CETELEM ČR, a.s.

5-Year Bond Issue Programme
with maximum amount of CZK 10,000,000,000 in outstanding bonds

This document constitutes the base prospectus (the "**Base Prospectus**") which applies to bonds issued under the debt issuance programme established by CETELEM ČR, a.s., with its registered office at Prague 5, Karla Engliše 5/3208, Postal Code: 150 00, ID-No.: 250 85 689, Czech Republic, incorporated in the Commercial Register administered by the Municipal Court in Prague, Section B, Insert No. 4331 (the "**Issuer**" or "**CETELEM ČR**" and the debt issuance programme hereinafter as the "**Bond Programme**" or the "**Programme**"). Under the Bond Programme the Issuer may issue individual bond offerings (debt securities issues) in compliance with generally binding laws (the "**Bond Issues**" or "**Issues**" or "**Bonds**"). The aggregate nominal value of all outstanding Bonds issued under the Bond Programme may not exceed CZK 10,000,000,000 at any time. The duration of the Bond Programme within which the Issuer may issue the Bonds under the Programme is to be five (5) years.

In respect of each individual Bond Issue, the Issuer will prepare a special document (the "**Issue Supplement**") containing a supplement to the Bond Programme, i.e., a supplement to the general terms and conditions of the Bond Programme for the Issue in question (the "**Bond Programme Supplement**"). The Bond Programme Supplement will include, in particular, the nominal (face) value and number of the Bonds in the Issue, the issue date and method of such Bonds issue, the yield on and the issue price of the Bonds issue, the Bonds' yield payment dates and maturity date(s) with respect to their nominal value, as well as other terms and conditions of each such individual Bond Issue, which either are not part of the general terms and conditions of the Programme, Chapter "The General Terms and Conditions of the Bond Programme", contained in this Base Prospectus or which may modify the general terms and conditions of the Programme contained in this Base Prospectus with respect to such Issue. If the Issuer intends to apply for the listing of any Bond Issue on a regulated securities market as at the issue date, the Issue Supplement will also contain the final terms and conditions of the Bond Issue (the "**Final Terms and Conditions**") so that the Issue Supplement and this Base Prospectus constitute a prospectus of the Issue in question.

As needed, the Issuer may regularly update this Base Prospectus in a form of its amendments and additions. Each such a supplement will be approved by the Czech National Bank (the "**CNB**") and published in a way that each Bond Issue, the listing of which on the regulated market is applied for, is listed on the regulated market on the basis of an up-to-date security prospectus. For the purpose of listing the Bonds on the regulated market, this Base Prospectus will be valid for twelve (12) months from the date of its approval by the CNB.

The Issuer does not intend to make any public offering of the Bonds issued under the Bond Programme under the applicable legislation, nor does it intend to entrust any third person with public offering of the Bonds.

If, under the Issue Supplement, any individual Bond Issue is to be issued as listed securities (i.e, securities admitted for trading on a regulated market), the Issuer intends to apply for the listing of such Bonds on Burza cenných papírů Praha, a. s. (the "**Prague Stock Exchange**" or the "**PSE**") or any other regulated market that might succeed the PSE. The specific PSE market where the Bonds may be listed will be specified in the relevant Issue Supplement issued by the Issuer in respect of that Bond Issue. The relevant Issue Supplement may also specify that the Bonds will be placed on another regulated securities market or will not be placed on any regulated securities market.

BNP Paribas S.A., with its registered office at 16, boulevard des Italiens 75009 Paris, France, ID-No.: 662 042 449, incorporated in the Trade and Company Register (Registre du Commerce et des Sociétés) administered by the Commercial Court in Paris (Tribunal de Commerce de Paris) (the "**Guarantor**" or "**BNP Paribas**") will be held liable for any obligations of the Issuer with respect to all of the Bonds issued under the Bond Programme, unless otherwise stated in the relevant Issue Supplement issued in respect of an individual Bond Issue.

The general terms and conditions of the Bond Programme set out in this Base Prospectus, which are and will be the same for all the Bonds issued under this Bond Programme (the "**Terms and Conditions**"), have been approved upon the CNB's decision ref. no. 2010/11456/570 sp. zn. Sp/2010/153/572 of 29 December 2010, which became final and effective on 29 December 2010.

This Base Prospectus was made on 12 June 2012 and approved upon the CNB's decision ref. no. 2012/5827/570 sp. zn. Sp/2012/97/572 of 18 June 2012, which became final and effective on 18 June 2012.

This Base Prospectus does not constitute any public or any other offer to purchase any Bonds. The persons interested in the purchase of any Bonds of the individual Issues that may be issued under the Bond Programme should make their investment decision on the basis of information provided not only in this Base Prospectus, but also in its amendments and additions, and on the basis of the Issue Supplement of the relevant Bond Issue.

The distribution of this Base Prospectus as well as any offers, sale or purchase of the Bonds of the individual Issues issued under the Bond Programme are restricted by law in some jurisdictions. Unless expressly provided otherwise in the relevant Issue Supplement in connection with any individual Bond Issue issued under the Bond Programme, the Bonds will not be registered, permitted or approved by any administrative or other authority in any jurisdiction with the exception of the CNB and, accordingly, no placement may be possible outside of the Czech Republic (see also "Important Notice").

Lead Manager

Komerční banka, a.s.

Guarantor

BNP Paribas S.A.

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IMPORTANT NOTICE

*This Base Prospectus represents the Base Prospectus of the debt issuance programme within the meaning of Article 5(4) of Directive 2003/71/EC of the European Parliament and of the Council (the "**Directive on Prospectus**"), Section 36a of Act No. 256/2004 Coll., on Capital Market Undertakings, as amended (the "**ACMU**"), and Section 13 et seq. of Act No. 190/2004 Coll., on Bonds, as amended (the "**Bonds Act**").*

The distribution of this Base Prospectus, as well as any offers, sale or purchase of the Bonds of the individual Issues are restricted by law in some jurisdictions. Unless expressly provided otherwise in the relevant Issue Supplement in connection with an individual Bond Issue, neither the Bonds nor the prospectus related thereto will be at the instance of the Issuer listed, registered, permitted, recognized or approved by any administrative or other authority in any jurisdiction with the exception of the CNB and, accordingly, no placement will be possible outside of the Czech Republic. All persons in possession of this Base Prospectus will be responsible for observing any restrictions relating to offers, purchase and sale of the Bonds and the possession and distribution of any documents relating to the Bonds in all relevant jurisdictions.

The persons interested in the purchase of any Bonds of the individual Issues that may be issued under the Bond Programme should make their investment decision on the basis of information provided in this Base Prospectus, including its amendments and additions, and in the relevant Issue Supplement. In case of any discrepancy between information provided in this Base Prospectus, its amendments and additions, and the individual Issue Supplements, the last-published information will be valid.

Neither the Issuer nor any of the dealers named in the relevant Issue Supplement have approved any declaration, representation or information concerning the Bond Programme, the Issuer or the Bonds other than those included in this Base Prospectus, its amendments and additions, and in the individual Issue Supplements. No such declaration, representation or information may be relied upon as approved by the Issuer or the dealers. Unless stated otherwise, all information provided in this Base Prospectus is valid as of the date of this Base Prospectus. The delivery of this Base Prospectus at any time after its drafting should not mean that the information contained therein is correct at any time after the publication of the Base Prospectus. Moreover, the information included in this Base Prospectus may be further modified or amended by the specific amendments and additions (supplements) to the Base Prospectus.

The information included in chapters "Exchange Regulation and Taxation in the Czech Republic" and "Enforcement of Civil Liabilities against the Issuer" is provided as general information only (is not intended to be comprehensive) that is based on the state as of the date of this Base Prospectus, and that was obtained from public sources, which have not been processed or independently verified by the Issuer. Besides, the information contained in these chapters cannot be considered an indicator of future trends due to the significant political, economic and other structural changes in the Czech Republic in the recent years. All potential purchasers of any Bonds should rely exclusively on their own analyses of the factors stated in those chapters and upon the opinion of their own legal, tax and other professional advisors.

Any assumptions and projections concerning the future development of the Issuer and the Guarantor, their financial or market positions and the scope of their business, should not be deemed representations or binding promises of the Issuer regarding any future events or outcomes, because such future events and outcomes are subject, entirely or in part, to circumstances and events beyond the Issuer's control. Potential investors should make their own analyses of any development trends or projections contained in this Base Prospectus, and if relevant, conducts further independent investigations, and base their investment decisions on the results of such investigations and analyses.

The Issuer will publish its economic and financial reports within the scope and in accordance with the generally binding legislation and regulations governing the individual official securities markets on which the Bonds are to be listed (if relevant), and will observe its reporting duties.

The Base Prospectus, all annual reports of the Issuer and the Guarantor, copies of any audit reports concerning the Issuer and the Guarantor, as well as any documents specified in this Base Prospectus by means of reference, will be available for inspection, free of charge, to all interested persons on business days during regular office hours from 9 a.m. to 4 p.m. at the Issuer's registered seat in Prague 5, Karla Engliše 5/3208, Postal Code: 150 00, Czech Republic. Documents regarding the Issuer will be also available in electronic form on the Issuer's website: www.cetelem.cz. Documents concerning the Guarantor will be also available in electronic form on the Guarantor's website: www.bnpparibas.com.

Copies of the financial statements and audit reports will be available for inspection, free of charge, during regular office hours at the Issuer's registered seat, or, if an administrator is entrusted with the Issue administration, in the specified business premises of the administrator. Certain values contained in this Base Prospectus have been rounded. Accordingly, there may be slight differences between certain values relating to a single information item appearing in several tables of this Base Prospectus and certain values presented as sums in some tables may not be the arithmetic sum of the counted numbers.

NOTICE CONCERNING THE PUBLIC BOND OFFERING. The Issuer does not intend to make any public offering of the Bonds, which have been issued under the Bond Programme, in the Czech Republic or abroad. The Issuer or its authorized person will offer the Bonds for subscription and purchase exclusively to domestic and/or foreign qualified investors in accordance with Section 34(2)(d) of the ACMU on the basis of one or more exceptions stated in Section 35(2) of the ACMU. The nominal value of the Bonds will always be equal to or will exceed EUR 100,000, or an equivalent amount in a currency in which the respective Bonds will be denominated. The Issuer has not authorized and does not intend to authorize any of the dealers or other persons with public offering of the Bonds of any Issue issued under the Bond Programme and requests all investors in possession of the Bonds not to make any public offering of the Bonds within the meaning of applicable laws and to observe all statutory restrictions concerning the Bonds offer in the Czech Republic and abroad.

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I. RISK FACTORS

1. RISK FACTORS RELATED TO SECURITIES

Risks related to Bonds can be divided into the following categories:

General risks related to Bonds

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Base Prospectus or any of its supplements or Issue Supplements;

b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the Bonds are denominated in foreign currency;

d) understand thoroughly the terms of the Bonds (especially the Terms and Conditions, this Base Prospectus, its supplements and Issue Supplements) and be familiar with the behaviour or development of the respective index or financial market; and

e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios of further development of economics, interest rates and other factors that may affect its investment and its ability to bear the applicable risks.

Some Bonds may be designed as complex financial instruments. Institutional investors do not usually purchase complex financial instruments as their only investment. Institutional investors purchase complex financial instruments with adequate risk, the level of which they are aware of, in order to decrease risk or increase profit of their overall portfolios. A potential investor should not invest in Bonds which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate the performance of the Bonds under changing conditions determining the value of the Bonds and the impact this investment will have on the potential investor's investment portfolio.

Liquidity risk
If Bonds of any Issue are issued as listed securities (i.e., securities admitted for trading on a regulated market), the Issuer intends to apply for their admission to trading at the Prague Stock Exchange. The specific regulated market of the Prague Stock Exchange where these Bonds can be listed will be specified in the respective Issue Supplement. The Issue Supplement can also provide that the Bonds of such Issue will be traded on a different regulated market or that such Bonds will not be traded on a regulated market at all. Regardless of the listing of Bonds, there can be no assurance that there will be a liquid secondary market for the Bonds or, if such will develop, that it will last. The fact that Bonds can be listed on a regulated market does not necessarily lead to higher liquidity of the listed Bonds than the unlisted ones. However in the case of unlisted Bonds it can be difficult to assess the value of such Bonds, which can have an adverse effect on their liquidity. The investor may not be able to sell the Bonds at any time at a fair market price on an illiquid market.

Exchange rate risk
Bondholder who's Bonds are denominated principally in a foreign currency is exposed to the risk that exchange rates may significantly change, which would affect the all-over profit or the amount to be paid for such Bonds. For instance a change in the value of any foreign currency in relation to Czech Crown will result in relevant change in the value in Czech Crowns of a Bond denominated in this foreign currency and in relevant change in the value of principal and of interest payment made in this foreign currency, pursuant to terms of such Bonds. If the initial exchange rate decreases and the value of Czech Crown rises in consequence, the price of the Bond and the value of principal and of interest payment expressed in Czech Crowns decreases.

Pre-payment risk
The Issue Supplement will provide whether the Issuer has the right to repay the Bonds prior to their maturity for tax reasons or by virtue of its option (option call right). If the Issuer repays any Bonds of an Issue prior to their maturity, the Bondholder will be exposed to the risk of lower profit than expected, as a result of such premature repayment. For instance the Issuer can trigger its option call right if the profit from comparable Bonds on capital markets decreases, which means that the investor can only be able to reinvest the redeemed profits into Bonds with lower profit.

Taxation
Potential purchasers and sellers of the Bonds should be aware of the fact that they may be required to pay taxes or other charges according to the laws and practices of the state where the Bonds are transferred or in another jurisdiction relevant in the situation given. In some countries no official statements of tax offices or court rulings in the matter of financial instruments such as Bonds may be provided. Potential investors should not rely on the brief summary of tax matters included in this Base Prospectus, or in a relevant Issue Supplement, when purchasing, selling or repaying these Bonds, but they should act according to the recommendation of their financial advisors regarding their individual taxation. Investment according to the risks stated in this section should be considered taking into account at least the chapter "Foreign Exchange Regulation and Taxation in the Czech Republic" of this Base Prospectus and eventually other chapters on taxation included in relevant Issue Supplement.

Legality of purchase
Potential purchasers of the Bonds (in particular foreign entities) should be aware that the purchase of Bonds may be subject to legal restrictions affecting the validity of the purchase. Neither the Issuer, potential dealers nor any of their respective affiliates has or assumes responsibility for the legality of the acquisition of the Bonds by any potential purchaser of the Bonds, whether under the laws of jurisdiction of its incorporation or jurisdiction where it operates (if different). Potential purchaser cannot rely on the Issuer, potential dealers or any of their respective affiliates when deciding in the matter of legality of Bonds purchase.

Change of law
Terms and Conditions of the Bonds are governed by Czech law in force as to the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Czech law or administrative practice after the date of this Base Prospectus.

Specific risks related to different types of Bonds

Fixed rate Bonds
A Bondholder of a fixed rate Bond is exposed to the risk of decrease in the price of such Bond as a consequence of a change in market interest rates. While the nominal interest rate, stipulated in the relevant Issue Supplement, is during the maturity of the Bonds fixed, the current interest rate on capital markets ("market interest rate") changes every day. A change in the market interest rate is followed by a change in the price of a fixed rate Bond, but in the opposite direction. Therefore, if the market interest rate increases, the price of a fixed rate Bond in principle lowers to the level, where the profit from such Bond is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate Bond in principle rises to the level, where the profit of such Bond is approximately equal to the market interest rate.

Floating rate Bonds
A Bondholder of a floating rate Bond is exposed to the risk of variation of interest rates or values of underlying assets, as well as of uncertain interest income. Floating interest rates do not ensure an anticipated determination of a profit from floating rate Bonds. Bonds, the profit of which depends on the development of values of underlying assets (especially financial or non-financial indexes, baskets of underlying assets or exchange rates) are sophisticated credit instrument the profit of which depends on the development of underlying assets values in order to increase their profit potential. However investing in these Bonds includes a risk, which is usually not identified with similar investing in common bonds, and the risk is that the final profit from the Bonds will be lower than the profit from common bonds for the same period.

Zero coupon Bonds
There is no right to receive the interest payment attached to zero coupon Bonds, instead their issue price is lower than their nominal value. The profit of zero coupon Bonds is made up by the difference between the nominal value of such Bonds (i.e., the amount received at maturity) and the issue price of such Bonds, which is below par, instead of regular payment of interest, and the profit reflects the market interest rate. The holder of a zero coupon Bond is exposed to the risk of decrease in the price of such Bond as a result of change in market interest rates.

Subordinated Bonds
In case of (i) Issuer’s liquidation or (ii) declaration of Issuer’s bankruptcy, the receivables connected to the subordinated Bonds will be settled only after all other receivables, except the receivables bound by the same or similar condition of subordination. The receivables from all subordinated Bonds and other receivables bound by the same or similar condition of subordination will be settled respectively. There can be no assurance that the subordinated Bonds will be traded on public market as actively as common bonds. This can lead to the inability of subordinated Bonds' holders to sell these Bonds on the market at all, or only at a lower price than the common bonds.

2. RISK FACTORS RELATING TO THE ISSUER

Find below the risks, to which the Issuer is exposed due to its activities, as well as an approach to managing such risks.

Credit risk

Credit risk represents an existing or potential risk of loss of economic value of receivables on loans due to clients' default. It is associated with deterioration in the borrowers' credit quality, which may lead to losses for the Issuer. The estimated probability of loss and expected effectiveness of recovery actions in the case of default are the key parameters of credit quality measurement. The loan portfolio does not contain any significant individual items: it consists of a large number of loans with relatively small amounts to be repaid.

Risk of clients' insolvency

The risk of insolvency proceedings comprises the risk of bankruptcy being declared in respect of the client's assets, resulting in an initiation of mechanisms foreseen by law for the discharge of debts. Therefore, the Issuer is exposed to a risk of financial losses due to a lower recoverability, limited amount of recoverable debt and due to a longer period of receivables recovery. The risk of clients' insolvency is regularly monitored within the uniform system for evaluating credit risk.

Risk of early repayment

The risk of early repayment is the risk that clients could pay their liabilities earlier than expected, resulting in a financial loss for the Issuer. The risk of early repayment of granted loans is regularly observed and monitored. In the current period was not achieved significant deviation from the anticipated development.

Impact of the macroeconomic development on the credit risk management

The credit risk development in the past periods was adversely affected by the macroeconomic development. The key observed effects in the area of the provision of consumer loans to clients-employees was the rising unemployment and the gradually increasing indebtedness of households even leading to excessive indebtedness and growing number of personal bankruptcies. The issuer has adapted criteria for an approval of loans in order to minimize the losses caused by the aforementioned negative effects. A part of risk management standard procedures is an assistance service for clients having problems with the repayment of their loans.

Credit risk occurring in connection with other financial assets of the Issuer – investments, receivables, cash and cash equivalents – consists in the failure of counterparty to fulfill its financial obligations, which is diversified by the number of counterparties and assessment of their financial situation.

As of the approval date of the Base Prospectus, the Issuer does not register any significant individual concentration of credit risk.

Market risk (risk of loss from the management of assets and liabilities)

Any and all financial instruments and positions of the Issuer are exposed to market risk, i.e., the risk that a future change in the market conditions may impair the value of or may disadvantage a certain instrument.

In order to manage the interest rate risk, liquidity risk, and currency risk, the Issuer utilizes methods and procedures applied by the BNP Paribas Group. The objective is to manage the risk of fluctuation of net interest rate yields or lowering financial margin due to changing interest rates, foreign exchange rates, and maturities of financial instruments through the gap analysis of assets and liabilities for individual classes and the approved limits in each of the groups.

The risk of loss from the management of assets and liabilities is mainly represented by:

Interest rate risk

The interest rate risk represents the risk of the change in value of a financial instrument as a result of the movement in market interest rates. The period, for which an interest rate of a financial instrument is fixed, identifies the level of such instrument's exposure to the interest rate risk resulting from different maturity. The interest rate risk is also caused by different maturity of assignable financial instruments with a variable interest rate.

Contracts on loans granted b the Issuer require clients to pay their installments on the basis of a fixed interest rate. Interest rates charged by the Issuer are based on the interest rates prevalent on the consumer loan market at the moment of the loan approval. Due to the fact that the Issuer is mainly refinanced from loans, for which fixed rates usually apply, the Issuer is exposed to an insignificant risks in terms of the consumer loans portfolio that the profitability could be lower than expected in case of adverse changes in interest rates. Interest rate risk is also minimised by the selection of a refinancing form corresponding to the financial asset's profile at the time of its inception, refinancing sources with the floating interest rate are provided in the form of hedging derivatives.

Liquidity risk

The liquidity risk represents a risk that the Issuer may not be able to provide sufficient disposable funds to meet its obligations resulting from various financial contracts. Assignable financial instruments (assets/liabilities) with a variable interest rate, identical underlying rate, but different maturity, cause the liquidity risk. The liquidity risk results from various maturities of assets and liabilities, and it comprises the risk that the Issuer would not be able to finance its assets as of the relevant maturity date and in the corresponding rate, and the risk that the Issuer would not be able to fulfill its liabilities as they become due. The liquidity management on the part of the Issuer focuses on the provision of financial resources for the settlement of all liabilities upon their maturity. The liquidity risk is also associated with payable financial instruments with the shortest maturity. Owing to the conditions prevalent on the market, it could be difficult to acquire the required financial funds (financing). However, the support on the part of the BNP Paribas Group represents one of the most important aspects in the area of liquidity management, enhancing the financing flexibility, lowering risk of dependence on other sources and potential effects.

The Issuerr's approach to liquidity management is based on providing for sufficient liquidity to pay all of its liabilities as they fall due under both ordinary and extraordinary circumstances without incurring any material losses. The Issuer monitors on a regular basis the maturities of the various financial assets and liabilities and the information supporting the planned cash flows. The daily liquidity position is recorded and is regularly tested against various scenarios reflecting both normal and adverse market conditions.

The Issuer uses different refinancing methods. For the most part, financing is provided for through bank loans from third parties, bank loans within the Group, debt securities, and the Issuer's own funding. Support by the BNP Paribas Group, also in the form of hedging liabilities of the Issuer, is one of the pillars of the Issuer's liquidity management; it improves financing flexibility and reduces the risks inherent in the dependence on other sources and the risk of potential adverse impacts.

Currency risk

The currency risk results from the fact that the Issuer's assets and liabilities are denominated in different currencies and the exchange rate fluctuations could have negative impact on the Issuer. The Issuer does not speculate on the fluctuation of exchange rates, striving to ensure balanced volume of assets and liabilities denominated in individual currencies. When managing the currency risk, the Issuer follows the principle that customer products are financed via loan resources denominated in the same currency. Limits are determined for the maximum differences in the value of assets and liabilities according to individual currencies; the compliance with such limits is monitored on monthly basis. The functional currency of the Issuer is the Czech crown (CZK), and the Issuer's activities are predominantly carried out in Czech crowns.

Operational risk

Operational risk refers to the risk of loss due to lack or failure of internal procedures, human factor or system, or the risk of loss due to external factors, including the risk of loss due to the breach of or failure to comply with legal regulations.

Operational risk includes the risk of human resources, Compliance risks, legal risks, tax risks, information system risks, failure risks and reputational risk (public reputation of a company).

Regulatory risk

Market conditions may be significantly affected by various amendments of legal regulations. Any change in the legislation, which could result in a significant change in the terms and conditions for the provision of loans, any requirement, permission or license for the performance of this activity, any interference with the position of loan providers, their capital, or any imposition of new obligations could have an adverse impact on the Issuer and its economic results.

In connection with the legal regulation of the environment, in which the Issuer carries out its activities, it is necessary to draw the attention to a potential breach of the rules relating to the protection of personal data of the Issuer's clients. When entering into loan contracts, clients provide their personal data to the Issuer. Therefore, the Issuer must comply with the obligations and limitations foreseen by Act no. 101/2000 Coll., on the Personal data protection, as amended. Should the Issuer breach the obligations set down by the respect Act, the Office for the Personal Data Protection could impose a penalty on the Issuer of up to CZK 10 million. The imposition of such penalty could adversely affect the Issuer's economic results, financial situation and business activities. As of the issue date hereof, the Issuer is not aware of any breach of the personal data protection rules, which could result in an imposition of sanctions on the part of the Office for the Personal Data Protection; however, such possibility cannot be completely ruled out.

