial statements and unaudited semi-annual consolidated financial statements and quarterly results of BNPP;
- (vi) the most recently published unaudited semi-annual interim non-consolidated financial statements of BNPP B.V. (BNPP B.V. does not produce consolidated semi-annual reports);
- (vii) a copy of the Guarantee;
- (viii) the English Law Agency Agreement;
- (ix) the Base Prospectus (and each supplement thereto to the extent incorporated by reference herein);
- (x) this Prospectus;
- (xi) the BNPP 2014 Registration Document;
- (xii) the BNPP 2015 Registration Document;
- (xiii) the First Update to the BNPP 2015 Registration Document; and
- (xiv) the Second Update to the BNPP 2015 Registration Document; and

(xv) the BNPP B.V. Interim Financial Statements.

In the case of (iii), (v), (xi), (xii), (xiii) and (xiv) above, the documents are also available via BNPP's website: www.invest.bnpparibas.com. In addition, copies of this Prospectus and any documents incorporated by reference in this Prospectus are available via BNPP's website: (<https://rates-globalmarkets.bnpparibas.com/gm/Public/LegalDocs.aspx>).

4. Material adverse change

There has been no material adverse change in the prospects of BNPP or the Group since 31 December 2015 (being the end of the last financial period for which audited financial statements have been published).

There has been no material adverse change in the prospects of BNPP B.V. since 31 December 2015 (being the end of the last financial period for which audited financial statements have been published).

5. Legal and Arbitration Proceedings

Save as disclosed below and on pages 158, 211, 212 and 411 of the BNPP 2015 Registration Document, page 87 of the First Update to the BNPP 2015 Registration Document and pages 140 to 141 of the Second Update to the BNPP 2015 Registration Document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNPP is aware), during the period covering at least the twelve (12) months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on BNPP and/or the Group's financial position or profitability.

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNPP B.V. is aware) during a period covering 12 months prior to the date of this Prospectus which may have, or have had in the recent past significant effects on BNPP B.V.'s financial position or profitability.

6. Significant Change

There has been no significant change in the financial or trading position of BNPP or the Group since 30 June 2016 (being the end of the last financial period for which interim financial statements have been published).

There has been no significant change in the financial or trading position of BNPP B.V. since 30 June 2016 (being the end of the last financial period for which audited financial statements have been published).

7. Material Contracts

Neither BNPP B.V nor BNPP has entered into contracts outside the ordinary course of its respective business, which could result in the relevant Issuer being under an obligation or entitlement that is material to such Issuer's ability to meet its obligation to holders of Securities in respect of the Securities being issued.

8. Board of Directors

The members of the Board of Directors of BNPP are displayed on pages 30 to 42 of the BNPP 2015 Registration Document (in English) which are incorporated by reference herein.

9. Conflicts of Interests

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

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

10. Auditors

BNPP:

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

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

Deloitte & Associés is represented by Damien Leurent.

Deputy:

BEAS, 195, avenue Charles de Gaulle, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

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

PricewaterhouseCoopers Audit is represented by Etienne Boris.

Deputy:

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

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

Mazars is represented by Hervé Hélias.

Deputy:

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

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

BNPP B.V.:

In June 2012 Mazars Paardekooper Hoffman Accountants N.V. were appointed as the auditors of BNPP B.V. Mazars Paardekooper Hoffman Accountants N.V. are independent public accountants in the Netherlands registered with NBA (*Nederlandse Beroepsorganisatie van Accountants*).

The address of Mazars Paardekooper Hoffman Accountants N.V. is Delflandlaan 1, 1062 EA Amsterdam.

The financial statements of BNPP B.V. for the year ending 31 December 2014 and 31 December 2015 have been audited without qualification by Mazars Paardekooper Hoffman Accountants N.V.

11. Clearing Systems

The Securities shall be accepted for clearance through Euroclear and/or Clearstream, Luxembourg.

The address of Clearstream, Luxembourg is 42 avenue JF Kennedy, L-1855 Luxembourg.

The address of Euroclear Bank is 1 Boulevard du Roi Albert II B-1210 Brussels.

12. Post-issuance information

Other than the current composition of the Basket being available from the Calculation Agent on request, the Issuer will not provide post-issuance information relating to the Basket Components and the Basket.

13. Dependence of BNPP upon other members of the BNPP Group

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

In April 2004, BNP Paribas SA began outsourcing IT Infrastructure Management Services to the BNP Paribas Partners for Innovation (BP²I) joint venture set up with IBM France at the end of 2003. BP²I provides IT Infrastructure Management Services for BNP Paribas SA and several BNP Paribas subsidiaries in France (including BNP Paribas Personal Finance, BP2S, and BNP Paribas Cardiff), Switzerland, and Italy. In mid- December 2011 BNP Paribas renewed its agreement with IBM France for a period lasting until end-2017. At the end of 2012, the parties entered into an agreement to gradually extend this arrangement to BNP Paribas Fortis as from 2013.