In compliance with the applicable Act no. 284/2009 Coll., on the Payment system, the Issuer obtained on 14 April 2011 a Payment Institution license issued by the Czech National Bank. Getting permission was pivotal for maintaining the option to continue in existing business model of providing financial services in the form of revolving credits and credit cards issued to them. The Company has demonstrated during the licensing procedure that it meets the quality criteria of set up and operation of internal system of management and controls, meets demands placed on process. A failure to comply with the terms and conditions of the execution of payment services under the Payment Institution licence would result in the ban on the provision of payment services via electronic payment instruments (credit cards) issued by the Issuer, i.e. reduction of the future overall volume of provided funds by the volume corresponding to the revolving loans segment.

In connection with the implementation of Directive 2008/48/EC of the European Parliament and the Council on credit agreements for consumers, the Issuer fulfiled all requirements imposed on the contractual documentation and procedural provision as at 1 January 2011. The company implemented legal requirements in the contractual provision as well as the methodology and procedural provision of loan transactions. Due to unclear interpretation procedures on the part of the supervisory bodies, there is a risk of noncompliance being declared in respect of the Issuer's procedures with the new legal regulation. Such situation could result in a risk of administrative sanctions of up to CZK 5 milions as well as a risk of financial losses for individual loan transactions due to a retroactive reduction of the contractual interest rate to a statutory rate, or due to the Issuer's responsibility in terms of the legal liability for the Issuer's business partners – i.e. vendors of consumer goods – vis-à-vis a loan client.

The company faced in 2011 a risk of legislative discredit thanks to the use of arbitration in disputes on consumer credits. Inability to use this alternative method of resolving disputes on non-performing loans would lead to the increase of expenses related to debt collection, i.e. direct costs connected with litigation or general costs connected with service of legal process of debt recovery. The company responded in advance to the amendment of Act no. 216/1994 Coll., on arbitration and enforcement of arbitral findings which came into force in April 2012 and modified the process of negotiating the arbitration agreement and its contents according to statutory requirements.

As of the date of the Base Prospectus, the Issuer is not aware of any exceptional case or dispute, which could have a material impact on its financial situation, activities, results, or capital.

As of the date of the Basic Prospects, the Issuer is not aware of any risk resulting from potential administrative proceedings conducted by the inspectional or supervisory bodies. Insurance program represents an important instrument for mitigating losses due to operational risks.

3. RISK FACTORS RELATED TO THE GUARANTOR

Find below the risks, to which the Guarantor and its industry are is exposed.

Difficult market and economic conditions could have a material adverse effect on the operating environment for financial institutions and hence on the Guarantor's financial condition, results of operations and cost of risk.

As a global financial institution, the Guarantor's businesses are highly sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The Guarantor has been and may continue to be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign obligations, capital, credit or liquidity markets, regional or global recessions, sharp fluctuations in commodity prices, currency exchange rates or interest rates, inflation or deflation, restructurings or defaults, corporate or sovereign debt rating downgrades or adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts). Market disruptions and sharp economic downturns, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Guarantor's financial condition, results of operations or cost of risk.

European markets have recently experienced significant disruptions as a result of concerns regarding the ability of certain countries in the euro zone to refinance their debt obligations and the extent to which European Union member states or supranational organizations will be willing or able to provide financial support to the affected sovereigns. These disruptions have contributed to 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 near-term economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union.

The Guarantor holds and in the future may hold substantial portfolios of sovereign obligations issued by the governments of, and has and may in the future have substantial amounts of loans outstanding to borrowers in, certain of the countries that have been most significantly affected by the current crisis. The Guarantor is also active in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis has had, and may continue to have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and therefore on the environment in which the Guarantor operates.

If economic conditions in Europe or in other parts of the world were to deteriorate, particularly in the context of an exacerbation of the sovereign debt crisis (such as a sovereign default), the Guarantor could be required to record additional impairment charges on its sovereign debt holdings or record further losses on sales thereof, and the resulting market and political disruptions could have a significant adverse impact on the credit quality of the Guarantor's customers and financial institution counterparties, on market parameters such as interest rates, currency exchange rates and stock market indices, and on the Guarantor's liquidity and ability to raise financing on acceptable terms.

Legislative action and regulatory measures taken in response to the global financial crisis may materially impact the Guarantor and the financial and economic environment in which it operates.

Legislation and regulations recently have been enacted or proposed with a view to introducing a number of changes, some permanent, in the global financial environment. While the objective of these new measures is to avoid a recurrence of the financial crisis, the impact of the new measures could be to change substantially the environment in which the Guarantor and other financial institutions operate.

The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements, taxes on financial transactions, restrictions and taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and, potentially, investment banking activities more generally), restrictions on certain types of financial products such as derivatives, and the creation of new and strengthened regulatory bodies.

Certain measures that have been or are in the process of being adopted and will be applicable to the Guarantor, such as the Basel 3 and Capital Requirements Directive 4 prudential frameworks, the requirements in relation to them announced by the European Banking Authority and the designation of the Guarantor as a systemically important financial institution by the Financial Stability Board, will increase the Guarantor's regulatory capital and liquidity requirements and may limit its permissible leverage. The Guarantor has announced certain measures in relation to these requirements; ensuring and maintaining compliance with them in the future may lead the Guarantor to take various measures, such as further reducing its balance sheet or bolstering its capital base, that could weigh on its profitability and adversely affect its financial condition and results of operations. Some of the new regulatory measures are proposals that are under discussion and that are subject to revision, and would in any case need adapting to each country's regulatory framework by national regulators.

As a result, it is not possible to predict which proposed new measures will ultimately be adopted, what their final form will be or what impact they will have on the Guarantor. Depending on the nature and scope of regulatory measures that are ultimately adopted, they could (in addition to having the effects noted above) affect the Guarantor's ability to conduct (or impose limitations on) certain types of activities, its ability to attract and retain talent (particularly in its investment banking and financing businesses) and more generally its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations. Finally, it is difficult to predict what impact these measures might have on financial market conditions. It is conceivable that they could trigger or exacerbate future financial crises, particularly if they required significantly enhanced disclosure of risks or problem loan exposures that could be misinterpreted by investors, hence heightening their concern about banks and therefore restricting their sources of financing.

The Guarantor's access to and cost of funding could be adversely affected by a further deterioration of the euro zone sovereign debt crisis, worsening economic conditions, a ratings downgrade or other factors.

The Euro-zone sovereign debt crisis as well as the general macroeconomic environment adversely affected the availability and cost of funding for European banks in 2011. This was due to several factors, including a sharp increase in the perception of bank credit risk due to their exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the Guarantor, experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank increased substantially. Were such adverse credit market conditions to persist for an extended period or worsen due to factors relating to the economy or the financial industry in general or to the Guarantor in particular (such as ratings downgrades), the effect on the liquidity of the European financial sector in general and the Guarantor in particular could be materially adverse.

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

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

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

The Guarantor maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes. These positions could be adversely affected by volatility in financial and other markets, i.e., the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. There can be no assurance that the extreme volatility and market disruptions experienced during the height of the 2008/2009 financial crisis will not return in the future and that the Guarantor will not incur substantial losses on its capital market activities as a result. Moreover, volatility trends that prove substantially different from the Guarantor's expectations may lead to losses relating to a broad range of other products that the Guarantor uses, including swaps, forward and future contracts, options and structured products.

To the extent that the Guarantor owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the Guarantor has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could expose it to potentially unlimited losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Guarantor may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to earn revenues based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Guarantor did not anticipate or against which it is not hedged, the Guarantor might realize a loss on those paired positions. Such losses, if significant, could adversely affect the Guarantor's results of operations and financial condition.

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

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

During the market downturn in 2008-2009, the Guarantor experienced all of these effects and a corresponding decrease in revenues in the relevant business lines. There can be no assurance that the Guarantor will not experience similar trends in future market downturns, which may occur periodically and unexpectedly.

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

In some of the Guarantor's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Guarantor 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 derivatives contracts between banks, may have values that the Guarantor calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the Guarantor did not anticipate.

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

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

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

The Guarantor's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services 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, have led to market-wide liquidity problems and could lead to further losses or defaults. The Guarantor has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose the Guarantor to credit risk in the event of default of a group of the Guarantor's counterparties or clients. In addition, the Guarantor's credit risk may be exacerbated when the collateral held by it cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Guarantor.

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

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

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

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the Guarantor's ability to attract and retain customers. The Guarantor's reputation could be harmed if it fails to adequately promote and market its products and services. The Guarantor's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Guarantor's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, the Guarantor's reputation could be damaged by employee misconduct, misconduct by market participants to which the Guarantor is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. The loss of business that could result from damage to the Guarantor's reputation could have an adverse effect on its results of operations and financial position.

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

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

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

Unforeseen events such as political and social unrest, severe natural disasters, terrorist attacks or other states of emergency could lead to an abrupt interruption of the Guarantor's operations and, to the extent not covered by insurance, could cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to additional costs (such as relocation of employees affected) and increase the Guarantor's costs (particularly insurance premiums).

The Guarantor is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates.

The Guarantor is exposed to regulatory compliance risk, such as the inability to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. Besides damage to the Guarantor's reputation, non-compliance could lead to fines, public reprimand, enforced suspension of operations or, in extreme cases, withdrawal of operating licenses. This risk is exacerbated by continuously increasing regulatory oversight. This is the case in particular with respect to money laundering, the financing of terrorist activities or transactions with countries that are subject to economic sanctions. For example, U.S. laws require compliance with the rules administered by the Office of Foreign Assets Control relating to certain foreign countries, nationals or others that are subject to economic sanctions.

In addition to the measures described above, which were taken or proposed specifically in response to the financial crisis, the Guarantor is exposed to the risk of legislative or regulatory changes in all of the countries in which it operates, including, but not limited to, the following:

- monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investors' decisions, particularly in the markets in which the Group operates;
- general changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable capital adequacy and liquidity frameworks;
- changes in tax legislation or the application thereof;
- changes in the competitive environment and prices;
- changes in accounting norms;
- changes in financial reporting requirements; and
- expropriation, nationalization, confiscation of assets and changes in legislation relating to foreign ownership.

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

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

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

The Guarantor's hedging strategies may not prevent losses.

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

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

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

Although the Guarantor undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the Guarantor 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, especially in France where it has the largest single concentration of its businesses, could adversely affect the Guarantor's revenues and profitability.

Competition is intense in all of the Guarantor'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 Guarantor's industry could intensify as a result of the ongoing consolidation of financial services that accelerated during the recent financial crisis. If the Guarantor is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Guarantor and its competitors. In addition, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favourable terms. It is also possible that the increased presence in the global marketplace of nationalized financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, following the recent financial crisis could lead to distortions in competition in a manner adverse to private-sector institutions such as the Guarantor.

II. INFORMATION INCORPORATED BY REFERENCE

1. ISSUER

Information	Document	Page
The General Terms and Conditions of the Programme (in Czech)	Base Prospectus as of 3 December 2010	23 - 52
CAS financial statements as of 31 December 2010, including the auditor's opinion	2010 Annual Report	60 – 114
IFRS financial statements as of 31 December 2010, including the auditor's opinion	IFRS financial statements as of 31 December 2010	whole document
IFRS financial statements as of 31 December 2011, including the auditor's opinion	2011 Annual Report	59 – 106

Web links to documents:

http://www.cetelem.cz/o-nas/vztahy-s-investory.html
http://www.cetelem.cz/o-nas/vztahy-s-investory/hospodarske-vysledky.html

2. GUARANTOR

Information	Document	Page
Financial statements and notes as of 31 December 2010, including the auditor's opinion	2010 Registration Document and Annual Financial Report, including all updates	101 – 255
Financial statements and notes as of 31 December 2011, including the auditor's opinion	2011 Registration Document and Annual Financial Report, including all updates	99 – 207
Information on the scope of consolidation of the BNP Paribas Group as at 31 December 2011	2011 Registration Document and Annual Financial Report, including all updates	170 –187
Unaudited financial results as of 31 March 2012	First Quarter 2012 Results Press Release, 4 May 2012	1 – 20

Web links to documents (in English):

2010 Registration Document and Annual Financial Report, including all updates:
http://invest.bnpparibas.com/en/pid748/registration-document.html

2011 Registration Document and Annual Financial Report, including all updates:
http://invest.bnpparibas.com/en/pid748/registration-document.html

III. THE GENERAL TERMS AND CONDITIONS OF THE PROGRAMME

Please note that the below Terms and Conditions were originally approved by the CNB in Czech and thus only the Czech version of the Terms and Conditions is binding. The English translation is for your convenience only and in case of any inconsistency between the Czech and English version the Czech version will prevail. The Czech version of the Terms and Conditions is available at www.cetelem.cz/o-nas/ke-stazeni.html (see Chapter II – Information incorporated by reference).

ISSUE TERMS AND CONDITIONS

The Bonds issued under this Programme (the "**Bonds**") will be issued pursuant to the Bonds Act by CETELEM ČR, a.s., with its registered office in Praha 5, Karla Engliše 5/3208, postal code: 150 00, Identification no. (IČ): 250 85 689, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, file no. 4331 (the "**Issuer**"). The Bonds are governed by these Terms and Conditions and the relevant Issue Supplement.

Liabilities under the Bonds are unconditionally and irrevocably secured by a guarantee under French law, issued by BNP Paribas S.A., registered office 16, boulevard des Italiens 75009 Paris, Republic of France, Identification no. 662 042 449, registered in the Trade and Company Register (Registre du Commerce et des Sociétés) administered by the Commercial Court in Paris (Tribunal de Commerce de Paris) (the "**Guarantor**"), which is the person controlling the Issuer.

In the Guarantee governed by French law, a copy whereof is a part of these Terms and Conditions, the Guarantor has unconditionally undertaken toward the Bondholders (defined below) that if the Issuer fails to fulfil its payment or other obligations vis-à-vis the Bondholders, such payment or other obligations will be fulfilled unconditionally, without delay and in full by the Guarantor on the Issuer's behalf.

These Terms and Conditions, which will be the same for each Bonds Issue, were approved in accordance with the Bonds Act by CNB's decision ref. no. 2010/11456/570 sp. zn. Sp/2010/153/572 of 29 December 2010, which became final and effective on 29 December 2010. If the Issuer so determines in case of a specific Bonds Issue or if so required by the laws in case of any Bonds Issue, Centrální depozitář cenných papírů, a. s. (central depository), will allocate a separate ISIN to the Bonds and Coupons (if issued). Information about allocated ISIN or other identifying data of the Bonds and Coupons (if issued) will be set forth in the relevant Issue Supplement. The Issue Supplement will specify whether the Issuer will apply to any regulated market organizer for listing of the relevant Bonds Issue in the regulated market, i.e. whether the Issuer will take all steps necessary for the Bonds to become listed securities, or whether the Issuer will ask for listing of the Bonds in another domestic or foreign market or in a multilateral trading system. In such cases (listing in a regulated market), the Issuer will also publish a prospectus of such Bonds, if so required by applicable laws.

These Terms and Conditions will always be supplemented for each individual Bond Issue under the Programme by a Issue Supplement that will be separately approved by CNB in accordance with the relevant legislation. The terms and conditions of each Bond issue will therefore comprise the provisions of these Terms and Conditions and the provisions of the relevant Issue Supplement approved by CNB.

Any provision of these Terms and Conditions may be amended or modified by the Issue Supplement issued in respect to any particular Bond Issue under the Programme. In the event of any discrepancies between these Terms and Conditions and the relevant Issue Supplement relating to a particular Bond Issue, the provisions of the relevant Issue Supplement will prevail with respect to any such particular Bond Issue. However, these Terms and Conditions will remain unaffected with respect to any other Bond issues under the Programme.

Unless set forth otherwise in the relevant Issue Supplement, the individual Bond Issues will be arranged for by Komerční banka, a.s., a joint stock company established under the laws of the Czech Republic, with its registered office in Prague 1, Na Příkopě 33 čp. 969, Postal Code 114 07, Identification No.: 45317054, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1360 ("**KB**"), in its capacity of a securities dealer.

Unless set forth otherwise in the relevant Issue Supplement and unless changed in accordance with Article 11.2.2 of these Terms and Conditions, the services provided by the fiscal and paying agent in connection with interest payments and Bonds redemption will be provided by KB. The Issuer, in respect of any specific Bond Issue, may authorise any other person with the relevant license for such activity to provide the services of a fiscal and paying agent or may perform such activity by himself (the Issuer or KB or such other person is hereinafter referred to also as the "**Fiscal and Paying Agent**"). If the Fiscal and Paying Agent is a person other than the Issuer, the Fiscal and Paying Agent will exercise its authorisation under a contract of administration of the Issue and procurement of payments executed with the Issuer (the "**Fiscal and Paying Agent Contract**"). A counterpart of the Fiscal and Paying Agent Contract will be available for inspection to Bondholders and holders of Coupons (if issued) during normal working hours in the Specified Fiscal and Paying Agent's Office (the "**Specified Office**") set forth in Article 11.1.1 of these Terms and Conditions. Bondholders and holders of Coupons (if issued) are recommended to get thoroughly familiarized with the Fiscal and Paying Agent Contract, if executed.

Unless set forth otherwise in the relevant Issue Supplement and unless changed in accordance with Article 11.2.2 of these Terms and Conditions, services of the calculation agent in connection with Bond Issues with floating interest will be provided to the Issuer by KB. The Issuer, in respect of any specific Bond Issue, may authorise any other person with the relevant license for such activity to provide the services of the calculation agent in connection with some specific Bond Issues (the Issuer, KB or such other person is hereinafter referred to as the "**Calculation Agent**").

Unless set forth otherwise in the relevant Issue Supplement and unless changed in accordance with Article 11.3.2 of these Terms and Conditions, the services of the listing agent in connection with issues of Listed Bonds relating to the listing of such Bonds in the relevant public market will be provided to the Issuer by KB. The Issuer, in respect of any specific issue, may authorise any other person with the relevant license for such activity to provide the services of a listing agent relating to the listing of such Bonds in the relevant public market (KB or such other person is hereinafter referred to as the "**Listing Agent**").

Certain terms used in these Terms and Conditions are defined in Article 15 of these Terms and Conditions.

1. <u>General characteristics of the Bonds</u>

1.1 Form, type, nominal value and other characteristics of the Bonds

The Bonds may be issued as book-entered or certificated, registered or bearer, securities. The face value of each Bond, the aggregate anticipated nominal value and the number and the serial numbers of the Bonds will be set forth in the relevant Issue Supplement. The denomination of the Bonds and any rating of the Issuer and/or of the Bonds will also be set forth in the relevant Issue Supplement.

Unless provided otherwise in the relevant Issue Supplement, the Bonds will carry no pre-emptive or exchange rights. The name of each issue under the Programme will be set forth in the relevant Issue Supplement.

1.2 Bondholders and Couponholders, transfers of Bonds and Coupons

1.2.1 Detachment of the right to receive interest payments

Unless stipulated otherwise in the relevant Issue Supplement, the detachment of the right to receive payments of interest on the Bonds in the form of issue of coupons (the "**Coupons**") as separate bearer securities carrying the right to interest payment is excluded. If issued, the Coupons will be issued in the same form as the Bonds of the relevant Issue.

1.2.2 Transferability of Bonds and Coupons

The transferability of Bonds and Coupons (if any) is not limited in any manner.

1.2.3 Owners and transfers of book-entered Bonds and Coupons

(a) For the purpose of these Terms and Conditions, the "**Bondholder**" and the "**Couponholder**" (if any Coupons are issued) means a person on whose holder's account (as defined the ACMU) kept in the records of book-entered securities the Bond or the Coupon (if issued) is recorded. Unless the Issuer is informed in a credible manner about facts proving that the Bondholder or the Couponholder is not the owner of the relevant securities, the Issuer and the Fiscal and Paying Agent will consider each Bondholder or Couponholder (if any Coupons) in all aspects as the beneficial owner thereof and will make payments to such Bondholder or such Couponholder in accordance with these Terms and Conditions and the relevant Issue Supplement. Persons that are Bondholders or Couponholders (if any Coupons are issued) and that are not registered for any reason in the records of holders of book-entered securities will be obliged to promptly notify the Issuer of such fact and of their acquisition title to the Bonds or Coupons (if issued).

(b) Transfer of book-entered bearer and registered Bonds and Coupons (if any) will be effective upon the registration thereof in the records of book-entered securities stipulated by the law (hereinafter the "**Records**") in accordance with the law.

1.2.4 Owners and transfers of certificated Bonds and Coupons

(a) Unless provided otherwise in the Issue Supplement, any certificated Bonds will be initially represented by a global certificate without any Coupons (the "**Global Bond**"). The Global Bond will be placed in the custody of and recorded by the Fiscal and Paying Agent (or of such other person with the relevant license for such activity that may be set forth in the relevant Issue Supplement). The Bondholders will participate in the total nominal value of the Global Bond by the relevant number of Bonds, without serial numbers. The Global Bond is jointly owned by the Bondholders who own shares on the Global Bond. If any Bonds whereby the Bondholders participate in the total nominal value of the Global Bond are redeemed early or issued additionally in accordance with Article 2.1 of these Terms and Conditions, the nominal value of the Global Bond will be reduced or increased accordingly. Owners of shares in the Global Bond are owners of such number of the individual Bonds that corresponds to their share in the Global Bond and have all rights of a Bondholder (including the right to interest payments).

(b) Such person will be entitled to exercise the rights belonging to a Bond (the "**Bondholder**") (i) that can deliver a certificated bearer Bond, and (ii) that is listed in the Bondholders List and can deliver such certificated registered Bond; in case of a Global Bond, such person will be deemed a Bondholder that is listed in the records of the Fiscal and Paying Agent (or of any other person with the relevant license for such activity that may be set forth in the relevant Issue Supplement) as a person participating in the Global Bond by a certain number of Bonds. Such person will be deemed an Owner of a certificated Coupon (the "**Couponholder**") that can present/deliver such Coupon.

(c) Transfers of shares making up the Global Bond will be effectuated by a registration thereof on the records of the Fiscal and Paying Agent (or any other person with the relevant license for such activity that may be set forth in the relevant Issue Supplement). Any change in the records of the Fiscal and Paying Agent (or any other person with the relevant license for such activity that may be set forth in the relevant Issue Supplement) is deemed to be a change made only in the course of the relevant day, i.e. a change in the records of Bondholders kept by the Fiscal and Paying Agent (or by any other person with the relevant license for such activity that may be set forth in the relevant Issue Supplement) cannot be done with the effect as of the beginning of the day when such change is made.

(d) Transfers of certificated bearer Bonds and Coupons (if any) will be effectuated upon their delivery.

(e) Transfers of certificated registered Bonds will be effectuated upon their endorsement in favour of the new Bondholder and upon their delivery; however, such transfer will be effective *vis-à-vis* the Issuer only after the registration of the Bondholder in the Bondholders List. Any change of the Bondholder List will be deemed effectuated only in the course of the relevant day, i.e. a change in the Bondholder List cannot be done with the effect as of the beginning of the day when such change is made.

(f) Unless the Issuer is credibly informed about fact proving that the relevant Bondholder or Couponholder is not the owner of the relevant securities, the Issuer and the Fiscal and Paying Agent will consider each Bondholder and each Couponholder (if any) the legal owner of such Bond or Coupon in all respects and will make payments to such Bondholder or such Couponholder in accordance with these Terms and Conditions and the relevant Issue Supplement. Persons that are holders of registered certificated Bonds and that are not registered for any reason in the Bondholder List will be obliged to promptly notify the Issuer of such fact and of their acquisition title to the Bonds.

2. Date and method of issue of Bonds, Issue Price

2.1 Issue Date; Issue Period; Additional Issue Period

The Issue Date for each Bond Issue will be set forth in the relevant Issue Supplement. If the Issuer does not issue all Bonds comprising the relevant Bond Issue on the Issue Date, the remaining Bonds may be issued from time to time during the entire Issue Period unless provided otherwise in the relevant Issue Supplement. The Issuer is entitled to issue the Bonds during the Issue Period in a volume higher than the anticipated Bonds Issue volume, unless such right of the Issuer is excluded by the Issue Supplement. The Issuer is entitled to determine an Additional Issue Period and to issue the Bonds within such period (i) up to the anticipated total nominal value of the relevant Bonds Issue and/or (ii) in a larger Issue volume than the anticipated total nominal value of the relevant Bonds Issue, unless any such right of the Issuer is excluded by the Issue Supplement. The decision on the determination of the Additional Issue Period would be announced by the Issuer in the same manner in which the Issue Supplement has been published. If the Issuer decides on the issue of the Bonds in a volume higher than the anticipated issue volume, the volume of such increase may not exceed 25 (twenty five) % of the anticipated nominal value of the Bonds, unless another scope of increase of the issue volume (if any) is determined by the Issuer in the Issue Supplement.

Without undue delay after the expiry of the Issue Period or of the Additional Issue Period, the Issuer will notify the Bondholders or the Couponholders (if any) in the same manner as the manner used in the publication of the Issue Supplement of the relevant Bonds Issue, of the total nominal value of all issued Bonds comprising the relevant Bonds Issue but only in case that the total nominal value of all Bonds issued within the relevant Issue is lower or higher than the total anticipated nominal value of the relevant Bonds Issue.

2.2 Issue Price

The Issue Price (and/or the method for its determination) will be set for all Bonds issued on the Issue Date in the Issue Supplement. The Issue Price of any Bonds issued during the Issue Period or the Additional Issue Period after the Issue Date will be determined by the Issuer taking into account the prevailing market conditions. Where relevant, the corresponding accrued interest will be added to the amount of the Issue Price for any Bonds issued after the Issue Date.

2.3 Method and place for subscription of the Bonds

The method and place for subscription of the Bonds of the individual Bond Issue, including information about people involved in such Bond issue, will be set forth in the relevant Issue Supplement.

3. Status of the Bonds; Issuer's representations and undertakings concerning the Bonds

3.1 Status of the Bonds

The Bonds (and any and all payment liabilities of the Issuer to the Bondholders or Couponholders (if any) under the Bonds or Coupons (if any) constitute direct, general, unsecured otherwise than by the Guarantor's guarantee, unconditional and unsubordinated obligations of the Issuer which rank and will always rank *pari passu* without preference among themselves, and at least *pari passu* with any other present or future unsubordinated and unsecured (otherwise than by the Guarantor's guarantee) obligations of the Issuer, except for such obligations of the Issuer as may be preferred by mandatory provisions of applicable law. The Issuer undertakes to treat under the same circumstances all Bondholders and all Couponholders (if any) of the same Bond Issue equally.

3.2 Issuer's representations and undertakings concerning the Bonds

The Issuer hereby represent that it owes the face value of each Bond to its holder and the proportionate interest accruing to the Bonds (except for Zero Coupon Bonds) to its holder or to the Couponholder /if any), and undertakes to pay to him interest (except for Zero Coupon Bonds) and to repay the nominal value of the Bond in accordance with these Terms and Conditions, as amended by the Issue Supplement, and with the Bonds Act.

3.3 Status of subordinated Bonds

If any Bonds under the Programme are issued as subordinated Bonds, the liabilities arising from such Bonds will represent direct, unconditional and unsecured liabilities of the Issuer, subordinated pursuant to the Bonds Act, which are and will rank *pari passu* among themselves.

If (i) the Issuer enters into liquidation, (ii) in case of the issue of a decision on the Issuer's bankruptcy, all receivables relating to the subordinated Bonds will be satisfied only after the satisfaction of all other receivables, with the exception of receivables that are bound by the same or similar subordination condition. Receivables from all subordinated Bonds and all other receivables that are bound by the same and similar subordination condition will be satisfied in accordance with their order of rank.

4. Negative Pledge

So long as any payment obligations from the Bonds remain outstanding, the Issuer will not create any mortgage, lien, charge, pledge or other form of security interest upon any of its assets or revenues, present or future, to secure any Relevant Debt (as defined in Article 15 of these Terms and Conditions) incurred by it or any guarantee or indemnity assumed or granted by it in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are (i) equally and rateably secured therewith, or (ii) otherwise as approved by the meeting of Bondholders in accordance with Article 12 of these Terms and Conditions.

5. Interest

5.1 Bonds with fixed interest rate

(a) The Bonds designated in the relevant Issue Supplement as the Bonds with a fixed interest rate will bear interest at the fixed interest rate set forth in such Issue Supplement or at the rate determined by the method specified in such Issue Supplement.

(b) Unless stipulated otherwise by the relevant Issue Supplement, interest will accrue evenly from the first day of each Interest Period until the last day of such Interest Period that is included in such Interest Period at the interest rate set forth in paragraph (a) above.

(c) Interest for each Interest Period is payable in arrears on the Interest Payment Date.

(d) The Bonds will cease to bear interest on the Maturity Date unless the payment of any amount due is improperly withheld or refused by the Issuer although all relevant conditions and provisions have been complied with. In such cases, interest will continue to accrue at the interest rate set forth in paragraphs (a) to (b) above until the earlier of (i) the date when all amounts payable as of such date are paid to Bondholders or (ii) the date when the Fiscal and Paying Agent notifies the Bondholders that it received all amounts payable in connection with the Bonds unless any additional improper withholding or refusal occurs after such notice, which of the above facts occurs earlier.

(e) The amount of interest accrued on any one Bond over the period of 1 (one) year will be calculated as the multiple of the nominal value of such Bond (and/or the unredeemed portion thereof if the nominal value is not redeemed in one go) and the relevant interest rate (expressed in decimal form). The amount of interest accrued on any one Bond over a period shorter than 1 (one) year will be calculated as the multiple of the nominal value of such Bond (and/or the unredeemed portion thereof if the nominal value is not redeemed in one go), the relevant interest rate (expressed in decimal form) and the relevant Day Count Fraction.

5.2 Bonds with floating interest rate

5.2.1 Interest on Bonds with floating interest rate

(a) The Bonds designated in the relevant Issue Supplement as the Bonds with a floating interest rate will bear interest in the course of the individual consecutive Interest Periods at the floating interest rate equal (i) to the relevant Reference Rate plus the respective Margin (if relevant) or (ii) to the resulting value of the interest rate calculation formula determined in the Issue Supplement, where the Reference Rate(s) value or of the respective Margin (if relevant) will be inserted at all times in the course of individual consecutive Interest Periods.

(b) Interest will accrue from the first day of each Interest Period until the last day of such Interest Period that is still included therein at the interest rate applicable to such Interest Period. Unless provided otherwise in the relevant Issue Supplement, it applies with respect to the Bonds that are to be listed at Burza cenných papírů Praha, a.s. (Prague Stock Exchange) that, notwithstanding the foregoing, if the interest rate applicable for any Interest Period is determined as late as (i) in the course of such Interest Period but earlier than 2 (two) Business Days prior to the end of the Interest Period, the interest belonging to such Bond will accrue beginning with the second Business Day after the Reference Rate Determination Date until the end of such Interest Period at the adjusted interest rate; the adjusted interest rate is such rate at which the interest accruing on the Bond in the period during which the interest accrues will be the same as the interest that would have accrued with the use of the determined (i.e. unadjusted) interest rate evenly for the entire Interest Period, or (ii) 2 (two) Business Days before the end of the Interest Period or later, the interest belonging to such Bond will accrue for the relevant Interest Period in the lump-sum form as of the second Business Day after the Reference Rate Determination Date, but not later than as of the relevant Interest Payment Date. In the period when the interest does not accrue, the interest rate will be deemed to be equal to zero.

(c) Unless provided otherwise in the relevant Issue Supplement, the Calculation Agent will round the interest rate for each Interest Period on the basis of mathematical rules to two decimal places according to the third decimal place. The Calculation Agent will notify the Fiscal and Paying Agent of the interest rate applicable to each Interest Period promptly after its determination and the Fiscal and Paying Agent will in turn communicate without any undue delay such interest rate to the Bondholders in accordance with Article 13 of these Terms and Conditions.

(d) Interest for each Interest Period will be payable in arrears on the Interest Payment Date, unless provided otherwise in the Issue Supplement.

(e) The Bonds will cease to bear interest on the Maturity Date unless the payment of any amount due is improperly withheld or refused by the Issuer although all relevant conditions and provisions have been complied with. In such cases, interest will continue to accrue at the interest rate set forth in paragraphs (a) to (c) above until the earlier of (i) the date when all amounts payable as of such date are paid to Bondholders or (ii) the date when the Fiscal and Paying Agent notifies the Bondholders that it received all amounts payable in connection with the Bonds unless any additional improper withholding or refusal occurs after such notice, whichever of the above facts occurs earlier.

(f) The amount of interest accrued on any one Bond over the period of 1 (one) year will be calculated as the multiple of the nominal value of such Bond (and/or the unredeemed portion thereof if the nominal value is not redeemed in one go) and the relevant interest rate (expressed in decimal form). The amount of interest accrued on any one Bond over a period shorter than 1 (one) year will be calculated as the multiple of the nominal value of such Bond (and/or the unredeemed portion thereof if the nominal value is not redeemed in one go), the relevant interest rate (expressed in decimal form) and the relevant Day Count Fraction. In case of Bonds whose interest does not accrue from the first day of the Interest Period, the interest amount on any one Bond over the period of 1 (one) year will be calculated as the multiple of the nominal value of such Bond (and/or the unredeemed portion thereof if the nominal value is not redeemed in one go), the relevant adjusted interest rate (expressed in decimal form) and the relevant Day Fraction, and such Day Fraction will only be calculated for the number of days during which the interest has accrued. The previous provision of tits clause (f) will not apply in cases where the interest on the Bond is calculated on the basis of the Reference Rate determined on the basis of an Index, a Basket, an Exchange Rate or any other value under Articles 5.2.3 to 5.2.6 of these Terms and Conditions. Unless provided otherwise in the Issue Supplement, the interest amount accruing on any one Bond for one Interest Period (notwithstanding its length) will be calculated as the multiple of the nominal value of such Bond (and/or the unredeemed portion thereof if the nominal value is not redeemed in one go) and. the relevant interest rate (expressed in decimal form.

5.2.2 Determination of the Reference Rate on the basis of the interest rate

If the Reference Rate is to be determined on the basis of one or more interest rates, the Reference Rate value for the relevant Interest Period will be calculated by the method specified in the relevant Issue Supplement and the relevant reference rate(s) will be deducted by the Calculation Agent from the Reference Rate source on the relevant date and at the hour when it is commonly done in the relevant Financial Centre.

5.2.3 Determination of the Reference Rate on the basis of an Index

If the Reference Rate is to be determined on the basis of an Index, the Reference Rate value for the relevant Interest Period will be equal to the percentile change of the value of such Index between the previous Reference Rate Determination Date (in case of the first Interest Period between the date coinciding with the Reference Rate Determination Date under the presumption that such first Interest Period was preceded by an Interest Period with the same length) and the Reference Rate Determination Date for the relevant Interest Period.

The relevant Index values will be deducted by the Calculation Agent for calculation from the relevant Reference Rate source on the relevant day as final values of the relevant Business Day unless provided otherwise in the Issue Supplement or in these Terms and Conditions, the Reference Rate source in case of the Index will be the relevant page of the Reuters Screen Service (or another substitute official source where the Index will be stated).

In case of any change of the Index structure since the last date when the Calculation Agent determined the Index value, of the weight of any Index component or of any other adjustment due to which, in the Calculation Agent's sole opinion, the Index value after such adjustment would not be substantially comparable with the Index value before such adjustment, the Index value will be determined by the Calculation Agent at its sole discretion in a manner ensuring that such determined value will be substantially comparable with the Index value before such adjustment.

If the Index ceases to exist (and, in the Calculation Agent's sole opinion, there is no other reasonably acceptable Index that may substantially replace such extinct Index), the Index value will be determined by the Calculation Agent at tits sole discretion in a manner ensuring that that such determined value will be substantially comparable with the Index value calculated under the formula and by the method existing before such change.

While exercising its sole discretion and opinion in all of the foregoing cases, the Calculation Agent will be obliged to act with due care of a securities dealer in accordance with the common practice existing at the relevant time in capital markets.

5.2.4 Determination of the Reference Rate on the basis of a Basket

If the Reference Rate is to be determined on the basis of a Basket, the Reference Rate value for the relevant Interest Period will be equal to the percentile change of the value of such Basket between the previous Reference Rate Determination Date (in case of the first Interest Period between the date coinciding with the Reference Rate Determination Date under the presumption that such first Interest Period was preceded by an Interest Period with the same length) and the Reference Rate Determination Date for the relevant Interest Period.

If the Basket calculation formula is not specified in the Issue Supplement, the Basket value will be determined by the Calculation Agent as w weighted average of the values of individual components forming the Basket, where each component will have the weight set forth in the Issue Supplement; if no weight for individual components is set forth in the Issue Supplement, each component will be deemed to have the same weight. The values of individual components forming the Basket will be deducted by the Calculation Agent from the relevant Reference Rate source set forth in the Issue Supplement. Unless provided otherwise in the Issue Supplement, if any component forming the Basket ceases to exist or in case of any other change due to which the value of such component will not be comparable with its previously determined value, the value of such component will be determined by the Calculation Agent at its sole discretion so that the Basket value is substantially comparable with the Basket value before such change. Unless provided otherwise in the Issue Supplement or in these Terms and Conditions, the Reference Rate source in respect of the individual Basket components will be the relevant page of the Reuters Screen Service (or another substitute official source where the components forming the Basket will be stated).

While exercising its sole discretion and opinion in all of the foregoing cases, the Calculation Agent will be obliged to act with due care of a securities dealer in accordance with the common practice existing at the relevant time in capital markets.

5.2.5 Determination of the Reference Rate on the basis of the Exchange Rate

If the Reference Rate is to be determined on the basis of the Exchange Rate, the Reference Rate value for the relevant Interest Period will be equal to the percentile change of the value of such Exchange Rate between the previous Reference Rate Determination Date (in case of the first Interest Period between the date coinciding with the Reference Rate Determination Date under the presumption that such first Interest Period was preceded by an Interest Period with the same length) and the Reference Rate Determination Date for the relevant Interest Period.

The Exchange Rate value will be determined by the Calculation Agent at the relevant hour and on the relevant day from the relevant Reference Rate source.

5.2.6 Determination of the Reference Rate on the basis of another value

If the Reference Rate is to be determined on the basis of another value/ other values or of a mathematical formula including one or more rates or values, such value(s) or such mathematical formula and method of calculation of the Reference Rate for the relevant Interest Period will be set forth in the relevant Issue Supplement.

5.2.7 Minimum interest rate applying to the Bonds

If the relevant Issue Supplement sets forth the minimum interest rate on the Bonds or the minimum Reference Rate and if the interest rate on the Bonds or the Reference Rate (whichever is relevant) calculated by the Calculation Agent for any relevant Interest Period is lower than the minimum interest rate on the Bonds or the minimum Reference Rate set forth in such Issue Supplement, the interest rate relating to the Bonds or the Reference Rate (whichever is relevant) for such Interest Period will be equal to the minimum interest rate on the Bonds or to the minimum Reference Rate (whichever is relevant) for such Interest Period. Unless provided otherwise in the relevant Issue Supplement, the minimum interest rate on Bonds or the minimum Reference Rate (whichever is relevant) will apply to all Interest Periods.

5.2.8 Minimum interest rate applying to the Bonds

If the relevant Issue Supplement sets forth the maximum interest rate on the Bonds or the maximum Reference Rate and if the interest rate on the Bonds or the Reference Rate (whichever is relevant) calculated by the Calculation Agent for any relevant Interest Period is higher than the maximum interest rate on the Bonds or the maximum Reference Rate set forth in such Issue Supplement, the interest rate relating to the Bonds or the Reference Rate (whichever is relevant) for such Interest Period will be equal to the maximum interest rate on the Bonds or to the maximum Reference Rate (whichever is relevant) for such Interest Period. Unless provided otherwise in the relevant Issue Supplement, the maximum interest rate on Bonds or the maximum Reference Rate (whichever is relevant) will apply to all Interest Periods.

5.3 **Zero coupon Bonds**

(a) The Bonds designated in the relevant Issue Supplement as zero coupon Bonds will bear no interest. Yield from such Bonds will be represented by the difference between the face value of each such Bond and its lower issue price.

(b) If the amount (face value or Discounted Value) due in respect of any zero coupon Bond is not duly paid by the Issuer when due, such due amount will bear interest at the Discount Rate, until the earlier of (i) the date when all amounts payable as of such date are paid to the Bondholders or (ii) the date when the Fiscal and Paying Agent notifies the Bondholders that it received all amounts payable in connection with the Bonds unless any additional withholding or refusal occurs after such notice. Where interest for a period shorter than one year is being calculated, such calculation will be made on the basis of the relevant Day Count Fraction set forth in the relevant Issue Supplement.

5.4 Amortized Bonds

(a) The nominal value of the Bonds designated as amortized Bonds in the relevant Issue Supplement will be paid by instalments and not in a lump-sum form.

(b) Unless provided otherwise in the relevant Issue Supplement, the amortization of the nominal value will be divided into a number of instalments corresponding to the number of Interest Periods of such Bonds.

(c) Unless provided otherwise in the relevant Issue Supplement, the instalments of the nominal value will be due at all times together with the interest on the Bonds on the Interest Payment Date of the relevant Interest Period.

(d) The amount of each partial instalment of the nominal value together with the relevant Payment Date thereof will be stated in an instalment schedule attached to the relevant Issue Supplement. If relevant, such instalment schedule will also specify the interest amount payable together with the payment of the relevant part of the nominal value.

5.5 Bonds with other determination of interest

The Issue Supplement may specify another method of calculation of interest on the Bonds, including an alternative method of calculation for different Interest Periods or for a period during which the terms and conditions set forth in the Issue Supplement will be fulfilled.

6. Redemption of the Bonds

6.1 Final redemption

Unless redeemed early by the Issuer on the grounds set forth in these Terms and Conditions or the relevant Issue Supplement issued in respect of any specific Bond Issue, the Bonds will be redeemed at their nominal value (or at any such other value that may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption of the Bonds) on the Final Maturity Date in accordance with Article 7 of these Terms and Conditions. Unless provided otherwise in the relevant Issue Supplement, the whole amount of the nominal value of the Bonds (or such other value that may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption of the Bonds) will be redeemed on the Final Maturity Date.

6.2 Early redemption at the option of the Issuer

6.2.1 Admissibility of early redemption at the option of the Issuer

Unless provided otherwise in the relevant Issue Supplement, the Issuer is not entitled to redeem the Bonds prior to the Maturity Date of that Bond Issue at its option with the exception of early redemption of any Bonds held by the Issuer in accordance with Article 6.5 of these Terms and Conditions.

6.2.2 Notification of early redemption

If a date or dates for early redemption of the Bonds at the option of the Issuer is set forth in the Issue Supplement, then the Issuer has the right to redeem all issued and unredeemed Bonds of the relevant issue on any such date at its discretion, provided, however, that the Issuer notifies the Bondholders of such early redemption in accordance with Article 13 of these Terms and Conditions not earlier than 60 (sixty) and not later then 45 (forty five) days prior to such date of early redemption, or in any other or further period that may be set forth in the Issue Supplement of such Bonds Issue (the "**Early Redemption Date**").

6.2.3 Early redemption

The notice of early redemption at the option of the Issuer in accordance with Article 6.2.2 of these Terms and Conditions will be irrevocable and will bind the Issuer to redeem early all Bonds of the relevant issue in accordance with this Article 6.2 and the relevant Issue Supplement. In such cases, all unredeemed Bonds of the relevant issue will be redeemed by the Issuer at such value as is set forth in the relevant Issue Supplement together with accrued and unpaid interest (if relevant). If any Coupons have been issued to the Bonds of the relevant issue, all Coupons belonging to a Bond that are not yet payable must be returned together with such Bond otherwise the Retained Coupons Value will be deducted from the amount payable to such Bondholder and will be paid to the Couponholder exclusively against delivery of such Coupons only. All Coupons belonging to a Bond that have not been returned together with the Bonds will become payable as of the same day as the Bonds at the Retained Coupons Value.

6.3 Early redemption at the option of the Bondholders

6.3.1 Admissibility of early redemption at the option of the Bondholders

Unless provided otherwise in the relevant Issue Supplement, the Bondholders are not entitled to require early redemption of the Bonds prior to the Final Maturity Date with the exception of early redemption in accordance with Articles 9, 12.4.1 and 12.4.2 of these Terms and Conditions.

6.3.2 Notification of early redemption

If a date or dates for early redemption of the Bonds at the option of the Bondholders is set forth in the relevant Issue Supplement, then any Bondholder of the relevant issue may, at its own discretion, require early redemption of some or all unredeemed Bonds of the relevant issue, owned by such Bondholder, on any such date, provided, however, that such Bondholder notifies the Issuer of such early redemption request in writing by a notice addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office not earlier than 60 (sixty) and no later than 45 (forty five) days prior to the date of such early redemption (the "**Early Redemption Date**").

6.3.3 Early redemption

The notice of early redemption at the option of the Bondholders in accordance with Article 6.3.2 of these Terms and Conditions will be irrevocable and will bind the Bondholder to accept early redemption of all Bonds of the relevant issue whose early redemption such Bondholder required pursuant to Article 6.3.2 above in accordance with this Article 6.3 and the relevant Issue Supplement and to provide such co-operation to the Issuer and the Fiscal and Paying Agent as the Issuer or the Fiscal and Paying Agent may reasonably request in connection with such early redemption. In such cases, all unredeemed Bonds of the particular issue owned by such Bondholder will be redeemed by the Issuer, exclusively against delivery, at the value set forth in the relevant Issue Supplement together with accrued and unpaid interest (if relevant). If any Coupons have been issued to the Bonds of the relevant issue, all Coupons belonging to a Bond that are not yet payable must be returned together with such Bond otherwise the Retained Coupon Value will be deducted from the amount payable to such Bondholder and will be paid to the Couponholder exclusively against delivery of such Coupons. All Coupons that are not returned together with the Bonds will become payable as of the same day as the Bonds, at the Retained Coupon Value.

6.4 Purchase of Bonds

Unless provided otherwise in the relevant Issue Supplement, the Issuer is entitled to purchase the Bonds in the market or otherwise at any price.

6.5 Cancellation of Bonds

Any Bonds purchased in accordance with Article 6.4 of these Terms and Conditions will not be cancelled, unless decided otherwise by the Issuer at its own discretion. Moreover, the Issuer may, at its sole discretion, hold and/or resell them. If the Issuer does not decide on early redemption of any bonds held by it under the previous sentence, any rights and obligations arising from the Bonds held by the Issuer will terminate as of their maturity date.

6.6 Deemed payment

If the Issuer pays to the Fiscal and Paying Agent the full amount of the nominal value of the Bonds (and/or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) together with accrued interest (if relevant) payable in connection with the redemption of the Bonds in accordance with Articles 5, 6, 9, 12.4.1 and 12.4.2 of these Terms and Conditions and in accordance with the relevant Issue Supplement, all liabilities of the Issuer under the Bonds, for purposes of Article 4 of these Terms and Conditions, will be deemed fully discharged as of the date on which the relevant amount is credited to the account of the Fiscal and Paying Agent.

7. <u>Payment terms</u>

7.1 Currency

The Issuer will pay the interest and the nominal value of the Bonds (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) solely in the currency in which the nominal value of the Bonds is denominated in the relevant Issue Supplement, unless the relevant Issue Supplement allows for payment of interest and/or the nominal value (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer will pay to the Bondholders at redemption or early redemption of the Bonds) in other currency or currencies. Interest (if relevant) will be paid to the Bondholders or the Couponholders (if any) and the nominal value of the Bonds (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) will be repaid to the Bondholders in accordance with these Terms and Conditions, as amended by the relevant Issue Supplement, and in accordance with any tax, foreign exchange and other relevant legislation of the Czech Republic in force at the time of the relevant payment.