BP²I is under the operational control of IBM France. BNP Paribas has a strong influence over this entity, which is 50/50 owned with IBM France. The BNP Paribas staff made available to BP²I make up half of that entity's permanent staff, its buildings and processing centres are the property of the Group, and the governance in place provides BNP Paribas with the contractual right to monitor the entity and bring it back into the Group if necessary.

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

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

14. Table of Capitalization and Medium-to-Long Term Indebtedness

TABLE OF CAPITALIZATION AND MEDIUM-TO-LONG TERM INDEBTEDNESS		
Millions of Euros	BNP PARIBAS GROUP	BNP PARIBAS GROUP
	December 31, 2015 (audited)	June 30, 2016 (unaudited)
Medium-and Long Term Debt of which unexpired term to maturity is more than one year		
Debt securities at fair value through profit or lost	34,889	34,090
Other debt securities	65,756	61,725
Subordinated debt	12,070	14,956
Total Medium and Long-Term	112,715	110,771

Debt.....		
Shareholders' Equity and Equivalents		
Issued Capital	2,493	2,493
Additional paid-in capital.....	24,404	24,510
Preferred shares and equivalent instruments.....	7,855	7,969
Retained earnings	51,906	53,563
Unrealised or deferred gains and losses attributable to shareholders	6,736	7,043
Undated participating subordinated notes	222	222
Undated Subordinated FRNs.....	1,811	1,808
Total Shareholders' Equity and Equivalents	95,427	97,608
Minority Interest.....	3,719	3,876
Total Capitalization and Medium to Long Term Indebtedness	211,861	212,255

15. Events impacting the solvency of BNPP

To the best of BNPP's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of BNPP's solvency since 30 June 2016.

16. Miscellaneous

The Securities and the Guarantee (as defined herein) have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and trading in the Securities has not been approved by the Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended. The Issuer has not registered as an investment company pursuant to the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). The Securities are being offered and sold in reliance on Regulation S under the Securities Act. The Securities, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act) and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. The Securities may not be legally or beneficially owned at any time by any U.S. person (as defined in the "Offering and Sale" section incorporated by reference) and accordingly are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

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

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

shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus.

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 Manager has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Manager as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by BNPP B.V. and/or BNPP in connection with the Securities. The Manager accepts no liability in relation to the information contained in this Prospectus or any other information provided by BNPP B.V. and BNPP in connection with the Programme or the Securities.

In connection with the issue and sale of Securities, neither BNPP B.V. nor its Affiliates will, unless agreed to the contrary in writing, act as a financial adviser to any Holder.

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

The delivery of this Prospectus does not at any time imply that the information contained herein concerning BNPP B.V. and/or BNPP is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Securities and/or the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Manager does not undertake to review the financial condition or affairs of BNPP B.V. and BNPP during the life of the Securities. Investors should review, inter alia, the most recently published audited annual non-consolidated financial statements and interim financial statements of BNPP B.V. and the most recently published audited annual consolidated financial statements, unaudited semi-annual interim consolidated financial statements and quarterly financial results of BNPP, when deciding whether or not to purchase the Securities.

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

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

This Prospectus has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities.

RESPONSIBILITY STATEMENT

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

The consolidated financial statements as of and for the year ended 31 December 2014 of BNPP were audited by statutory auditors who issued an audit report which is incorporated by reference in this Prospectus. This report contains an emphasis of matter paragraph (*paragraphe d'observations*) which can be found on page 241 of the BNPP 2014 Registration Document referring to note 3.g to the consolidated financial statements which outlines the costs related to the comprehensive settlement with US authorities.

The consolidated financial statements as of and for the year ended 31 December 2015 of BNPP were audited of BNP Paribas were audited by statutory auditors who issued an audit which is incorporated by reference in this Prospectus. This report contains an emphasis of matter paragraph which can be found on page 231 of the BNPP 2015 Registration Document.

BNP Paribas Arbitrage Issuance B.V.

Herengracht 595
1017 CE Amsterdam
The Netherlands

Represented by Cezar Nastasa in his capacity as authorised signatory

Dated 13 October 2016

BNP Paribas

16 boulevard des Italiens
75009 Paris
France

Represented by Gaëtane Foa in her capacity as authorised signatory and Audrey Dahan in her capacity as authorised signatory

Dated 13 October 2016

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* ("**AMF**"), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa n°16-481 on 13 October 2016. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.

ISSUER

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