In case that any currency or national currency unit in which the Bonds are denominated an/or in which the payments relating to the Bonds should be made in accordance with the relevant Issue Supplement ceases to exist and is replaced by EUR, (i) the denomination of such Bonds will be changed to EUR in accordance with applicable laws, and (ii) all monetary liabilities arising from such Bonds will be automatically due to in ER without further notice to the Bondholders, and the exchange rate at which the relevant currency or the national currency unit will be changed to EUR will be the official rate (i.e. a fixed conversion coefficient) stipulated by applicable laws. Such replacement of the relevant currency or national currency unit (i) will not affect in any respect the existence of the Issuer's liabilities arising from the Bonds or the enforcement of such liabilities, and (ii) should not be considered, for the avoidance of any doubts, as a change of these Terms and Conditions or of the Issue Supplement or as an Event of Default under these Terms and Conditions.

7.2 Date of payment

Payment of interest (if relevant) and redemption of the nominal value of the Bonds (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) will be made by the Issuer through the Fiscal and Paying Agent on the dates set forth in these Terms and Conditions and in the relevant Issue Supplement(each such day depending on the context will hereinafter be referred to as the "**Interest Payment Date**" or the "**Final Maturity Date**" or the "**Early Redemption Date**" and each such date will also hereinafter be referred to as the "**Date of Payment**"). If the relevant Issue Supplement provides that the Dates of Payment should be adjusted in accordance with a Business Day Convention, then in the event that a Date of Payment would fall on a day that is not a Business Day, such Date of Payment will instead fall on:

(a) the next following Business Day, if a "**Following**" Business Day Convention is set in the Issue Supplement; or

(b) the next following Business Day, but if such next following Business Day falls in the next calendar month, then the Date of Payment will instead fall on the nearest preceding Business Day, if a "**Modified Following**" Business Day Convention is set forth in the Issue Supplement; or

(c) the nearest preceding Business Day, if a "**Preceding**" Business Day Convention is set forth in the Issue Supplement;

and, unless provided otherwise in the relevant Issue Supplement, the Issuer will not be obliged to pay any interest or any other additional amounts for any time delay resulting from the application of any defined Business Day Convention.

7.3 Determination of the right to receive payments under the Bonds

7.3.1 Book-entered Bonds

(a) Unless these Terms and Conditions or the Issue Supplement provide otherwise, the authorised persons to whom the Issuer will pay interest on book-entered Bonds will be (i) those persons registered as the Bondholders in the Records as of the end of business on the relevant Record Date for Payment of Interest if the right to receive interest payments has not been detached from the Bonds in accordance with Article 1.2.1 of these Terms and Conditions (the "**Authorised Persons**"), and (ii) those persons registered as the Couponholders in the Records as of the end of business on the relevant Record Date for Payment of Interest if the right to receive interest payments has been detached from the Bonds in accordance with Article 1.2.1 of these Terms and Conditions (the "**Authorised Persons**"). For the purposes of determining the recipient of interest, neither Issuer nor the Fiscal and Paying Agent will take into account any transfers of any Bonds or Coupons (if any) made on and after the Ex-coupon Date relating to such payment, including the Ex-coupon Date.

(b) Unless these Terms and Conditions provide otherwise, the authorised persons to whom the Issuer will repay the nominal value of book-entered Bonds (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) will be those persons that are registered as the Bondholders in the Records as of the end of business on the relevant Record Date for Repayment of Nominal Value (the "**Authorised Persons**"). For the purposes of determining the recipient of the nominal value (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds), neither the Issuer nor the Fiscal and Paying Agent will take into account any transfers of the Bonds made commencing on the Ex-principal Date (inclusive) until the relevant Maturity Date.

(c) In case of Bonds with gradual redemption of their nominal value (the amortized Bonds, the authorised persons to whom the Issuer will redeem the relevant part of the nominal value of the book-entered Bonds will be (unless set provided otherwise in these Terms and Conditions) those persons that are registered as the Bondholders in the Records as of the end of business on the relevant Record Date for Repayment of Nominal Value (the "**Authorised Persons**"). In such case, the Date of Payment will also be the Interest Payment Date.

7.3.2 Certificated Bonds

(a) The authorised persons to whom the Issuer will pay interest on any certificated Bonds represented by a share on the Global Bond or on registered certificated Bonds will be those persons that will be the owners of the relevant Bonds as of the beginning of the relevant Interest Payment Date if the right to receive interest payments has not been detached from the Bonds (the "**Authorised Persons**"). In accordance with Article 1.2.4 of these Terms and Conditions, neither the Issuer nor the Fiscal and Paying Agent will take into account any transfers of Bonds made (or notified to the Issuer in case of registered certificated Bonds) in the course of the relevant Interest Payment Date. Following the issue of any specific certificated bearer Bonds, the Authorised Persons to whom the Issuer will make interest payments under the certificated Bonds will be those persons who present such bearer Bonds to the Fiscal and Paying Agent at the Specified Office on the Interest Payment Date. In case of failure to present any certificated bearer Bond on the relevant Interest Payment Date, the Issuer will consider as the Authorised Person such Bondholder who presents this Bond as the first one after the relevant Interest Payment Date. In case of the issue of Coupons, the Authorised Persons to whom the Issuer will make interest payments under the certificated Bonds will be the persons presenting the relevant Coupon (the **Authorised Persons**").

(b) In case of issue of certificated Bonds represented by a share on the Global Bond or of registered certificated Bonds, the authorised persons to whom the Issuer will redeem the nominal value of the registered certificated Bonds (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) will be those persons that will be the owners of the relevant Bonds as of the beginning of the relevant Maturity Date (the "**Authorised Persons**"). In accordance with Article 1.2.4 of these Terms and Conditions, neither the Issuer nor the Fiscal and Paying Agent will take into account any transfers of Bonds made (or notified to the Issuer in case of registered certificated Bonds) in the course of the relevant Maturity Date. Following the issue of any specific certificated bearer Bonds, the authorised persons to whom the Issuer will redeem the nominal value of the registered certificated Bonds (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) will be those persons who present such bearer Bonds to the Fiscal and Paying Agent at the Specified Office.

(c) In case of Bonds with gradual redemption of their nominal value (the amortized Bonds), the authorised persons to whom the Issuer will redeem the relevant part of the nominal value of the certificated Bonds represented by a share on the Global Bond or of registered certificated Bonds will be (unless set provided otherwise in these Terms and Conditions) those persons are the Bondholders as of the beginning of the relevant Interest Payment Date (the "**Authorised Persons**"). In accordance with Article 1.2.4 of these Terms and Conditions, neither the Issuer nor the Fiscal and Paying Agent will take into account any transfers of Bonds made (or notified to the Issuer in case of registered certificated Bonds) in the course of the relevant Interest Payment Date. Following the issue of any specific certificated bearer Bonds, the authorised persons to whom the Issuer will redeem the relevant part of the nominal value of the registered certificated Bonds will be those persons who present such bearer Bonds to the Fiscal and Paying Agent at the Specified Office on the Interest Payment Date. In case of failure to present any certificated bearer Bond on the relevant Interest Payment Date, the Issuer will consider as the Authorised Person such Bondholder who would be the first to present this Bond after the relevant Interest Payment Date. In such case, the Date of Payment will also be the Interest Payment Date.

7.4 Payments

The Fiscal and Paying Agent will made payments under the Bonds to the Authorized Persons by (i) wire transfer to their accounts kept with a bank in the Czech Republic, or (ii) in cash at the offices specified in the relevant Issue Supplement (the "**Payment Office"**).

7.4.1 Wire transfers

(a) The Fiscal and Paying Agent will make payments to the Authorised Persons by a wire transfer to their accounts kept with a bank in the Czech Republic according to the instruction that the Authorised Person delivers to the Fiscal and Paying Agent in a credible manner at the address of the Specified Office. The instruction shall be in the form of a signed written declaration with officially legalised signature or signatures containing sufficient information about the above-mentioned account allowing the Fiscal and Paying Agent to make the payment and shall be accompanied by an original or an officially certified copy of a certificate of tax domicile of the payment recipient for the relevant tax period and in the event that the recipient is a legal entity, also by an original or an officially certified copy of a valid extract from the Commercial Register of the payment recipient not older than 3 (three) months (such instruction together with extract from the Commercial Register (if relevant) and the certificate of tax domicile and any other relevant enclosures, the "**Instruction**"). In case of originals of foreign official instruments or deeds of official legalisation abroad, the appropriate higher or other legalisation, or the apostille under The Hague Convention (whichever is relevant) will be required. The Instruction will be in a form and content reasonably acceptable to the Fiscal and Paying Agent and the Fiscal and Paying Agent may require satisfactory evidence that the person who has signed the Instruction is authorised to sign such Instruction on behalf of the Authorised Person. Such evidence shall also be delivered to the Fiscal and Paying Agent together with the Instruction. In this respect, the Fiscal and Paying Agent may require, without limitation, (i) the presentation of power of attorney if the Authorised Person is represented (if necessary with an official translation into Czech) and (ii) an additional confirmation of the Instruction by the Authorised Person. Notwithstanding the foregoing, neither the Fiscal and Paying Agency nor the Issuer will be obliged to examine the correctness, completeness or authenticity of any such Instruction and neither of them will be liable for any damage caused by any delay by any the Authorised Persons in the delivery of the Instruction or any incorrectness or other defects of such Instruction. The Instruction will be considered properly made if it contains all information in accordance with this Article, is delivered to the Fiscal and Paying Agent in accordance with this Article and complies with the requirements of this Article in all other respects.

(b) Unless provided otherwise in the relevant Issue Supplement, the Instruction concerning book-entered Bonds or book-entered Coupons will be deemed filed in time if it is delivered to the Fiscal and Paying Agent not later than 5 (five) Business Days before the Date of Payment. An instruction concerning certificated Bonds will be deemed filed in time if it is delivered to the Fiscal and Paying Agent (i) not later than 5 (five) Business Days before the Date of Payment in case of payments made against deliver of a certificated Bond or a certificated Coupon, or (ii) in all other cases on the relevant date of Payment.

In case of certificated Bonds, the Instruction will become effective (i) upon presentation of the certificated bearer Bond, which may not be presented earlier than on the relevant Date of Payment (in case of payment of interest on such bearer Bond, if relevant), (ii) upon delivery of the certificated bearer Bond (in case of redemption or early redemption of such Bond), (iii) as of the relevant Date of Payment in case of registered certificated Bonds or certificated Bonds represented by a Global Bond. In case of Coupons, the Instruction will become effective upon the delivery of the relevant certificated Coupon at the earliest.

(c) The Issuer's liability to pay any amount due in connection with book-entered Bonds or book-entered Coupons will be considered performed in a due and timely manner if the relevant amount is remitted to the Authorised Person in accordance with a proper Instruction pursuant to paragraph (a) of this Article and if it is (i) credited to the account of the Authorised Person's bank in the clearing centre of the Czech National Bank if the payment is in the Czech currency, or (ii) debited from the Fiscal and Paying Agent's account if the payment is in any other than Czech currency, not later than on the relevant due date of such amount. The Issuer's liability to pay any amount due in connection with certificated Bonds or certificated Coupons will be considered performed in a due and timely manner if the relevant amount is remitted to the Authorised Person in accordance with a proper Instruction pursuant to paragraph (a) of this Article and if it is (i) credited to the account of the Authorised Person's bank in the clearing centre of the Czech National Bank if the payment is in the Czech currency, or (ii) debited from the Fiscal and Paying Agent's account if the payment is in any other than Czech currency, on the 5^{th} (fifth) Business Day after the Fiscal and Paying Agent has received a proper and effective Instruction, but not earlier than on the relevant Date of Payment. If any Authorised Person fails to deliver to the Fiscal and Paying Agent in time a proper Instruction pursuant to Article 7.4.1 of these Terms and Conditions, then the Issuer's liability to pay any amount due will be deemed performed in a due and timely manner *vis-à-vis* such Authorised Person if the relevant amount is remitted to the Authorised Person in accordance with a proper Instruction pursuant to Article 7.4.1 of these Terms and Conditions and if it is debited from the Fiscal and Paying Agent's account not later than within 5 (five) Business Days after the Fiscal and Paying Agent has received a proper Instruction.

(d) Neither the Issuer nor the Fiscal and Paying Agent will be liable for any delay in the payment of any amount due caused by the Authorised Person, e.g. by its failure to deliver a proper Instruction in a timely manner or by late presentation/deliver of a certificated Bond/Coupon. Furthermore, neither the Issuer nor the Fiscal and Paying Agent will be liable for any damage caused (i) by the failure to deliver properly and in time the Instruction or any other documents or information required under this Article 7.4, (ii) by the fact that such Instruction or such related documents or information were incorrect, incomplete or untrue, or (iii) by circumstances beyond the control of either of the Issuer or the Fiscal and Paying Agent. The Authorised Person will not be entitled to any interest or other compensation for the time delay of the relevant payment caused by such reasons.

7.4.2 Cash payments

(a) If so provided in the Issue Supplement, the Fiscal and Paying Agent will make payments to the Authorised Person in connection with the Bonds, if so requested by the Authorised Person, in cash in the Payment Office. The Fiscal and Paying Agent is entitled to demand identification of the Authorised Person or a sufficiently satisfactory evidence that the person demanding cash payments is entitled to receive such payment in the name of such Authorised Person. In this respect, the Fiscal and Paying Agent may request (i) the presentation of an identification document of the Authorised Person (an identity card or a passport if the Authorised Person is an individual); the Authorised Person which is a legal entity registered in the Commercial Register shall also present an original or an officially authenticated copy of a valid extract from the Commercial Register of such person, which may not be older than 3 (three) months, (ii) an original or an officially authenticated copy of a tax domicile certificate of the payment recipient for the relevant tax period, and if the Authorised Person is represented, also (iii) a power of attorney with an officially authenticated signature. If any of the required documents is in a language other than the Czech language, the original of such document shall be accompanied by its certified translation into the Czech language. In case of originals of foreign official instruments or deeds of official legalisation abroad, the appropriate higher or other legalisation, or the apostille under The Hague Convention (whichever is relevant) will be required. Notwithstanding the foregoing, neither the Fiscal and Paying Agency nor the Issuer will be obliged to examine the correctness, completeness or authenticity of any such Instruction and neither of them will be liable for any damage caused by any delay by any the Authorised Persons in the delivery of the Instruction or any incorrectness or other defects of such Instruction. The Instruction will be considered properly made if it contains all information in accordance with this Article, is delivered to the Fiscal and Paying Agent in accordance with this Article and complies with the requirements of this Article in all other respects.

(b) The Issuer's liability to pay any amount due in connection with the Bonds will be considered performed in a due and timely manner if the relevant amount may be paid to the Authorised Person in cash pursuant to paragraph (a) of this Article on the relevant Date of Payment or on any other day when it is possible with regard to the Fiscal and Paying Agent's technical possibilities. If any Authorised Person fails to deliver to the Fiscal and Paying Agent all documents requested by the Fiscal and Paying Agent pursuant to paragraph (a) of this Article, the Fiscal and Paying Agent will not make such payment, and such Authorised Person will not be entitled to any interest or additional payment for such time.

(c) If any payments are subject to the delivery or presentation of any specific Bond certificates or Coupons (if any), the effecting of the payment on its due date in accordance with paragraph (b) of this Article will be subject to the delivery or presentation of the relevant Bond certificates or Coupons (if any) by the Authorised Person to the Fiscal and Paying Agent in accordance with Article 7.3.2 of these Terms and Conditions on the relevant Date of Payment. If a certificated bearer Bond to which the payment relates is not presented to the Fiscal and Paying Agent on the relevant Date of Payment, the Issuer will consider as the Authorised Person the first person who will present such Bond after the relevant Date of Payment. All other terms and conditions of this Article 7.4.2 relating to timely delivery of the required documents to the Fiscal and Paying Agent will remain unaffected.

(d) Neither the Issuer nor the Fiscal and Paying Agent will be liable for any delay in the payment of any amount due caused by the fact that (i) the Authorised Person did not deliver a proper Instruction in a timely manner or did not deliver any other documents or information required under this Article 7.4.2, (ii) such Instruction, documents or information were incomplete, incorrect or not authentic, or (iii) such delay was caused by circumstances beyond the control of either of the Issuer or the Fiscal and Paying Agent, and the Authorised Person will not be entitled to any interest or additional payment in connection with any resulting time delay.

The Issuer and the Fiscal and Paying Agent are jointly entitled to decide on a modification of the payment procedure. However, such modification may not cause any detriment to the Bondholders or to the Couponholders (if any). The Bondholders or the Couponholders (if an) will be notified of such modification in accordance with Article 13 of these Terms and Conditions.

8. Taxation

The repayment of the nominal value (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) and payments of interest under the Bonds will be made without deduction of any taxes or charges of any nature unless such deduction is required by the relevant legislation of the Czech Republic in force at the time of such payment. If any such deduction of taxes or charges is required by the relevant legislation of the Czech Republic in force at the time of such payment, the Issuer will not be obliged to pay to the Bondholders or to the Couponholders (if any) any additional amounts to compensate for such deduction of taxes or charges unless provided otherwise in the relevant Issue Supplement.

9. Early Redemption of the Bonds following Events of Default

9.1 Events of Default

If any of the situations set forth below occurs and persists (each of such situations the "**Event of Default**"):

(a) *Payment default*

Any payment in connection with the Bonds is not made in accordance with these Terms and Conditions and such default is not remedied for more than 10 (ten) Business Days of the date when the Issuer was notified of such fact by any Bondholder by means of a letter delivered to the Issuer or to the address of the Fiscal and Paying Agent's Specified Office; or

(b) *Breach of other obligations*

The Issuer or (if relevant) the Guarantor fails to fulfil or to comply with any of its other obligation relating to the Bonds under these Terms and Conditions and such default is not remedied for more than 45 (forty five) Business Days of the date when the Issuer was notified of such fact by any Bondholder by means of a letter delivered to the Issuer or to the address of the Fiscal and Paying Agent's Specified Office; or

(c) *Defaulting on the other Issuer's Liabilities*

Any other liability or liabilities of the Issuer that in their aggregate exceed CZK 150,000,000 (one hundred and fifty million Czech crowns) or the equivalent thereof in any other currency are not duly paid by the Issuer within 25 (twenty five) calendar days of their due date or any applicable grace period, unless the Issuer in good faith legally contests such liability as to its amount or title and makes the payment within the period set by a final judgement of the relevant court or other authority that ordered the Issuer to pay; or

(d) *Insolvency*

The Issuer or (if relevant) the Guarantor becomes insolvent or files a petition for bankruptcy, for permission of restructuring or of discharge of debts or issued any other similar decision, or an insolvency petition in respect of the Issuer is refused by court due to lack of assets of the Issuer or (if relevant) of the Guarantor; or

(e) *Liquidation*

A court of the Czech Republic or (if relevant) of the Republic of France will issue a final judgement, or a resolution of the Issuer's or (if relevant) of the Guarantor's general meeting on the winding up of the Issuer or (if relevant) of the Guarantor with liquidation will be adopted; or

(f) *Termination of business activities*

The Issuer or (if relevant) the Guarantor discontinues its business activities or loses the licence to carry on its core business activities (particularly, in respect of the Issuer, the provision of consumer loans); or

(g) *Discharge or termination of the Guarantee*

The Guarantee or any of its provisions, at any time, for any reason, ceases to be, or is claimed by the Guarantor not to be, in full force and effect; or

(h) *Other specific reasons*

Any other specific Events of Default in respect of any single Bond Issue as set forth in the relevant Issue Supplement occur;

then:

(i) any Bondholder, at its discretion, by a written notice addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office (the "**Acceleration Notice**"), may require early redemption of the nominal value of the Bonds (or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at early redemption of the Bonds), held by such Bondholder, and any accrued and unpaid interest in accordance with Article 5.1(e) or

5.2(f) of these Terms and Conditions as of the Early Redemption Date and the Issuer will redeem such Bonds (together with accrued and unpaid interest) in accordance with Article 9.2 of these Terms and Conditions. If the Coupons have been issued in respect of the Bonds of the relevant issue, all Coupons that are not yet payable and belong to a Bond must be returned with such Bond, otherwise the Retained Coupon Value will be deducted from the amount payable to such Bondholder and will be paid to the Couponholder exclusively against the delivery of such Coupon. All Coupons which belong to the Bonds covered by the Acceleration Notice and which are not returned together with such Bonds will become payable as of the same day as the Bonds at the Retained Coupon Value; or

(ii) with Zero Coupon Bonds, any Bondholder, at its own discretion, may require early redemption of the Bonds held by such Bondholder that will not be disposed of by such Bondholder since such time, by a written notice addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office (the "**Acceleration Notice**") at the Discounted Value of such Bonds (or at such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders on early redemption) as of the Early Redemption Date and the Issuer will redeem such Bonds in accordance with Article 9.2 of these Terms and Conditions.

9.2 Due date of accelerated Bonds

Any amounts payable by the Issuer to any Bondholder pursuant to clause (i) and (ii) of the previous Article 9.1 of these Terms and Conditions will become payable as of the last Business Day in the month following the month in which the Bondholder delivered the relevant Acceleration Notice addressed to the Issuer to the Fiscal and Paying Agent at the Specified Office (the "**Early Redemption Date**").

9.3 Withdrawal of Acceleration Notice

A Bondholder may withdraw the Acceleration Notice, but only in relation to the Bonds owned by such Bondholder and only if such withdrawal is addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office before the relevant amounts become payable in accordance with Article 9.2 of these Terms and Conditions. Such revocation will not affect any Acceleration Notice of any other Bondholders.

9.4 Other early redemption terms

Article 7 of these Terms and Conditions will apply *mutatis mutandis* to early redemption of the Bonds in accordance with this Article 9.

10. Statute of limitations

All rights under the Bonds and Coupons will come under the statute of limitations upon the expiration of 10 (ten) years of the day when they could be exercised for the first time.

11. Fiscal and Paying Agent, Calculation Agent and Listing Agent

11.1 Fiscal and Paying Agent

11.1.1 Fiscal and Paying Agent and Specified Office

Unless provided otherwise in the relevant Issue Supplement and unless changed in accordance with Article 11.1.2 of these Terms and Conditions, KB will be the Fiscal and Paying Agent. Unless provided otherwise in the relevant Issue Supplement and unless changed in accordance with Article 11.1.2 of the Terms and Conditions, the Specified Office will be at the following address:

Komerční banka, a.s.
Václavské náměstí 42
114 07 Praha 1

11.1.2 Additional or another Fiscal and Paying Agent, Specified Office and Payment Office

The Issuer reserves the right to designate an additional or another Specified Office or another or additional Payment Office and to appoint another or additional Fiscal and Paying Agent. Such other or additional Specified Office, Payment Office and such other or additional Fiscal and Paying Agent will be set forth in the relevant Issue Supplement prior to any specific Bond Issue. If a change of the Fiscal and Paying Agent or the Specified Office or the Payment Office occurs with respect to an issued Bond Issue, the Issuer will notify the Bondholders of such change of the Specified Office, the Payment Office or the Fiscal and Paying Agent in the manner set forth in Article 13 of these Terms and Conditions and any such change will become effective on the expiration of fifteen (15) calendar days following the day of such notice unless a later effective date is set forth in such notice. In any case, any change that would otherwise become effective less than thirty (30) calendar days before or after a Date of Payment of any amount under the Bonds or the Coupons (if any) will become effective on the thirtieth (30^{th}) day after such Date of Payment.

11.1.3 Relationship between Fiscal and Paying Agent and Bondholders

In connection with the fulfilment of the duties under the Fiscal and Paying Agent Contract executed between the Issuer and the Fiscal and Paying Agent (other than the Issuer), the Fiscal and Paying Agent acts as the Issuer's agent and has no legal relationship with the Bondholders.

11.2 Calculation Agent

11.2.1 Calculation Agent

Unless provided otherwise by the relevant Issue Supplement and unless changed in accordance with Article 11.2.2 of these Terms and Conditions, KB will be the Calculation Agent.

11.2.2 Additional and other Calculation Agent

The Issuer reserves the right to appoint another or additional Calculation Agent. Such other or additional Calculation Agent will be set forth in the relevant Issue Supplement prior to any specific Bond Issue. If a change of the Calculation Agent occurs with respect to an issued Bond Issue, the Issuer will notify the Bondholders of such change of the Calculation Agent in the manner set forth in Article 13 of these Terms and Conditions and any such change will become effective on the expiration of fifteen (15) calendar days following the day of such notice unless a later effective date is set forth in such notice. In any case, any change that would otherwise become effective less than fifteen (15) calendar days before or after the date when the Calculation Agent is required to make any calculation in connection with the Bonds will become effective on the fifteenth (15^{th}) calendar day of such date when the Calculation Agent was required to make such calculation.

11.2.3 Relationship between Calculation Agent and Bondholders

In connection with the fulfilment of the duties under the Calculation Agent Contract executed between the Issuer and the Calculation Agent (other than the Issuer) , the Calculation Agent acts as the Issuer's agent and has no legal relationship with the Bondholders.

11.3 Listing Agent

11.3.1 Listing Agent

Unless provided otherwise in the relevant Issue Supplement and unless changed in accordance with Article 11.3.2 of these Terms and Conditions, KB will be the Listing Agent.

11.3.2 Other and additional Listing Agent

The Issuer reserves the right to appoint another or additional Calculation Agent. Such other or additional Calculation Agent will be set forth in the relevant Issue Supplement prior to any specific Bond Issue.

11.3.3 Relationship between the Listing Agent and the Bondholders

In connection with the fulfilment of the duties under the Calculation Agent Contract executed between the Issuer and the Calculation Agent (other than the Issuer) , the Calculation Agent acts as the Issuer's agent and has no legal relationship with the Bondholders.

12. <u>Bondholders' Meeting and amendments to the Terms and Conditions</u>

12.1 Bondholders' Meeting: authority and convocation

12.1.1 Right to convene the Bondholders' Meeting

The Issuer or one or more Bondholders may convene the Bondholders' Meeting if so required in order to agree on the common interests of the Bondholders, in accordance with these Terms and Conditions and the relevant Issue Supplement. The costs incurred in connection with the holding and convocation of the Bondholders' Meeting will be borne by the convening person, unless stipulated otherwise by the law. The costs connected with the attendance at the Bondholders' Meeting will be borne by each participant itself. If the convening person is one or more Bondholders, such convening person will be required, not later than on the date of the publication of the notice of the Bondholders' Meeting (see Article 12.1.3 of these Terms and Conditions) (i) to deliver to the Fiscal and Paying Agent a request for the provision of a document listing the number of all Bonds in the issue to which the Bondholders' Meeting relates that authorise the participation in the Bondholders' Meeting, i.e., an extract from the Issuer's relevant Register of Bondholders of book-entered Bonds or certificated Bonds represented by a Global Bond or certificated registered Bonds, and (ii) where applicable, to pay an advance to the Fiscal and Paying Agent for costs incurred in connection with its services related to the Bondholders' Meeting. The proper and timely delivery of the request under (i) above and the payment of the advance under (ii) above will be the conditions for validly convening the Bondholders' Meeting

12.1.2 Bondholders' Meeting convened by the Issuer

The Issuer will be required to promptly convene the Bondholders' Meeting and request at it the position of the Bondholders of any Bonds issued within a single issue on the following questions (each of them the "**Fundamental change**"):

(a) the Issuer's proposal for (i) any amendment or amendments to these Terms and Conditions except for any changes in these Terms and Conditions implemented by a Issue Supplement, or (ii) any amendment or amendments to any already existing Issue Supplement relating to a particular Bond Issue; the provisions of clauses (i) and (ii) will not apply to such changes that do not require the Bondholders' consent under applicable laws; or

(b) the Issuer's proposal for its transformation (under the relevant provisions of Act No. 125/2008 Coll. on Transformation of Companies and Cooperatives, as amended); or

(c) the Issuer's proposal for the execution of a controlling agreement or of an agreement on transfer of profit under the relevant provisions of Act No. 513/1991 Coll., the Commercial Code, as amended (the "**Commercial Code**"), whichever party of such agreement is the Issuer; or

(d) the Issuer's proposal for the execution of a contract for sale or lease of its enterprise or any part thereof under the relevant provisions of the Commercial Code, whichever party of such contract is the Issuer, provided that this can jeopardise proper and timely repayment of receivables under the Bonds; or

(e) the Issuer's default with the satisfaction of any rights attached to the Bonds which persists for more than 7 (seven) calendar days of the day when the relevant right could be exercised; or

(f) the Issuer's proposal for an application to withdraw the Bonds from trading in the regulated market; or

(g) any other changes that may significantly worsen the Issuer's ability to fulfil its Liabilities under the Bonds.

12.1.3 Notice of Bondholders' Meeting

The convening person is required to publish a notice of the Bondholders' Meeting in a manner set forth in Article 13 of these Terms and Conditions. If the Bondholders’ Meeting is convened by one or more Bondholders, such Bondholders will deliver the notice of the Bondholders' Meeting within the same time limit to the Issuer at the address of the Specified Office. If the Issuer does not convene the Bondholders' Meeting by itself, he will provide all assistance required for proper notification of the Bondholders' Meeting. Unless provided otherwise in the relevant Issue Supplement, a notice of the Bondholders' Meeting will include, without limitation, (i) the business name, registered office and identification number of the Issuer, (ii) the designation of the Bonds to which the Bondholders' Meeting should relate, i.e., at least the Bond title, the Issue Date and ISIN, (iii) the venue, date and time of the Bondholders' Meeting provided that such venue must be in Prague, the date of the Bondholders' Meeting must fall on a date which is a Business Day and the time of the Bondholders' Meeting may not be earlier than 4:00 p.m. and (iv) the agenda of the Bondholders' Meeting, including any draft amendment to the issue terms and (v) the Meeting Attendance Conclusive Date. The Bondholders' Meeting is only entitled to adopt draft resolutions set forth in the notice of the Bondholders' Meeting; any other draft resolutions that were not set forth in the Bondholders' Meeting agenda in the notice of the Bondholders' Meeting may be reviewed only in the presence of all Bondholders entitled to vote at such Bondholders' Meeting.

12.2 Persons entitled to attend and to vote at Bondholders' Meeting

12.2.1 Book-entered Bonds

Unless provided otherwise in the relevant Issue Supplement, the Bondholders' Meeting may only be attended by holders of book-entered Bonds registered as the Bondholders on the Records by the Close of the Settlement Day three (3) Business Days prior to the day when the relevant Bondholders' Meeting is held (the "**Meeting Attendance Conclusive Date**"). No transfers of Bonds effectuated after the Meeting Attendance Conclusive Date will be taken into account

12.2.2 Certificated Bonds

Unless provided otherwise in the relevant Issue Supplement, the Bondholders' Meeting may only be attended by holders of a given certificated Bonds Issue (the "**Persons Authorised to Attend the Meeting**") registered by the Fiscal and Paying Agent (or any other person authorised thereto as set out in the relevant Issue Supplement) as persons participating in the Global Bond by a certain number of Bonds on the Records by the Close of the Settlement Day three (3) Business Days prior to the day when the relevant Bondholders' Meeting is held (the "**Meeting Attendance Conclusive Date**"). After the issue of any specific certificated Bonds only the Bondholders who hold such Bonds as of the Bondholders' Meeting date will be entitled to participate and vote at the Bondholders' Meeting (in case of the issue of such specific certificated Bonds, the Bondholders' Meeting date is referred to as the "**Meeting Attendance Conclusive Date**"). In case of certificated Bonds, the relevant person must be registered in the Bondholders List at the beginning of the Meeting Attendance Conclusive Date. No transfers of any Bonds represented by a share on the Global Bond made during the Meeting Attendance Conclusive Date will be taken into account. No transfers of registered Bonds reported to the Issuer during the Meeting Attendance Conclusive Date will be taken into account. No transfers of certificated bearer Bonds made after the opening of the Bondholders' Meeting will be taken into account.

12.2.3 Voting right

Each Bondholder entitled to participate in the Bondholders' Meeting will have such number of votes out of the total votes that corresponds to the ratio between the face value of the Bonds owned by such Bondholder as of the Meeting Attendance Conclusive Date and the aggregate unredeemed nominal value of the Bond Issue as of the Meeting Attendance Conclusive Date. Any Bonds held by the Issuer as of Meeting Attendance Conclusive Date that have not been early redeemed by the Issuer in accordance with Article 6.5 of these Terms and Conditions should not vote and should not be taken into account for purposes of determining a quorum. If the Bondholders' Meeting decides on the recalling of the joint representative, the joint representative (if he is a Person Authorised to Attend the Meeting) may not exercise his voting right.

12.2.4 Participation of other persons in the Bondholders' Meeting

The Issuer is required to participate in the Bondholders' Meeting either personally or through a proxy. The Couponholders (if any) are entitled to participate in the Bondholders' Meeting without a right of vote. Also, representatives of the Fiscal and Paying Agent, the joint representative of the Bondholders pursuant to Article 12.3.3 of these Terms and Conditions (unless he is a Person Authorised to Attend the Meeting) and guests invited by the Issuer and/or the Fiscal and Paying Agent may participate in the Bondholders' Meeting.

12.3 Course of the Meeting; Decision-making

12.3.1 Quorum

A Bondholders' Meeting will have a quorum if attended by one or more Persons Authorised to Attend the Meeting who were as of the Meeting Attendance Conclusive Date holders of Bonds whose nominal value exceeds 30% of the aggregate nominal value of all issued and outstanding Bonds of such issue as of the Meeting Attendance Conclusive Date. If the Bondholders' Meeting decides on the recalling of the joint representative, the joint representative (if he is a Person Authorised to Attend the Meeting) may not exercise his voting right. Before opening of the Bondholders' Meeting, the Issuer will inform, either by itself or through the Fiscal and Paying Agent, about the number of all Bonds with respect to which Persons Authorised to Attend the Meeting are entitled to participate and vote at the Bondholders' Meeting in accordance with these Terms and Conditions and the relevant Issue Supplement.

12.3.2 Chairman of the Bondholders' Meeting

Bondholders' Meetings convened by the Issuer will be presided over by a chairman appointed by the Issuer. Bondholders' Meetings convened by one or more Persons Authorised to Attend the Meeting will be presided over by a chairman elected by the simple majority of votes of the present Persons Authorised to Attend the Meeting. Until the election of the chairman, the Bondholders' Meeting will be presided over by a person appointed by the convening Bondholder(s), and the election of the chairman will be the first item on the agenda of any Bondholders' Meeting not convened by the Issuer-

12.3.3 Joint representative

A Bondholders' Meeting may elect a natural or a legal person to act as the joint representative and authorise such joint representative to enforce any rights of the Bondholders before a court or any other body, or to supervise the compliance with these Terms and Conditions and the relevant Issue Supplement. Bondholders' Meetings may remove such joint representative in the same manner as such joint representative was elected or replace such joint representative by another joint representative.

12.3.4 **Decision/making at the Bondholders' Meeting**

The Bondholders' Meeting will decide on any issues on its agenda by way of resolutions. Resolutions adopting amendments to these Terms and Conditions and to a Issue Supplement relating to Bonds issued in a single issue for which approval of the Bondholders' Meeting is necessary in accordance with Article 12.1.2(a) of these Terms and Conditions, or the appointment or and removal of the joint representative, require the approval by votes representing at least 3/4 (three-fourths) of votes of Persons Authorised to Attend the Meeting. Any other resolutions require the simple majority of votes of the present Persons Authorised to Attend the Meeting.

12.3.5 Adjourned Bondholders' Meeting

If the Bondholders' Meeting does not have a quorum within one hour after the scheduled opening of such Bondholders' Meeting, such Bondholders' Meeting will be adjourned without further notice to a time and venue as determined by the chairperson of the Bondholders' Meeting. Provisions for holding of a regular Bondholders' Meeting will apply equally to such adjourned Bondholders' Meeting. If convened by the Issuer, the Issuer may decide that such Bondholders' Meeting will be adjourned to a time and venue determined by the chairman of the Bondholders' Meeting. Provisions for holding of a regular Bondholders' Meeting will apply equally to such adjourned Bondholders' Meeting.

12.4 Some other rights of Bondholders

12.4.1 Consequence of voting against certain resolutions of the Bondholders' Meeting

If the Bondholders' Meeting approved a Fundamental Change in accordance with Article 12.1.2 (a) through (g) of these Terms and Conditions, the Persons Authorised to Attend the Meeting in accordance with Article 12.2 of these Terms and Conditions that according to the minutes of such Bondholders' Meeting who voted against such resolution as indicated by the minutes of the Bondholders' Meeting or who did not participate at such Bondholders' Meeting (the "**Applicant**") may, require the repayment of the face value of the Bonds (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) which such Bondholder owned as of the Meeting Attendance Conclusive Date and that will not been disposed of since such time, together with pro rata interest accrued in accordance with these Terms and Conditions (if relevant). This right will expire unless claimed by the Applicant within 30 (thirty) days of the publication date of such resolution of the Bondholders' Meeting in accordance with Article 12.5 of these Terms and Conditions by a written notice (the "**Application**") addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office. The above amounts will become payable 30 (thirty) days month after the date when the Application was delivered to the Fiscal and Paying Agent (the "**Early Redemption Date"**).

12.4.2 Resolution on early redemption of the Bonds upon Bondholders' application

If the agenda of Bondholders' Meeting includes a Fundamental Change under Article 12.1.2(b) to (g) of these Terms and Conditions and the Bondholders' Meeting disagrees with such Fundamental Changes, then the Bondholders' Meeting may, even outside the approved agenda, resolve that if the Issuer proceeds in conflict with the resolution of the Bondholders' Meeting that disagreed with the Fundamental Changes Article 12.1.2(b) to (g) of these Terms and Conditions, the Issuer will redeem early to the Bondholders who apply for it (the "**Applicant")** the face value of the Bonds (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) of that particular issue and the pro rata accrued interest (if relevant). Such amounts will become payable one month following the date of the Bondholders' Meeting (also, the "**Early Redemption Date**"). This right will expire unless claimed by the Applicant by a written notice (the "**Application**") addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office. The above amounts will become payable 30 (thirty) days month after the delivery date of the Application (the "**Early Redemption Date"**).

12.4.3 Particulars of the Application

The Application shall specify the number of Bonds whose redemption is claimed in accordance with the Article. The Application shall be in writing and shall be signed by persons authorised to act in the Applicant's name, whose signatures shall be officially authenticated. The Applicant shall also deliver to the Fiscal and Paying Agent at the address of the Specified Office within the same time limit all document required for making the payment under Article 7 of these Terms and Conditions.

12.4.4 Return of Bonds and Coupons

If the Coupons have been issued to the Bonds of a particular issue, all Coupons belonging to each Bond that are not yet payable shall be returned with such Bond, otherwise the Retained Coupon Value will be deducted from the amount payable to such Bondholder and will be paid to the Couponholder exclusively against the delivery of the Coupon. All Coupons belonging to each Bond subject to early redemption in accordance with Article 12.4.1 or 12.4.2 of these Terms and Conditions that have not been returned together with such Bond will become payable as of the same date as the relevant Bond at the Retained Coupon Value.

12.5 Minutes of the Bondholders' Meeting

The convening person, by itself or through an authorised person, will make within 30 (thirty) days after date of the Bondholders' Meeting minutes containing the conclusions of such Bondholders' Meeting, and especially any resolutions adopted by such Bondholders' Meeting. If the Bondholders' Meeting is convened by one or more Bondholders, the minutes of such Bondholders' Meeting shall also be delivered to the Issuer at the Specified Office address not later than 30 (thirty) days after date of the Bondholders' Meeting. The Issuer shall keep the minutes of such Bondholders' Meeting until the rights under the Bonds come under the statute of limitations. The minutes of the Bondholders' Meeting shall be available for inspection by the Bondholders during the usual business hours at the Specified Office. The Issuer, by itself or through an authorised person (e.g., the Fiscal and Paying Agent), shall publish all resolutions of the Bondholders' Meeting in the manner set forth in Article 13 of these Terms and Conditions and in the manner in which the Issuer published the relevant Issue Supplement. If the Bondholders' Meeting has also discussed any of the matters set forth in Article 12.1.2(a) to (g) of these Terms and Conditions, a notarial record shall also be made in connection with attendance of such Bondholders' Meeting. If the Bondholders' Meeting adopts such resolutions, the notarial record will list the names of Persons Authorised to Attend the Meeting who voted for the adoption of such resolution, and the numbers of Bonds of the relevant issue held by such persons as of the Meeting Attendance Conclusive Date

12.6 Joint Bondholders' Meeting

If the Issuer has issued more than one Bonds issue within the Programme, it shall convene a joint meeting of Bondholders of all issued and unpaid Bonds to discuss Fundamental Changes under Article 12.1.2. (b) to (g). The Issuer shall also convene a joint Bondholders' Meeting if it has issued more than one Bonds issue under the Programme and proposes such amendment to these Terms and Conditions that requires the Bondholders' consent under applicable laws. Provisions for holding of a regular Bondholders' Meeting will apply *mutatis mutandis* to such joint Bondholders' Meeting, but the quorum, the number of votes of Persons Authorised to Attend the Meeting and the adoption of resolutions of such Bondholders' Meeting will be assessed separately by each Bonds issue like in case of meetings of Bondholders holding Bonds of each such issue. The notarial record made of a joint Bondholders' Meeting that has adopted resolutions regarding Fundamental Changes will specify the numbers of Bonds held by each Person Authorised to Attend the Meeting, divided by individual Bond issues.

13. Notices

Any notice to the Bondholders will be valid and effective if published in the Czech language in the Issuer's website. If the mandatory provisions of applicable laws or these Terms and Conditions require another method of publication of any notice hereunder, such notice will be deemed validly published upon its publication in the manner prescribed by the relevant legislation. In case of any notice published by more than manner, the publication date of such notice will be deemed to be the date of its first publication. Notices to Couponholders (if any) are deemed to be duly made by means of notices to Bondholders published in accordance with this Article.

14. Governing law, language

All rights and duties resulting from the Bonds (with the exception of the Guarantee) will be governed by and construed in accordance with Czech law. All rights and duties resulting from the Guarantee will be governed by and construed in accordance with French law. The Municipal Court in Prague will have jurisdiction over any disputes between the Issuer and the Bondholders or the Couponholders (if any) in connection with the Bonds, these Terms and Conditions and any Issue Supplement. The Paris Court of Appeals (*Cour d'Appel de Paris*) will have jurisdiction over any disputes between the Guarantor and the Bondholders or the Couponholders (if any) in connection with the Guarantee. These Terms and Conditions and Issue Supplements may be translated into English and/or any other languages. In such case, in the event of any discrepancies between various language versions, the Czech version will prevail.

15. Definitions

In these Terms and Conditions, the following terms will have the meanings set forth below:

"**Fiscal and Paying Agent**" has the meaning set forth in the recitals of these Terms and Conditions.

"**Calculation Agent**" has the meaning set forth in the recitals of these Terms and Conditions.

"**Issue Date**" means the first day when the Bonds of any particular issue may be issued to the first bondholder as set forth in the relevant Issue Supplement.

"**Ex-principal Date**" means, with respect to book-entered Bonds, the day immediately following the Record Day for Repayment of Nominal Value; for the purposes of determining the Ex-principal Date, the Ex-principal Date will not be adjusted pursuant to the Business Day Convention.

"**Ex-coupon Date**" means, with respect to book-entered Bonds, the day immediately following the Record Day for Payment of Interest; for the purposes of determining the Ex-coupon Date, the Ex-coupon Date will not be adjusted pursuant to the Business Day Convention.

"**Final Maturity Date**" means any day designated as such in the Issue Supplement, as set forth in Article 7.2 of these Terms and Conditions.

"**Early Redemption Date**" has the meaning set forth in Articles 6.2.2, 6.3.2, 7.2, 9.2, 12.4.1 and 12.4.2 of these Terms and Conditions, and it further means any other day designated as such in the Issue Supplement.

"**Bonds Maturity Date"** means both the Final Maturity Date and the Early Redemption Date.

"**Reference Rate Determination Date"** means the date as of which the Reference Rate for the relevant Interest Period is determined and that is stated as such in the relevant Issue Supplement. Unless stipulated otherwise in the Issue Supplement or in these Terms and Conditions, the Reference Rate Determination Date for the relevant Interest Period will be the second (2^{nd}) Business Day before the first day of such Interest Period or, if the Reference Rate is an Index or a Basket, the Reference Rate Determination Date for the relevant Interest Period will be the second (2^{nd}) Business Day before the end of such Interest Period.

"**Date of Payment**" means each Interest Payment Date, the Final Maturity Date or the Early Redemption Date, as stated in Article 7.2 of these Terms and Conditions.

"**Interest Payment Date**" means any day designated as such in the relevant Issue Supplement, as set forth in Article 7.2 of these Terms and Conditions.

"**Discount Rate**" means the interest rate set forth as such in the relevant Issue Supplement with respect to Zero Coupon Bonds. If no Discount Rate is set forth in the relevant Issue Supplement, the Discount Rate will equal the interest rate at which the Discounted Value of the Bonds as of the Issue Date equals the Issue Price of the Bonds as of the Issue Date (i.e., the interest rate which would produce the Discounted Value of such Bond as of the Issue Date equal to the Issue Price of such Bond as of the Issue Date if used to back-discount the nominal value of a Bond from the Final Maturity Date to the Issue Date). For the avoidance of doubt, the Discount Rate will not equal the discount rate of the Czech National Bank or any other Financial Centre.

"**Discounted Value**" with respect to a Zero Coupon Bond means the nominal value of such Bond discounted at the Discount Rate from the Final Maturity Date to the day as of which the Discounted Value is calculated. If the calculation is made for a period shorter than one year, the relevant Day Count Fraction will be applied.

"**Bonds**" has the meaning set forth in the recitals of these Terms and Conditions.

"**Bond Programme**" means the Issuer's bond programme in the maximum volume of 10,000,000,000 CZK (or an equivalent of such amount in other currencies) for the 5 years' duration of the programme.

"**Additional Issue Period"** means the additional period set forth by the Issuer after the expiry of the Issue Period in which the Bonds of the relevant issue may be issued, even beyond the formerly envisaged issue volume. With respect to book-entered Bonds, the Additional Issue Period will end in any case on the decisive day for redemption of the Bonds of the relevant Issue at the latest; with respect to all other Bonds, the Additional Issue Period will end on the Final Maturity Date.

"**Bonds Programme Supplement**" means a supplement to the Bonds Programme for each individual Bond Issue, i.e. for the part of the Issue Terms and Conditions of the Bonds that is specified for the relevant Bonds Issue.

"**Issue Supplement**" means a document containing (i) a Bonds Programme Supplement for each individual Bond and, if relevant, also (ii) the Bonds Prospectus or final terms and conditions of the Bond (if there is a valid base prospectus of the Bond Programme), as well as (iii) any other relevant information about the Issuer and the Bonds that is or will be required under the applicable legislation, the regulations in force in the relevant public securities markets where such Bond Issue is to be listed or that may otherwise be relevant for investors.

"**Issue Period**" means the period of 24 (twenty four) months following the Issue Date during which the Bonds of a particular issue may be issued, unless stipulated otherwise in the Bonds Programme Supplement.

"**Issuer**" has the meaning set forth in the recitals of these Terms and Conditions.

"**Terms and Conditions**" means these general terms and conditions of the Bonds Programme.

"**EURIBOR**" means:

(A) the interest rate in per cent. p.a. offered for EUR that is quoted in monitor "Reuters Screen Service", EURIBOR page (or any successor page) for such period that corresponds to the relevant Interest Period and valid on the day when EURIBOR is determined. If EURIBOR is not quoted in the above EURIBOR page for any relevant Interest Period, then the Calculation Agent will determine EURIBOR from EURIBOR for the nearest longer period for which LIBOR is quoted in the aforementioned EURIBOR page and EURIBOR for the nearest shorter period for which EURIBOR is quoted in the aforementioned EURIBOR page. If EURIBOR cannot be determined in the manner set forth in tits paragraph, then paragraph (B) below will apply.

(B) If EURIBOR cannot be determined on any day according to paragraph (A) above, then the Calculation Agent will determine EURIBOR on such day as the arithmetic mean of the interest rates quoted for the sale of interbank deposits in EUR for such period that corresponds to the relevant Interest Period and the relevant amount obtained on such day after 11:00 (eleven) hours, Brussels time from at least three banks operating in the relevant interbank market selected by the Calculation Agent at its discretion. If EURIBOR cannot be determined in tits manner either, the annual interest rate will equal to EURIBOR determined in accordance with paragraph (A) above on the nearest previous Business Day when EURIBOR could have been determined in such a manner.

"**Records"** has the meaning set forth in Article 1.2.3 (b) above.

"**Financial Centre"** means with respect to a currency the place where the Reference Rates for such currency are predominantly quoted and where the interbank payments in such currency are settled, unless provided otherwise in the relevant Bonds Programme Supplement.

"**Retained Coupon Value**" means the amount of the Coupon discounted as of the Early Redemption Date at the discount rate determined by the Calculation Agent (or by the Administrator if the Calculation Agent is not appointed) based on the market interest rates at such time; provided, however, that the discount rate determined by the Calculation Agent or the Fiscal and Paying Agent pursuant to the previous sentence may not be lower than the rate at which the aggregate discounted value of all Coupons that are not yet payable would exceed as of such Early Redemption Date the face value of the Bond (or such other value as may be set forth in the Issue Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) to which such outstanding Coupons belong.

"**Index**" means the index set forth in the Bonds Programme Supplement whose value is set by the Calculation Agent for each date as of which it is to be determined by means of deduction of its value from the relevant Reference Rate source.

"**Instruction**" has the meaning set forth in Article 7.4.1 (a) above.

"**CNB**" means the Czech National Bank, which exercises supervision over the capital market in accordance with Act No. 15/1998 Coll. on Supervision in the Capital Market Area and on the Amendment to Other Laws, or another person that may hold in future the relevant powers of the Czech National Bank.

"**Close of the Settlement Day**" means the moment when the central depository or the person keeping records of Bondholders or shares in the Global Bond or the Bondholder List (whichever is relevant in relation to the Bonds Issue in question) would make, in accordance with the laws and rules applying to it, the registration of the transfer of a Bond or of a share in the Global Bank as of the next day.

"**Basket"** means the value of a portfolio of securities, other assets, interest rates or other items stated in the Issue Supplement as values from which the Basket is calculated, determined by the Calculation Agent for each date as of which it is to be determined from the relevant Reference Rate source under a formula set forth in the Issue Supplement.

"**Listing Agent**" has the meaning set forth in the recitals of these Terms and Conditions.

"**Coupons**" has the meaning set forth in Article 1.2.1 above.

"**LIBOR**" means:

(A) the interest rate in per cent. p.a. offered for the relevant currency that is quoted in the "Reuters Monitor" LIBOR page (or any successor page) for such period that corresponds to the relevant Interest Period and valid on the day when LIBOR is determined. If LIBOR is not quoted in the above LIBOR page for any relevant interest period, then the Calculation Agent will determine LIBOR from LIBOR for the nearest longer period for which LIBOR is quoted in the aforementioned LIBOR page and LIBOR for the nearest shorter period for which LIBOR is quoted in the aforementioned LIBOR page. If LIBOR cannot be determined in the manner set forth in tits paragraph, then paragraph (B) below will apply.

(B) If LIBOR cannot be determined on any day according to paragraph (A) above, then the Calculation Agent will determine LIBOR on such day as the arithmetic mean of the interest rates quoted for the sale of interbank deposits in the relevant currency for such period that corresponds to the relevant Interest Period and the relevant amount obtained on such day after 11:00 (eleven) hours, London time from at least 3 (three) banks operating in the London interbank market selected by the Calculation Agent at its discretion. If LIBOR cannot be determined in tits manner either, the annual interest rate will equal to LIBOR determined in accordance with paragraph (A) above on the nearest previous Business Day when LIBOR could have been determined in such a manner.

"**Margin**" means the margin over the Reference Rate expressed in per cent p.a. set forth in the relevant Issue Supplement.

"**Authorised Persons**" has the meaning set forth in Article 7.3 of these Terms and Conditions, unless otherwise provided by law.

"**Person authorized to attend a Meeting**" has the meaning set forth in Articles 12.2.1 and 12.2.2 of these Terms and Conditions.

"**Early Redemption Notice**" has the meaning set forth in Article 9.1 of these Terms and Conditions.

"**Payment Office**" has the meaning set forth in Article 7.4 of these Terms and Conditions.

"**Business Day**" means (a) with respect to Bonds denominated in the Czech currency any day when banks are open for business in the Czech Republic and interbank payments in Czech crowns are settled, (b) with respect to Bonds denominated in EUR any day when banks are open for business in the Czech Republic and foreign currency transactions are settled in the Czech Republic and also the TARGET system is open for settlement of payments, and (c) with respect to Bonds denominated in currencies other than the Czech currency or EUR any day when banks are open for business and foreign currency transactions are settled in the Czech Republic and in the main Financial Centre for that currency in which the Bonds are denominated.

"**PRIBOR**" means:

(A) the interest rate in per cent. p.a. offered for the relevant currency that is quoted in the "Reuters Screen Service" PRBO page (or any other official source where such rate will be quoted) as the value of the Prague interbank offer rates for Czech crown interbank deposits for such period that corresponds to the relevant Interest Period, set out by the Czech National Bank, valid on the day when PRIBOR is determined. If PRIBOR is not quoted in the aforementioned PRBO page (or other official source) for the relevant Interest Period, then the Calculation Agent will determine PRIBOR from PRIBOR for the nearest longer period for which PRIBOR is quoted in the aforementioned PRBO page (or other official source) and PRIBOR for the nearest shorter period for which PRIBOR is quoted on the aforementioned PRBO page (or other official source). If PRIBOR cannot be determined in the manner set forth in tits paragraph (A), then paragraph (B) below will apply.

(B) If PRIBOR cannot be determined on any day according to paragraph (A) above, then the Calculation Agent will determine PRIBOR on such day as the arithmetic mean of the interest rates quoted for the sale of Czech crown interbank deposits for such period that corresponds to the relevant Interest Period and the relevant amount obtained on such day after 11:00 (eleven) hours, Prague time from at least 3 (three) banks operating in the Prague interbank market selected by the Calculation Agent at its discretion. If PRIBOR cannot be determined in tits manner, PRIBOR will equal PRIBOR determined in accordance with paragraph (A) above on the nearest previous Business Day when PRIBOR could be determined in such a manner.

For the avoidance of doubt, if PRIBOR is cancelled or ceases to be generally used in the market for interbank deposits due to the accession of the Czech Republic to the European Union, the rate that will be generally used in the market for interbank deposits in the Czech Republic will be used instead of PRIBOR.

"**Event of Default**" has the meaning set forth in Article 9.1 of these Terms and Conditions.

"**Reference Rate**" means the interest rate set forth as such in the relevant Issue Supplement (including the specification of the source of its identification or determination). If the Reference Rate is not set forth in the relevant Issue Supplement, then PRIBOR will be the Reference Rate for the Bonds with a floating interest rate denominated in Czech crowns, EURIBOR will be the Reference Rate for the Bonds denominated in EUR and LIBOR applicable to the currency in which such Bonds are denominated will be the Reference Rate in case of the Bonds denominated in any currency other than the above currencies.

"**Record Date for Repayment of Nominal Value**" means, in relation to book-entered Bonds, the day that precedes by one month the relevant Maturity Date (unless a shorter period is determined in the Issue Supplement), provided, however, that for purposes of determining the Record Date for Repayment of Nominal Value the Maturity Date will not be adjusted pursuant to the Business Day Convention

"**Record Date for Interest Payments**" means, in relation to book-entered Bonds, the day that precedes by one month the relevant Interest Payment Date (unless a shorter period is determined in the Issue Supplement), provided, however, that for the purposes of determining the Record Date for Interest Payments the Interest Payment Date will not be adjusted pursuant to the Business Day Convention.

"**Meeting Attendance Conclusive Date**" has the meaning set forth in Articles 12.2.1 and 12.2.2 of these Terms and Conditions.

"**Guarantor**" has the meaning set forth in the recitals of these Terms and Conditions.

"**Global Bond**" has the meaning set forth in Article 1.2.4 (a) of these Terms and Conditions.

"**Bondholders List**" means the register of the Bondholders holding the certificated registered Bonds administered by the relevant Fiscal and Paying Agent or any other person authorised to do so and set forth in the relevant Issue Supplement, who is authorized by the Issuer to deposit and to keep the Bondholders List. In case that the certificated Bonds are represented by a share in the Global Bonds, the Bondholders List means the Global Bond records kept by the Fiscal and Paying Agent (or by another person duly authorized to do so and set forth in the relevant Issue Supplement).

"**Bondholders' Meeting"** means the meeting of holders of all Bonds issued in a single issue.

"**Fiscal and Paying Agent Contract**" has the meaning set forth in the recitals of these Terms and Conditions.

"**Exchange Rate**" means the exchange value of an asset (particularly a currency) for another asset (currency).

"**Specified Office**" means the specified office and the payment office of the Fiscal and Paying Agent.

"**Bondholder**" has the meaning set forth in Article 1.2 of these Terms and Conditions.

"**Couponholder**" has the meaning set forth in Article 1.2 of these Terms and Conditions.

"**Interest Period**" means the period starting on the Issue Date (inclusive) and ending on the first in order Interest Payment Date (excluding) and then each consecutive period starting on the Interest Payment Date (inclusive) and ending on the next successive Interest Payment Date (excluding) until the Final Maturity Date; provided, however, that unless provided otherwise in the relevant Issue Supplement, then for the purposes of determining the start of an Interest Period the Interest Payment Date will not be adjusted pursuant to the Business Day Convention.

"**Bonds Act**" means the Bonds Act no. 530/1990 Coll., as amended.

"**ACMU**" means Act No. 256/2004 Coll., on Capital Market Undertakings, as amended.

"**Guarantee"** means an unconditional and irrevocable guarantee issued by the Guarantor under French law for payment and other liabilities of the Issuer arising from any Bonds, a copy of which is a part of these Terms and Conditions.

"**Relevant Debt**" means any present or future indebtedness of the Issuer for borrowed money, which is in the form of, or represented by, bonds, notes or other securities.

"**Day Count Fraction**" means for purpose of calculation of interest accrued over a period shorter than one year:

(a) if the relevant Issue Supplement quotes the terms "Actual/Actual" and/or "Act/Act" under Day Count Fraction, the actual number of days in the period for which the interest is calculated divided by 365 (or if any portion of the period for which the interest is calculated falls in a leap year, then the sum of (i) the actual number of days in that portion of the period that falls in the leap year divided by 366 and (ii) the actual number of days in that portion of the period that falls in a year that is not a leap year divided by 365);

(b) if the relevant Issue Supplement quotes the terms "Actual/365" or "Act/365" under Day Count Fraction, the actual number of days in the period for which the interest is calculated divided by 365;;

(c) if the relevant Issue Supplement quotes the terms "Actual/360" or "Act/360" under Day Count Fraction, the actual number of days in the period for which the interest is calculated divided by 360;

(d) if the relevant Issue Supplement quotes the terms "30/360" or "360/360" under Day Count Fraction, the number of days in the period for which the interest is calculated divided by 360 (where the number of days is set out on the basis of a year of 360 days divided into 12 months of 30 days each, but if (i) the last day of the period for which the interest is calculated falls on the 31st day of a month and the first day of the same period falls on any day other than the 30thor 31st day of a month, the number of days in that month whose 31st day is the last day of that period will not be reduced to 30 days or (ii) the last day of the period of which the interest is calculated falls on February, February will not be extended to a month of 30 days;;

(e) if the relevant Issue Supplement quotes the terms "30E/360" or "BCK Standard 30E/360" under Day Count Fraction, the number of days in the period for which the interest is calculated divided by 360 (where the number of days is set out on the basis of a year of 360 days divided into 12 months of 30 days each).

"**Fundamental Change**" has the meaning set forth in Article 12.1.2 of these Terms and Conditions.

"**Applicant**" has the meaning set forth in Articles 12.4.1 a 12.4.2 of these Terms and Conditions.

"**Application**" has the meaning set forth in Articles 12.4.1 a 12.4.2 of these Terms and Conditions.

BNP PARIBAS

GUARANTEE
ZÁRUKA

5-year Debt Issuance Programme of CETELEM ČR, a.s.
Dluhopisový program CETELEM ČR, a.s. s dobou trvání 5 let

Up to the Maximum Amount of CZK 10,000,000,000 in Outstanding Notes
Maximální objem nesplacených dluhopisů 10.000.000.000 Kč

THIS GUARANTEE is made by **BNP Paribas S.A.**, a company established and existing under the laws of France, with registered office in Paris, 16 BLD DES ITALIENS, 75009 France and registered at the "*Registre du Commerce et des Sociétés de Paris*" under the reference SIREN 662 042 449 (the "**Guarantor**" or "**BNPP**") in favour of the holders for the time being of the Notes (as defined below) (each a "**Holder**").
TUTO ZÁRUKU *vydává* ***BNP Paribas S.A.****, společnost založená a existující podle francouzského práva, se sídlem v Paříži, 16 BLD DES ITALIENS, 75009 Francie, zapsaná v obchodním rejstříku společností "Registre du Commerce et des Sociétés de Paris" identifikační číslo SIREN* 662 042 449 *(****"Ručitel"*** *nebo* ***"BNPP"****) ve prospěch příslušných vlastníků Dluhopisů (jak jsou definovány níže) (každý dále též* ***"Vlastník Dluhopisů"****).*

WHEREAS:
VZHLEDEM K TOMU, ŽE:

CETELEM ČR, a.s., a joint-stock company established and existing under the laws of the Czech Republic, with registered office in Prague 5, Karla Engliše 5/3208, Postal Code 150 00, Czech Republic, Identification No.: 250 85 689, registered with the Commercial Register maintained by the Metropolitan Court in Prague, Section B, File 4331 (the "**Issuer**" or "**CETELEM ČR**"), is about to establish a Debt Issuance Programme (the "**Programme**") under which CETELEM ČR may from time to time issue notes of any kind governed by Czech law in accordance with Czech Act No. 190/2004 Sb. on Bonds, as amended (the "**Notes**") - such expression to include each note, being definitive note (in Czech "*listinný dluhopis*"), including any global note (in Czech "*sběrný dluhopis*") representing all definitive notes of a particular issue, or book-entry note (in Czech "*zaknihovaný dluhopis*") and any coupons for interest (in Czech "*kupóny*") issued by the Issuer under the Programme.
CETELEM ČR, a.s.*, akciová společnost založená a existující podle práva České republiky, se sídlem Praha 5, Karla Engliše 5/3208, PSČ 150 00, Česká republika, IČ: 250 85 689, zapsaná v obchodním rejstříku vedeném u Městského soudu v Praze, oddíl B, vložka 4331 (dále jen* ***"Emitent"*** *nebo* ***"CETELEM ČR"****), hodlá zřídit dluhopisový program (****"Program"****), v jehož rámci může CETELEM ČR vydávat jakékoli druhy dluhopisů podle českého práva, a to v souladu se zákonem č. 190/2004 Sb., o dluhopisech, ve znění pozdějších předpisů (dále jen* ***"Dluhopisy"****) – tento výraz zahrnuje jakýkoli dluhopis vydaný jako listinný dluhopis, sběrný dluhopis představující všechny listinné dluhopisy dané emise, zaknihovaný dluhopis a jakékoliv kupóny vydané Emitentem v rámci Programu.*

BNPP intends to guarantee the obligations of the Issuer under all Notes issued under the Programme.
BNPP se hodlá zaručit za závazky Emitenta z veškerých Dluhopisů vydaných v rámci tohoto Programu.

The Notes may be issued pursuant to the Terms and Conditions of the Programme as amended from time to time and/or supplemented by the applicable Issue Supplement of the Notes (the "**Conditions**").

Dluhopisy jsou vydávány v souladu s Emisními podmínkami Programu, které budou upraveny a/nebo doplněny příslušným doplňkem dluhopisového programu (dále též ***"Emisní podmínky Dluhopisů"****).*

Terms defined in the Terms and Conditions of the Programme and not otherwise defined in this Guarantee shall have the same meanings when used in this Guarantee.
Pojmy, které jsou definovány v Emisních podmínkách Programu a nejsou definovány jinak v této Záruce, mají stejný význam i v této Záruce.

1. Guarantee
Záruka

BNPP unconditionally and irrevocably guarantees to each Holder that, if for any reason the Issuer does not pay any sum payable by it or perform any other obligation in respect of any Note on the date specified for such payment or performance, including any potential payment duty and/or obligation of the Issuer towards any of the Holders arising as a result of any potential invalidity, ineffectiveness or unenforceability of the Notes, BNPP will, in accordance with the Conditions, pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligation on the due date for such performance.
BNPP bezpodmínečně a neodvolatelně zaručuje každému Vlastníkovi Dluhopisů, že v případě, kdy Emitent z jakéhokoliv důvodu nesplní řádně a včas jakoukoli svoji platební povinnost či jiné povinnosti ve vztahu k jakémukoli Dluhopisu, včetně jakékoli potenciální platební a/nebo jiné povinnosti Emitenta vůči některému z Vlastníků Dluhopisů vyplývající z možné neplatnosti, neúčinnosti nebo nevymahatelnosti závazků z Dluhopisů, BNPP v souladu s Emisními podmínkami Dluhopisů zaplatí takovou částku v příslušné měně, a to okamžitě, případně splní či zajistí splnění příslušné povinnosti v den, kdy má být splněna.

2. Joint liability of BNPP and CETELEM ČR
Společné závazky BNPP a CETELEM ČR

BNPP hereby acknowledges, absolutely and without right to claim the benefit of any legal circumstances amounting to an exemption from liability or a guarantor's defence, that it is bound by the obligations specified below. Accordingly, BNPP acknowledges that it will not be released from liability, nor will its liability be reduced, at any time, by extension or grace periods regarding payment or performance, any waiver or any consent granted to the Issuer or to any other person, or by the failure of any execution proceedings brought against the Issuer or any other person. Furthermore, BNPP acknowledges that (i) it will not be relieved of its obligations in the event that the Issuer's obligations become void for reasons relating to the Issuer's capacity, limitation of powers or lack thereof (including any lack of authority of persons having entered into contracts in the name, or on behalf, of the Issuer), (ii) its obligations under this Guarantee will remain valid and in full effect notwithstanding the dissolution, merger, de-merger, takeover or reorganisation of the Issuer, as well as the opening of insolvency proceedings (*insolvenční řízení*), or any other proceedings similar to receivership or liquidation proceedings, in respect of the Issuer, (iii) it will not avail itself of any subrogation rights in respect of the Holders' rights and that it will take no steps to enforce any rights or demands against the Issuer, so long as any amounts remain due, or any obligation remains unperformed, under the Notes, (iv) its duties under this Guarantee will not be conditional on or subject to the validity or execution of any other security granted by the Issuer or any other person to the Holders, or to the existence or creation of any security for the benefit of the Holders, and (v) neither the notification of, nor the serving of a formal request upon, the Issuer or any other person is a prior condition to a payment or performance by BNPP under this Guarantee.
BNPP tímto bere na vědomí a potvrzuje, a to v plném rozsahu a bez nároku na prospěch z jakýchkoli právních skutečností vylučujících odpovědnost nebo umožňujících námitky ručitele, že je vázána níže

stanovenými povinnostmi. BNPP tak potvrzuje a bere na vědomí, že nebude v žádném okamžiku zproštěna svých závazků a že její závazky nebudou omezeny jakoukoli odkladnou lhůtou splnění platebního či jiného závazku, vzdáním se práva či souhlasem daným Emitentovi nebo jakékoli jiné osobě, nebo neúspěchem jakéhokoli řízení o výkonu rozhodnutí vedeného proti Emitentovi či jakékoli jiné osobě. BNPP dále potvrzuje a bere na vědomí, že (i) nebude zproštěna svých závazků v případě, že se Emitentovy závazky stanou neplatnými z důvodu nedostatku či omezení způsobilosti nebo pravomoci (včetně nedostatku oprávnění jednat na straně osob, které uzavřou jakoukoli dohodu jménem a na účet Emitenta), (ii) její závazky vyplývající z této Záruky budou nadále platné a plně účinné bez ohledu na zrušení, fúzi, rozdělení, převzetí nebo reorganizaci Emitenta, či zahájení insolvenčního řízení, nebo jiného řízení obdobného nucené správě nebo likvidaci, vůči Emitentovi, (iii) nevyužije práva subrogace ve vztahu k právům Vlastníků Dluhopisů, ani neučiní žádné kroky k vymáhání práv či nároků vůči Emitentovi do doby, než budou splaceny všechny částky a splněny všechny povinnosti z Dluhopisů, (iv) její závazky vyplývající z této Záruky nebudou podmíněny platností nebo výkonem jakéhokoli zajištění poskytnutého Emitentem nebo jakoukoli jinou osobou Vlastníkům Dluhopisů, nebo existencí či zřízením jakéhokoli zajištěné ve prospěch Vlastníků Dluhopisů, a (v) ani oznámení ani vznesení formálního požadavku vůči Emitentovi nebo jakékoli jiné osobě není podmínkou pro placení či splnění povinnosti ze strany BNPP podle této Záruky.

3. **BNPP's continuing liability**
Trvající závazky BNPP

BNPP's obligations under this Guarantee will remain valid and in full effect so long as any amounts remain outstanding, or any obligation remains unperformed, under the Notes.
Závazky BNPP vyplývající z této Záruky zůstanou platné a plně účinné až do doby, než budou splaceny všechny částky a splněny všechny povinnosti z Dluhopisů.

4. **Issuer's repayment**
Splacení Emitentem

If a payment received by, or other obligation discharged to or to the order of, any Holder is declared null and void under any rule relating to insolvency proceedings (*insolvenční řízení*), or any other procedure similar to the receivership or liquidation of the Issuer, such payment or obligation will not reduce BNPP's obligations and this Guarantee will continue to apply as if such payment or obligation had always been due from the Issuer.
Pokud bude platba přijatá Vlastníkem Dluhopisů, nebo jiná povinnost plněná ve prospěch nebo na pokyn Vlastníka Dluhopisů, prohlášena za neplatnou podle jakéhokoli pravidla vztahujícího se k insolvenčnímu řízení proti Emitentovi, nebo jakémukoli řízení obdobnému nucené správě nebo likvidaci Emitenta, pak taková platba či povinnost nesníží rozsah závazků BNPP a tato Záruka bude nadále platit tak, jako by taková platba byla vždy splatná či povinnost splnitelná ze strany Emitenta.

5. **Status of Guarantee**
Status Záruky

The Guarantee will constitute an unconditional and unsecured obligation of the Guarantor and ranks (save for statutorily preferred exceptions) *pari passu* with any other existing or future unsecured and unsubordinated obligations of the Guarantor.
Tato Záruka představuje bezpodmínečný a nezajištěný závazek Ručitele, který je co do pořadí svého uspokojení rovnocenný (pari passu) vůči všem dalším současným i budoucím nezajištěným a nepodřízeným závazkům Ručitele (s výjimkou závazků, u nichž stanoví jinak kogentní ustanovení právních předpisů).

6. **Conditions binding**
Závazné podmínky

BNPP declares (i) that it has full knowledge of the provisions of the Terms and Conditions of the Programme and (ii) that it will comply with them and (iii) that it will be bound by them. Further, BNPP declares (i) that it shall have a full knowledge of the provisions of the Conditions of each individual issue of the Notes, as may be from time to time amended and/or supplemented, (ii) that it will comply with them and (iii) that it will be bound by them.
BNPP prohlašuje, (i) že je plně seznámena s Emisními podmínkami Programu, (ii) že je bude dodržovat a (iii) že jimi bude vázána. Dále BNPP prohlašuje, (i) že bude plně seznámena s příslušnými Emisními podmínkami Dluhopisů každé jednotlivé emise Dluhopisů, ve znění případných změn či doplnění, (ii) že je bude dodržovat a (iii) že jimi bude vázána.

7. **Payments by BNPP**
Platby BNPP

All payments made to the Holders by the Guarantor under this Guarantee shall be made without withholding of any taxes, duties, assessments or charges of any kind, except as may be required by the laws of France. In the event that such withholding of taxes, duties, assessments or charges is required by the laws of France, the Guarantor will pay to the Holders such additional amounts as will result that the amount actually received by the Holders is, after giving effect to such withholding of taxes, duties, assessments or charges, the amount which would have been received by the Holders had such payment been duly made by the Issuer under the Notes.
Veškeré platby Ručitele podle této Záruky Vlastníkům Dluhopisů budou provedeny bez jakýchkoliv srážek z daní, poplatků či plateb jiného druhu, s výjimkou, kdy tak požadují právní předpisy Francie. V případě, že takovou srážku daní, poplatky či platbu jiného druhu právní předpisy Francie vyžadují, zaplatí Ručitel Vlastníkům Dluhopisů takovou částku navíc, aby Vlastníci Dluhopisů skutečně obdrželi stejnou částku, jakou by obdrželi, kdyby platební povinnosti plnil řádně a včas Emitent.

8. **Duration of the Guarantee**
Trvání Záruky

This Guarantee is granted by the Guarantor in respect of all Notes issued under the Programme. This Guarantee shall remain in full force and effect until all obligations under, or in connection with, the Notes are discharged and satisfied in full.
Tato Záruka je poskytnuta Ručitelem ve vztahu ke všem Dluhopisům vydaným v rámci Programu. Tato Záruka zůstává v platnosti a plné účinnosti až do uspokojení veškerých závazků spojených s Dluhopisy.

9. **Demand on BNPP**
Výzva BNPP

Any demand hereunder shall be given in writing addressed to BNPP served at its office at CIB Legal Paris, 3 Rue Taitbout, 75009 Paris, France. A demand so made shall be deemed to have been duly made five Paris Business Days (as used herein, "**Paris Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall be deemed to be duly made five Paris Business Days after the Paris Business Day immediately following such day.
*Jakákoliv výzva dle této Záruky musí být písemná a doručena na adresu BNPP CIB Legal Paris, 3 Rue Taitbout, 75009 Paříž, Francie. Takto podaná výzva bude považována za řádně podanou pět Pracovních dní v Paříži ("**Pracovní den v Paříži**" tak jak je zde použit, znamená den (jiný než sobota a neděle), kdy jsou pro obchodování otevřeny banky v Paříži) po dni jejího doručení, a pokud byla*

doručena mimo Pracovní den v Paříži nebo pokud byla doručena po 17:30 (pařížského času) kteréhokoli dne, bude výzva považována za řádně podanou pět Pracovních dní v Paříži po Pracovním dni v Paříži, který bezprostředně následuje po takovém dni doručení.

10. Governing law and jurisdiction
Rozhodné právo a jurisdikce

This Guarantee is governed by, and shall be construed in accordance with, French law. For the exclusive benefit of the Holders, BNPP acknowledges that the competent courts within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*) will be competent to settle any litigation or proceedings ("**Proceedings**") relating to this Guarantee. Nothing in this Clause shall limit the rights of the Holders to take any Proceedings against BNPP in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.
*Tato Záruka se řídí právními předpisy Francie a vykládá se podle nich. BNPP prohlašuje výlučně Vlastníkům Dluhopisů, že k rozhodování sporů souvisejících s touto Zárukou (dále jen "**Řízení**") bude příslušný Pařížský odvolací soud (Cour d'Appel de Paris). Nic v tomto článku neomezuje právo Vlastníků Dluhopisů zahájit a vést Řízení proti BNPP u kteréhokoli jiného soudu příslušné jurisdikce nebo jakákoli souběžná Řízení ve vícero jurisdikcích.*

Executed in Paris in one original, [13] December 2010.
Vyhotoveno v Paříži v jednom originálu, [13] prosince 2010.

BNP PARIBAS S.A.

Jean-Laurent BONNAFE

Title: Chief Operating Officer

Me LECOMTE Notaire à Paris
certifie véritable la signature
apposée ci-dessus
de M. Jean-Laurent BONNAFE

IV. FORM OF ISSUE SUPPLEMENT – FINAL TERMS AND CONDITIONS

The form of the Issue Supplement – Final Terms and Conditions of the Bonds Issue, which is set forth below, will be made for each issue of the Bonds issued under the approved Programme, with respect to which a security prospectus will have to be made. In cases where no prospectus is required with respect to the relevant Bonds issue, the Issuer will prepare only an Issue Supplement, which will be approved by the CNB (if required by law) and published by the Issuer in accordance with the law. The Issue Supplement will be prepared and published in Czech if required so by the applicable laws.

The final terms and conditions will be communicated to CNB in accordance with the law and will be published in the same manner as the Base Prospectus, i.e., at the Issuer's website.

ISSUE SUPPLEMENT -- FINAL TERMS AND CONDITIONS OF BONDS ISSUE

By its decision, ref. no. 2010/11456/570 sp. zn. Sp/2010/153/572 of 29 December 2010, which became final and effective on 29 December 2010, the Czech National Bank approved the bonds programme of CETELEM ČR, a. s., with its registered office in Prague 5, Karla Engliše 5/3208, Postal Code: 150 00, Identification no. (IČO): 25085689, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, file no. 4331 (the "**Issuer**"), in a maximum volume of outstanding bonds of CZK 10,000,000,000 and the five (5)-year term (the "**Programme**") and joint-issue terms and conditions of the Programme (the "**Terms and Conditions**"). The Issuer's Base Prospectus was approved by a decision of the Czech National Bank, ref. no [●] sp. zn. [●] of [●]2012, which became final and effective on [●]2012 (the "**Base Prospectus**"). [The [*serial number of the supplement*] supplement of the Base Prospectus was approved by the decision of the Czech National Bank ref. no [●] of [●]2012, which became final and effective on [●]2012.] The Base Prospectus was prepared, approved by the Czech National Bank and published in English.

This issue supplement (the "**Issue Supplement**") together with the Base Prospectus as amended represents a complete Bonds Prospectus. This Issue Supplement comprises:

(i) a bond programme supplement, which represents a supplement to the Terms and Conditions and which was approved by a decision of the Czech National Bank, ref. no. [●] sp. zn. [●] of [●]2012, which became final and effective on [●]2012 (the "**Bond Programme Supplement**"), and

(ii) further information relating to the [*serial number of the issue*] bonds issue, which represents particulars of the prospectus in accordance with the Commission Regulation (EC) No. 809/2004 and which is not included in the Base Prospectus or in the Bond Programme Supplement ("**Further Information**").

All terms that are not defined herein have the meanings ascribed to them in the Terms and Conditions, unless used otherwise in this Issue Supplement as indicated by the context.

This Issue Supplement may not be read separately but only together with the Base Prospectus and its supplements.

The Base Prospectus (and all its supplements, if any) is available for downloading at the Issuer's website www.cetelem.cz in Portable Document Format (PDF).

ISSUE SUPPLEMENT

This Bond Programme Supplement (the supplement of the Terms and Conditions) together with the Terms and Condition forms the issue terms and conditions of the bonds specified below (the "**Bonds**"), which are issued under the bonds programme of CETELEM ČR, a. s., with its registered office in Prague 5, Karla Engliše 5/3208, Postal Code: 150 00, Identification no. (IČO): 25085689, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, file no. 4331 (the "**Issuer**"), approved by a decision of the Czech National Bank, ref. no 2010/11456/570 sp. zn. Sp/2010/153/572 of 29 December 2010, which became final and effective on 29 December 2010 (the "**Programme**" and the joint-issue terms of the Programme, the "**Terms and Conditions**"). The total nominal value of all outstanding bonds issued under the Programme may not at any time exceed CZK 10,000,000,000. The term of the Programme, during which the Issuer may issue individual bonds issues under the Programme, is five (5) years.

The Bonds are unconditionally and irrevocably secured by a guarantee issued by BNP Paribas S.A., registered office 16, boulevard des Italiens 750 09 Paris, Republic of France, Identification no. 662 042 449, registered in the Trade and Company Register (Registre du Commerce et des Sociétés) administered by the Commercial Court in Paris (Tribunal de Commerce de Paris).

In case of any discrepancy between the Terms and Conditions and this Bond Programme Supplement, the provisions of this Bond Programme Supplement prevails; however, this does not affect the wording of the Terms and Conditions in relation to any other bonds issue under the Programme. Capitalized terms have the same meanings as those ascribed to them in the Terms and Conditions.

The parameters of the Bonds that are set forth below further specify and supplement, in connection with this Bonds issue, the Terms and Conditions published previously in the manner described above.

This this Bond Programme Supplement was approved by a decision of the Czech National Bank, ref. no [•] sp. zn. [●] of [●]2012, which became final and effective on [●]2012.

The Bonds are issued in accordance with Act No. 190/2004 Coll. on Bonds, as amended (the "**Act on Bonds**").

Important Notice: *The following table contains a form of the Issue Supplement for the Issue, i.e., the form of the part of the terms and conditions of an Issue that will be specific for such Issue. If one or more data are set forth in square brackets, such data represent the most probable value, which need not be used with respect to the specific Issue. Under the Terms and Conditions, the Issuer is entitled to make, by means of the Issue Supplement, a different adjustment with respect to any Issue. The adjustment made by the relevant Issue Supplement contained in the Issue Supplement will always prevail.*

1.	ISIN of the Bonds:	[•]
2.	Regulated market or multilateral trading facility where the Issuer intends to apply for listing:	[•]
3.	Form of the Bonds:	[book-entered / certificated]
4.	Type of the Bonds:	[bearer / registered]
5.	Nominal value per one Bond:	[3,000,000 CZK]
6.	Total anticipated nominal value of the Bonds Issue:	[• CZK]
7.	Number of Bonds:	[•] Bonds
8.	Numbering:	[-- / not numbered until represented by the Global Bond.]
9.	Currency in which the Bonds are denominated:	[Czech crowns (CZK)]
10.	The Issuer's right to increase the Bonds volume / terms of such increase (if different from the terms set forth in Article 2.1 of the Terms and Conditions):	[yes; pursuant to Section 11 of the Bonds Act, the Issuer may issue Bonds (i) in a higher volume than the envisaged total nominal value of the Bonds issue (up to [•] CZK), even after the Issue Period, or (ii) up to the amount of the envisaged total nominal value of the Bonds issue, even after the Issue Period. In such case, the Issuer will set an Additional Issue Period, which will end not later than on the Record Date for Nominal Value Redemption, and will publish it in the same manner as this Issue Supplement/ no / --]
11.	Name of the Bonds:	[•/•]
12.	Issue Date:	[•]
13.	Issue Period (if different from the term specified in Article 2.1 of the Terms and Conditions):	[•]
14.	Issue Price of the Bonds as of the Issue Date or the method for determining the issue price:	[•]
15.	Method and place of subscription for the Bonds / identification of persons involved in the arrangements for issue of the Bonds and the manner and place of repayment of the Issue Price:	[•]
16.	Use of the net proceeds of the Issue:	[•]
17.	Interest:	[fixed / floating/ •]
18.	Day Count Fraction:	[•]
19.	Further information about the interest:	

In case of Bonds with floating interest rate

19.1. Reference Rate:	[•]
19.2. Margin:	[•]
19.3. Reference Rate Determination Date:	[•]
19.4 Interest Payment date:	[•]
19.5 [Basket / Index / Exchange Rate]:	[•]
19.6 Minimum interest rate on the Bonds:	[•]
19.7 Maximum interest rate on the Bonds:	[•]

In case of Bonds with fixed interest rate

19.1. Interest rate:	[•]
19.2. Interest Payment Date:	[•]
20. Final Maturity Date:	[•]
21. Business Day Convention for determining the Date of Payment (Art. 7.2 of the Terms and Conditions):	[•]
22. Fiscal and Paying Agent:	[•]
23. Listing Agent:	[•]
24. Calculation Agent:	[•]
25. Specified Office of the Fiscal and Paying Agent designated for wire transfer payments:	[•]
26. Payment Offices:	[all branches of the Fiscal and Paying Agent]
27. Issuer's rating:	[no]
28. Rating of the Bonds:	[no]
29. Detachment of right to interest on Bonds:	[excluded]
30. Other facts:	[•]

Further Information

RESPONSIBLE PERSONS	
Persons responsible for the Base Prospectus (including any amendments) and for this Issue Supplement:	The persons responsible for the Bonds prospectus represent that, to the best of their knowledge and with all reasonable care, all data set forth in the prospectus correspond to reality and no facts have been concealed that might change the meaning of the prospectus. **CETELEM ČR, a.s.** ______________________ [*Signatures of authorised persons*] **BNP Paribas S.A.** (to the extent declared in the Base Prospectus as amended) ______________________ [*Signatures of authorised persons*]
RISK FACTORS	
The Issuer's risk factors:	[*if different from facts stated in the Base Prospectus*]
The Guarantor's risk factors:	[*if different from facts stated in the Base Prospectus*]
KEY DATA	
Interest of natural and legal persons participating in the Issue/offer	[The Issuer has no knowledge of any specific interest of any natural or legal persons participating in the offer of the Bonds.]
Reasons for offer and use of proceeds:	The Bonds are offered to raise funds for the performance of the Issuer's business activities. [The expected costs related to the Issue are approx. CZK [•]. The expected net income of the Issue approx. equals to the Issue Price for the Bonds issued lowered by the expected costs related to the Issue as indicated in the previous sentence. The whole income of the Issue is to be used for purposes stated above.]

OFFERING TERMS	
Terms and conditions, statistical data relating to the offer, the estimated time schedule and terms of request for offer:	[•]
Distribution and allocation plan of the security	[•]
Determination of the price:	[•]
Flotation and subscription:	[•]
LISTING AND METHOD OF TRADING	[•] [The costs of listing of the Bonds in the PSE free market amount to [•] CZK]
ADDITIONAL INFORMATION	[•]

V. THE ISSUER

1. RESPONSIBLE PERSONS

This Base Prospectus has been prepared and drawn out by CETELEM ČR, a.s., which is responsible for the data stated therein. The person responsible for the Base Prospectus hereby declares that, with all reasonable care and to the best of its knowledge, the information provided herein is in accordance with the facts and contains no omission likely to affect its import.

Further, BNP Paribas S.A. as Guarantor of the Programme is jointly and severally responsible for the data contained in chapter VI and chapter I.3 of the Base Prospectus, which contains information about BNP Paribas and hereby declares that, with all reasonable care and to the best of its knowledge, the information provided in chapter VI and chapter I.3 herein is in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

The financial statements of the Issuer for the years of 2010 and 2011 were audited by:

Audit firm:	Mazars Audit s.r.o.
License no.:	158
Registered office:	Prague 8, Pobřežní 620/3, Post Code 186 00, Czech Republic
Membership in a professional organization:	Chamber of Auditors of the Czech Republic
Responsible person:	Milan Prokopius
Certificate no.:	2022
Place of residence:	Prague 7, Sádky 785/2, Post Code 171 00, Czech Republic

3. RISK FACTORS

The risk factors are identified in the introduction to this Base Prospectus under the caption Risk Factors.

4. INFORMATION ABOUT THE ISSUER

4.1 HISTORY AND DEVELOPMENT OF THE ISSUER

The company CETELEM ČR, a.s., was founded upon the registration in the Commercial Register on 23 October 1996. It commenced its business activities in June of 1997. The registered capital of the company amounts to CZK 180,000,000.

The sole shareholder of the Issuer is the company BNP Paribas Personal Finance S.A., registered office Boulevard Haussmann 1, 75009 Paris, France. The parent company of the Issuer's sole shareholder is the company BNP Paribas S.A. The Issuer is part of the BNP Paribas consolidation unit. The Issuer has not entered into a controlling agreement/profit distribution agreement with the parent company.

The company BNP Paribas Personal Finance has been providing financial services since 1953 (under the trade name Cetelem until 2008). Cetelem is now one of its most important brands, as of Findomestic in Italy or AlphaCredit in Belgium. During the 59 years of its operation, the BNP Paribas Personal Finance Group has expanded to more than thirty countries on four continents. BNP Paribas Personal Finance has been part of the strong international financial group BNP Paribas since 1999. Within the BNP Paribas Group, BNP Paribas Personal Finance, is the specialist in personal loans via its activities in consumer credit and mortgage lending. With nearly 30,000 employees throughout more than 30 countries over 4 continents, BNP Paribas Personal Finance is the leader in France and in Europe.

BNP Paribas Personal Finance plays its irreplaceable role as a consultant, adviser and professional guarantor either directly or through its Central and Eastern Europe Region. It is also thanks to this that Issuer is in a position to fully pursue its main objective, which is to provide a diversified range of financial products and continuous development of this range to reflect the changing needs and capabilities of the largest possible number of consumers.

BNP Paribas Personal Finance is present in Algeria, Argentine, Belgium, Brazil, Bulgaria, Czech Republic, China, Denmark, Egypt, France, Germany, Hungary, India, Italy, Luxemburg, South Africa, Mexico, Morocco, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, South Africa, Spain, Tunisia, Turkey, Ukraine, United Kingdom and USA.

The business activities of the Issuer focus on the provision of financial services to consumers.

The Issuer owns a 26% share in the registered capital of the company Společnost pro informační databáze, a.s. (SID, a.s.).

The basic milestones of the Issuer's history:

1996	Foundation of the company
1997	Commencement of business activities, provision of the first consumer loan in a business partner's outlet
1998	Launch of the AURA card on the Czech market
2000	commencement of the provision of Personal Loans Cetelem
2002	Cetelem becomes a member of the MasterCard International association (as the first nonbanking financial institution on the Czech market)
2003	Issuance of the Aura MasterCard Electronic cards
2004	Introduction of the products Autoúvěr and Motoúvěr for the financing of motor vehicles

2005 Introduction of an ON-LINE Cetelem loan
2005 Issuance of the Aura MasterCard card with international validity
2006 Issuance of the first AURA Plus credit card with advanced functionalities and introduction of a grace period of up to 50 days for all credit cards
2007 Expanding cooperation with financial intermediaries
2008 Introduction of a Combi loan Cetelem aimed at loan consolidation
2009 Issuance of a first credit card equipped with a chip
2010 Cetelem joins the Non-Bank Client Information Register (NRKI)
2011 Obtaining a license of a Payment Institution

Trade name:	CETELEM ČR, a.s
Registered office:	Prague 5, Karla Engliše 5/3208, Post Code 150 00, Czech Republic
Identification number:	25 08 56 89
Commercial Register:	Registration in the Commercial Register administered by the Municipal Court in Prague, Section B Insert No. 4331
Foundation date:	The Issuer was founded upon the registration in the Commercial Register on 23 October 1996.
Duration:	indefinite period of time
Legal form:	akciová společnost (joint-stock company)
Website:	www.cetelem.cz
Email:	investor@cetelem.cz
Telephone:	+420 257 080 111
Fax:	+ 420 257 080 128

The Issuer operates under Czech law. Its activities are governed, in particular, by the Commercial Code and Act No. 145/2010 Sb., on Consumer Credit, as amended.

4.2 IMPORTANT EVENTS IN THE DEVELOPMENT OF THE ISSUER'S BUSINESS

The Issuer does not have a rating.

In order to ensure the correct solvency assessment of the Issuer of securities, it is necessary for potential investors to evaluate any and all obligations, which might result for the Issue from outstanding loans. The Issuer hereby provides an overview of loan commitments, which were shown in the last ordinary financial statements of the Issuer prepared as of 31 December 2011 or which arose for the Issuer after this date.

Type of liability	Interest rate	Security	Liabilities to banks (in CZK '000)		Validity
			31 December 2011 audited	31 December 2010 audited	
Uncommitted line of credit (including overdraft) of CZK 2,980 million	Fixed	guarantee by BNP Paribas S.A.	350,322	2,033,910	indefinite period
Uncommitted line of credit of CZK 1,000 million	Fixed	guarantee by BNP Paribas S.A.	1,534,254	476,884	indefinite period
Uncommitted line of credit of CZK 2,000 million	Fixed	guarantee by BNP Paribas S.A.	564,482	1,884,992	indefinite period
Uncommitted line of credit (including overdraft) of CZK 4,000 million	Fixed	guarantee by BNP Paribas S.A.	3,031,548	2,828,304	indefinite period
Uncommitted line of credit (including overdraft) of CZK 1,100 million	Fixed	guarantee by BNP Paribas S.A.	322,188	404,290	indefinite period
Uncommitted line of credit of CZK 2,000 million	Fixed	guarantee by BNP Paribas S.A.	1,618,610	703,330	indefinite period
Uncommitted line of credit (including overdraft) of CZK 260 million	Fixed	guarantee by BNP Paribas S.A.	93,380	140,766	indefinite period
Uncommitted line of credit (including overdraft) of CZK 700 million	Fixed	guarantee by BNP Paribas S.A.	93,266	269,743	indefinite period
Uncommitted line of credit of CZK 3,000 million	Fixed	guarantee by BNP Paribas S.A.	724,632	680,029	indefinite period
TOTAL BANK LOANS			**8,332,682**	**9,422,248**	
Bank loans from related parties	Fixed	Unsecured	2,650,499	2,790,333	indefinite period
TOTAL BANK LOANS			**10,983,181**	**12,212,581**	

The Issuer mainly uses the received loans to finance consumer loans and loans intended for preliminary financing of the goods purchases provided to its business partners. Received bank loans from unrelated parties are secured by bank guarantees provided by the company BNP Paribas S.A.

The data as at 31 December 2011 and 31 December 2010 are based on the audited financial statements prepared in compliance with the International Financial Reporting Standards applicable on the relevant date.

Other liabilities of the Issuer:

INCOME TAX DUE (in CZK '000)	**31 December 2011**	**31 December 2010**
Income tax – current period	240,765	276,043
Income tax advance payment	262,532	244,780
TAXASSETS	**21,767**	
TAX LIABILITY		**31,263**

Accruals and other liabilities (in CZK '000)	**31 December 2011**	**31 December 2010**
Accrued income	4,695	5,979
Prepaid expenses	53,026	47,658
Trade payables and other liabilities	198,722	219,043
Interest Rate SWAP	9,440	
ACCRUALS AND OTHER LIABILITIES	**265,883**	**272,680**

The Issuer hereby declares that there is no significant event, which would be material to the assessment of the Issuer's solvency.

The Issuer has issued neither any debt securities with a right to exchange such securities for shares or with a right to subscription of shares, nor shares which would establish a share in the registered capital.

The Issuer has issued CZK 1,000,000,000 Floating Rate Secured Bonds due 2014, ISIN CZ0003501736, under the Bond Programme.

5. INVESTMENTS

FINANCIAL INVESTMENTS

The Issuer registers one financial investments from the past years – in the registered capital of the company Společnost pro informační databáze, a.s. (hereinafter "**SID, a.s.**"). Since 2003, the Issuer has owned 26% share in the registered capital of SID, a.s. The company SID, a.s. is not included in the consolidation unit, because the company CETELEM ČR does not have a status of a controlling or managing company, and, at the same time, the share in the company SID, a.s. is not significant for the company in respect of the balance sheet amount, net turnover, and equity. The subject matter of activities of the company SID, a.s. is the manufacture, trade, and services not specified in Appendices 1 through 3 of the Trade Act. The company SID, a.s. provides services in the area of data processing within the administration of the client information register Solus, which is used in the course of the credit risk management.

NON-FINANCIAL INVESTMENTS

The Issuer pays systematic attention to the development of the technical support for services offered by implementing the latest information and communication technologies. In 2011, the company concentrated on the innovation of instruments intended for technical support and sale of credit products and insurance, improvement of services provided to existing clients, and preparation of changes induced by the new legal regulation. The following tasks were carried out: launch of the new technical solution for the provision of secured loans, issuance of chip cards, modification of the self-service client zone, technology improvements in respect of equipment for departments providing support and services to existing clients. Furthermore, innovations were performed with regard to the technical provision of the process relating to the recovery of receivables. The company does not have a separate research and development department; however, it systematically attends to the innovation of its services and processes. In the past periods, the Issuer has invested in the technical improvement of leased office space and car fleet renewal.

In 2011, the Issuer invested CZK 21,557 thousand in tangible operational assets (2010: CZK 22,946 thousand) and CZK 30,673 thousand in intangible operational assets (2010: CZK 21,938 thousand).

Similarly as during the past periods, the investment plans of Issuer for the following periods mainly involve the development of technical and software equipment of the company with a view to maintain the competitiveness in the area of provision of consumer loans and other financial products to individuals.

From the date of the last published financial statements to the issue date of this Base Prospectus, the Issue did not realize any significant extraordinary investments and the controlling bodies of the Issuer did not commit themselves to any significant future investments of the Issuer, which would be unusual in relation to its activities and past periods.

6. BUSINESS OVERVIEW

6.1 PRINCIPAL ACTIVITIES

CETELEM ČR is one of the largest and most important nonbanking providers of loan products and service offered through its branches and business partners' networks.

The Issuer's product portfolio focuses on the provision of financial services to consumers, comprising the following products:

- Standard consumer loans provided within the business partners' outlets
- Specific-purpose / general personal loans
- Credit cards
- Products intended for financing of motor vehicles.
- Various types of insurance

The product portfolio is completed with loan products intended for operational financing of the Issuer's business partners (i.e. consumer goods vendors).

The Issuer does not rely on any patents, licenses, industrial, trade or financial agreements, or new production processes to such extent that such patents and the likes would have a material importance for the operation or profitability of the Issuer.

6.2 PRODUCTS AND SERVICES OF CETELEM ČR

Responsible financial service provider

A responsible approach to lending, reflecting the needs and means of clients, is a fundamental company principle applied throughout the relationship with a client, ranging from a responsible assessment of the options available to the client regarding the repayment of future liabilities when applying for a loan so as to avoid over-indebtedness, through to the exploration of solutions if clients find themselves in adverse circumstances rendering them unable to meet their obligations properly.

The company's credibility is built on respect for laws, the rules of the BNP Paribas Group, and the professional and ethical codes of organizations of which it is a member.

Conventional consumer credit

Conventional consumer credit is the basic product intended to finance the purchase of goods and services direct at the point of sale. Its primary attribute is the benefit of paying the price of the goods in instalments spread over an extended period of time. Cetelem's clients make use of this product most often in financing their purchases of consumer electronics and household appliances, and kitchen and bathroom furnishings, IT equipment and home improvement tools in a network of retail partners all over the Czech Republic. As the volume of online shopping increases, so does the share of consumer credit provided at online stores.

Credit cards

Credit cards are the simplest and fastest tool for drawing funds on an approved credit facility. All credit cards are valid internationally. When making non-cash purchases, clients can benefit from a 55-day grace period, card payment bonuses amounting to 1.5% of the purchases made, and other discounts and benefits resulting, in particular, from the loyalty programme – the C Club.

Clients are becoming ever keener and willing to use credit cards online. This trend is borne out by the 38% year-on-year increase in the volume of card transactions carried out in the Client Zone on the Cetelem website. In this secure part of the website, clients can make e-shop payments via virtual cards, one of the safest online payment instruments in the Czech market, or transfer funds from their card to a bank account. The Client Zone also offers the possibility of monitoring all credit card movements nonstop or receiving a monthly card statement in electronic form only.

Cetelem personal loans

Cetelem provides personal loans in the form of both specific-purpose and any-purpose consumer loans. Personal loans are intended to facilitate more expensive purchases and investments, and also to consolidate conventional and revolving loans (Combi Loan).

In 2011, interest in consolidation remained high as it allows customers to reduce the burden on the family budget of repaying several loans at once, and at the same time cuts the administration associated with the loans. Last year, there was also a marked increase in the proportion of online lending, offering clients the quick processing of applications via the Internet from the comfort of home.

AutoCredit/MotoCredit

It is also possible to purchase a selected automobile or motorcycle by way of loans offered in the partner network of new and used car dealers all over the Czech Republic. In 2011, the partner network expanded by 60%, making the company's products more accessible to a wider range of customers. AutoCredit/MotoCredit is intended for the financing of purchases of new or used vehicles, and for consumers as well as businesses. The advantage for clients is that the loan need not secured by the item financed, so clients are not restricted in their ownership rights attached to the vehicle being financed. In 2011, CETELEM started marketing its AUTOKARTA, a credit card with a refuelling bonus that can also be used to make other purchases (not only at petrol stations).

Insurance

Insurance products offered to Cetelem's clients in cooperation with BNP Paribas Cardif pojišťovna, a.s. primarily cover the risks associated with the credit product, in particular the risk of being unable to repay credit properly. Damage or loss resulting from stolen credit cards, with or without the client's personal documents, may also be insured. New expense insurance is designed to cover clients' regular expenditure in case of any unforeseen events. Cetelem also offers personal injury insurance in case clients find their income reduced due to hospitalization or permanent disability or in case of death due to accident. Cetelem can also arrange motor-hull insurance and the insurance of certain items financed using consumer credit – cars and motorcycles.

Distribution channels

The broad availability of financial services for consumers is one of the company's key priorities. Financial services are available at points of sale in co-operation with more than 4,000 trading partners – merchants selling consumer goods and services and passenger car dealers, at points of sale that accept Cetelem MasterCard credit cards, a network of ATMs, and via the Internet.

Passenger car dealers who are Cetelem's contracting partners offer a special product under the name AutoCredit, which is intended for financing the purchases of motor vehicles.

Revolving loans offered via MasterCard credit cards provide clients with a high level of flexibility and comfort when financing their needs on credit. The card is accepted as a means of payment in a network of 35,000 retail outlets; it can also be used for withdrawing cash from more than 3,500 ATMs in the Czech Republic. Since 2005, the company has been issuing MasterCard credit cards with international validity, which makes Cetelem's financial services available also outside the Czech Republic.

Electronic services have become a common means of purchasing goods and services. In addition to buying goods on instalments, the Internet can also be used to arrange for credit services, to draw funds on approved credit facilities and to obtain information on loans that have already been provided. The Client Zone, which is accessible over the Internet, offers clients easy communication with the company, self-service arrangements for financing from revolving credit lines, information about promotional events, and the opportunity to receive credit account statements electronically. Cetelem strives to develop its Client Zone services continuously in order to offer greater convenience to clients as they seek to resolve their needs and requirements. The annual increase in the Client Zone's unique visitors by 41% underscores that this is the right way forward.

Cetelem personal loans, which are intended for financing costlier purchases, are a part of the company's product portfolio. Since 2005, the Internet has been an important sales channel for personal loans; it makes it possible for the clients to obtain complete information on the financial services on offer and to apply for a loan on-line.

6.3 KEY MARKETS

Macroeconomic environment

After a slight recovery during 2010, there was a gradual decline in the pace of economic growth in 2011. Demand for non-bank financial products continued to be influenced in particular by a slight increase in investments and household expenditure on final consumption. The gross domestic product in 2011 rose by 1.7% year on year, with a gradual slowing of the pace of growth as the year wore on: the year-on-year growth in Q1 was 2.8%, followed by 2.2% in Q2, 1.2% in Q3 and 0.5% in Q4. In 2010, GDP had grown by 2.6%.

Once again, in 2011 the Czech National Bank kept to a stable currency policy; the base repo rate remained at the level of 0.75% established in June 2010. However, the low interest rates were not directly reflected in the cost of non-bank financial products, mainly because of the insignificant fall in the share of households' non-performing loans in the total volume of consumer loans from 11.71% at the end of 2010 to 11.3% at the end of 2011[1]. The development of inflation alone did not have any strong impact on the financial market.

The rate of unemployment did not fall much from the level reported at the end of 2010 (9.0% registered unemployment), dipping to 8.57% in 2011. The macroeconomic environment, which poses a significant level of risk to lenders, and the application of prudential rating criteria in the assessment of clients' creditworthiness resulted in weak growth in the volume of new loans.

[1] Source: CNB statistics

Developments in the non-bank consumer credit market

With regard to its line of business, the Issuer competes on the market of the Czech Republic.

The relevant market is the market of consumer loans provided by nonbanking financial institutions. The Issuer ranks first on this market, with the share in the Czech market of 28.4% (from the perspective of the granted loan volume).

The macroeconomic environment, in particular the unemployment rate and stagnant household income and consumption, did not significantly increase the potential for the population to take on more debt in 2011. The volume of new consumer loans granted by non-banks (ČLFA – Czech Lease and Finance Association – members) grew by 1.5% to CZK 34.2 billion. During the year, the growth rate of newly granted non-bank consumer loans declined.

At the end of 2011, the volume of consumer loans granted to individuals by ČLFA members totalled CZK 64.7 billion[1].

Economic growth was moderate last year. The Czech economy was under the continuous influence of the gradually decreasing GDP growth rate, increasing inflation, stagnating household spending with people being much more cautious about their long-term projects and plans, and, on a more positive note, the slightly decreasing unemployment rate.

The macroeconomic environment, in particular the unemployment rate and stagnant household income and consumption, did not significantly increase the potential for the population to take on more debt in 2011.

The economic development in the Czech Republic remains to be one of the main risk factors, which could potentially affect the future results of the company. Nevertheless, the company CETELEM ČR, which relies on strong background of the international group BNP Paribas, has sufficient resources – in respect of capital, materials, technology, and HR – to retain its important position on the Czech market and to achieve good financial results in the following period.

All representations concerning the Issuer's position in respect of its competition on the Czech market are based on in-house marketing analyses and publicly available information sources.

6.4 COMPETITIVE POSITION OF THE ISSUER

Order of membership companies of ČLFA (Czech Leasing and Financial Association) according to initial debt of consumer loans granted in 2011

		Initial debt (CZK mil.)
1.	CETELEM ČR, a.s.	9,729.67
2.	Home Credit, a.s.	8,623.01
3.	Provident Financial s.r.o.	4,240.00
4.	ESSOX, s.r.o.	3,847.58
5.	UniCredit Leasing CZ, a.s.	1,356.11
6.	ŠkoFIN s.r.o.	1,255.00
7.	GE Money Auto, s.r.o.	1,251.68
8.	s Autoleasing, a.s.	1,062.37
9.	Credium, a.s.	761.19
10.	COFIDIS s.r.o.	525.16

Source: ČLFA

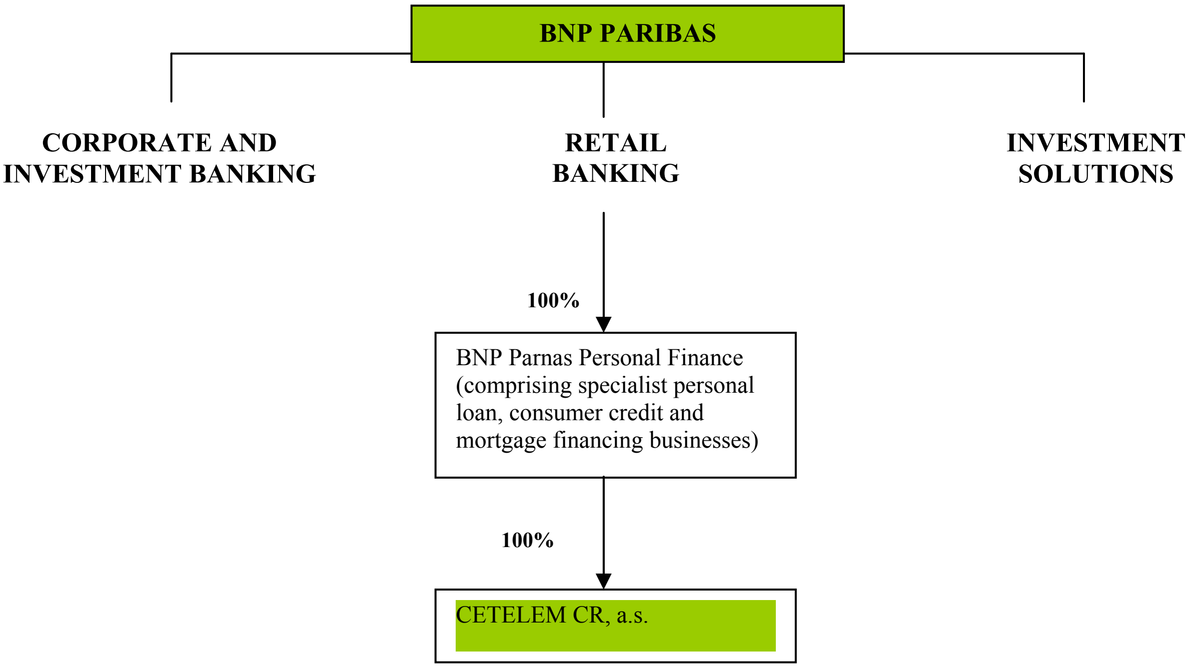
In terms of loans provided, the company ranks first among nonbanking providers of consumer loans. In 2011, the company provided loans in the total amount of CZK 9.7 billion. The company CETELEM ČR has issued more than one million of credit cards throughout its presence in the Czech Republic. According to the international study World Card Intelligence of the company Lafferty, the company CETELEM ČR is the largest issuer of credit cards in the Czech Republic.

[1] Source: ČLFA

7. ORGANIZATIONAL STRUCTURE

BNP Paribas SA is the parent company of the BNP Paribas Group.

In July 2008 two members of BNP Paribas Group UCB (mortgage loans provider) and CETELEM (consumer credits) merged and the newly created entity BNP Paribas Personal Finance became the European leader in credit activity. The company changed its name to BNP Paribas Personal Finance but CETELEM kept the Brand in the Czech Republic.



The Issuer owns a 26% share in the registered capital of the company Společnost pro informační databáze, a.s. (SID, a.s.).

8. TREND INFORMATION

The Issuer hereby declares that no significant adverse change in the Issuer's prospects took place from the date of the last published financial statements to the issue date of this Base Prospectus, which the Issuer would be aware of and which would affect its financial situation.

The Issuer is not aware of any trends, uncertainties, claims, liabilities, or events which are reasonably likely to affect the Issuer's prospects in respect of the current financial year.

The Issuer is not aware of any arrangements, which could lead to a change of control over the Issuer.

9. PROFIT FORECASTS OR ESTIMATES

The Issuer has chosen not to include the profit forecasts/estimates in this Base Prospectus.

10. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Bodies of the company are as follows:

a) General Meeting;
b) Supervisory Board;
c) Board of Directors; and
d) Audit Committee

The supreme body of the company is the General Meeting. It decides about any affairs relating to the Issuer, which are entrusted in its sphere of authority by law or on the basis of the Issuer's Articles of Association.

10.1 BOARD OF DIRECTORS OF CETELEM ČR

There are five members of the Board of Directors. Individual Directors hold their office in personally. Directors are elected by the General Meeting for the period of 5 years. As of the issue date of the Base Prospectus, the members of the Board of Directors are as follows:

Louis - Michel Duray — Chairman of the Board of Directors
Date of birth: 14 July 1960
Business address: BNP Paribas Personal Finance, SA, 20 avenue Georges Pompidou - 92300 Levallois-Perret, Francie

Ing. Václav Horák — Vice-Chairman of the Board of Directors
Personal identification number: 630226/0052
Business address: CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic

Milan Bušek — Vice-Chairman of the Board of Directors
Personal identification number: 721223/0432
Business address: CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic

Martin Fuchs — Member of the Board of Directors
Date of birth: 11 November 1951
Business address: CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic

Marie Thomas[1] — Member of the Board of Directors
Date of birth: 11 October1978
Business address: CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic

Radoslaw Kuczynski[1] — Member of the Board of Directors
Date of birth: 21 July 1970
Business address: CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic

10.2 SUPERVISORY BOARD OF CETELEM ČR

There are three members of the Supervisory Board. As of the issue date of the Base Prospectus, the members of the Supervisory Board are as follows:

Alain Van Groenendael — Chairman of the Supervisory Board
Date of birth: 13 April 1961
Business address: BNP Paribas Personal Finance, SA, 20 avenue Georges Pompidou - 92300 Levallois-Perret, Francie

Ing. Karel Šťáva — Member of the Supervisory Board elected by employees
Personal identification number: 570509/1491
Business address: CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic

Hans Broucke — Member of the Supervisory Board
Date of birth: 6 July 1964
Business address: BNP Paribas Reprezentační kancelář, Václavské nám. 19, 110 00 Praha 1, Czech Republic

The Supervisory Board monitors activities of the Board of Directors as well as the implementation of the company's business activities. It checks whether accounting records are duly maintained to correspond to reality and whether the company's business activities are carried out in compliance with legal regulations, Articles, and instructions of the General Meeting.

The Supervisory Board reviews the ordinary, extraordinary, and consolidated financial statements (or preliminary financial statements, as the case might be) and the proposal for a distribution of profit/settlement of loss, and presents its standpoint to the General Meeting. The Supervisory Board recommends an auditor of the company to the General Meeting.

The Supervisory Board presents a report on performed inspections to the annual General Meeting of shareholders.

Within the sphere of its authority, the Supervisory Board approves the conclusion of any contracts, on the basis of which the company is to acquire or misappropriate assets, provided the value of such acquired/misappropriated assets exceeds one third of the company's equity based on the last ordinary financial statements/consolidated financial statements.

Furthermore, the Supervisory Board may ask the Board of Directors to present a report on its activities, on the company's affairs, and its financial, commercial, and accounting situation.

The Supervisory Board represents the company in all proceedings conducted against the Board of Directors or any member thereof.

[1] Marie Thomas will terminate the membership of the Board on June 8th, 2012 and will be succeeded by Radoslaw Kuczynski (from June 9th, 2012)

10.3 AUDIT COMMITTEE

The members of the Audit Committee as of the date of this Base Prospectus are:

Ing. Karel Šťáva	Member of the Audit Committee
Personal identification number:	570509/1491
Business address:	CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic
Hans Broucke	Member of the Audit Committee
Date of birth:	6 July 1964
Business address:	BNP Paribas Reprezentační kancelář, Václavské nám. 19, 110 00 Praha 1, Czech Republic
Ing. Květoslava Vyleťalová	Member of the Audit Committee
Date of birth:	29.6.1949
Business adress:	Audit Servis, spol. s r.o., Nádražní 116/61, 150 00 Praha 5

The Audit Committee:

- monitors the procedure for accounting reporting,
- monitors the effectiveness of the Issuers's internal controls, internal audit and, if applicable, the risk management system,
- monitors the statutory audit of financial statements,
- assess and monitors the independence of the statutory auditor, including in particular, without limitation, the provision of ancillary services to the entity subjected to audit,
- recommends the statutory auditor.

10.4 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES CONFLICTS OF INTERESTS

No member of the Issuer's Supervisory Board / Board of Directors / Audit Committee performs any business activities outside of the Issuer, which could be material for an assessment of the Issuer.

The Issuer hereby represents that the legal limitations set down in Section 196 of the Commercial Code, relating to the competition between the members of the Board of Directors and the Issuer and between the members of the Supervisory Board and the Issuer, apply to the members of the Issuer's Board of Directors/Supervisory Board.

In compliance with the Issuer's Articles, the members of the Board of Directors shall respect the ban on competition as follows from the provisions of Section 196 of the Commercial Code, barring the cases specified in the Articles. Members of the Board of Directors may not carry out, directly or indirectly, any activities in the area of the provision of consumer loans in the Czech Republic or any other identical or similar activities, for the period of 5 years from their departure from the Issuer and/or company which is a shareholder of the Issuer or is part of the business group of the Issuer's shareholder.

In compliance with the Issuer's Articles, members of the Supervisory Board may act as statutory body members of other companies, which are part of the same business group as the Issuer – both in the Czech Republic and abroad.

The Issuer is not aware of any potential conflict of interest between the obligations of the members of the Issuer's Board of Directors/Supervisory Board to the Issuer and their private interest and/or other obligations.

The Issuer currently follows and complies with any and all requirements for the administration and management of the company imposed by the generally binding legal regulations of the Czech Republic, particularly by the Commercial Code, Payment System Act and Capital Market Undertakings Act.

The financial statements of the Issuer for individual accounting periods are audited by an external auditor in compliance with the relevant legal and accounting regulations.

No activities of the members of the Supervisory Board, the Board of Directors or the executive management of the company associated with the membership in various bodies of other companies represent a conflict of interest.

11. THE SOLE SHAREHOLDER

The sole shareholder of the company is BNP Paribas Personal Finance S.A., registered office Boulevard Haussmann 1, 75009 Paris, France. The sole shareholder owns 180,000 ordinary registered shares with the nominal value of CZK 1,000 each, thus controlling 100% of voting rights. Therefore, it acts as a controlling entity in terms of the provisions of § 66a, section 5 of the Commercial Code. The parent company of the Issuer's sole shareholder is the company BNP Paribas S.A., registered office BNP Paribas, 16 Boulevard des Italiens, 75009 Paris, France.

The Issuer's shareholder may not affect any activities of the Issuer in any manner whatsoever other than through the weight of its shares. The Issuer is not a party to any controlling agreement/profit distribution agreement.

The nature of control on the part of the controlling entity – i.e. BNP Paribas Personal Finance – results from the directly owned 100% share of the Issuer's shares. In order to prevent any abuse of the control/controlling influence of the controlling entity, the Issuer uses the legal instrument in the form of a report on relations between a controlling and controlled entity and on relations between a controlled entity and other entities controlled by the same controlling entity (report on the relations between related parties).

The Issuer is not aware of any arrangements, which could lead to a change of control over the Issuer.

12. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

Audited unconsolidated financial statements of the Issuer for the accounting period ended as of 31 December 2010, prepared in compliance with the CAS, are shown in the Annual Report of the Issuer for 2010, p. 70 through 114. Auditor's opinions in respect of the unconsolidated financial statements for the year 2010 are shown in the Annual Report of the Issuer for 2010, p. 60 through 69.

With regard to the fact that in 2011 it issued bonds admitted to trading on the Free market of the Prague Stock Exchange, the company decided to prepare financial statements for that period only in accordance with international accounting standards.

Audited unconsolidated financial statements of the Issuer for the accounting period ended as of 31 December 2010, prepared in compliance with the IFRS, including auditor's opinion, are shown in the IFRS financial statements as of 31 December 2010.

Audited unconsolidated financial statements of the Issuer for the accounting period ended as of 31 December 2011, prepared in compliance with the IFRS, are shown in the Annual Report of the Issuer for 2011, p. 64 through 106. Auditor's opinions in respect of the unconsolidated financial statements for the year 2011 are shown in the Annual Report of the Issuer for 2011, p. 59 through 63.

The data are included in this Base Prospectus by reference (see Chapter II – Information incorporated by reference).

12.1 HISTORICAL FINANCIAL INFORMATION; FINANCIAL STATEMENTS

Balance Sheet as at 31 December 2011 (CZK '000) according to IFRS				
Description	*Ref.*	*31 December 2011*	*31 December 2010*	*1 January 2010*
TOTAL ASSETS		**14,570,783**	**14,130,946**	**14,460,390**
Cash and cash equivalents	IV.1	1,127	718	919
Receivables from banks	IV.2	5,829	18,165	35,077
Receivables from clients	IV.3	14,289,566	13,840,760	14,089,302
Other long-term securities and investments	IV.4	9,269	8,650	5,060
Tax assets – current and deferred	IV.5	86,302	74,854	91,506
Property, plant and equipment	IV.6	54,989	60,071	66,294
Intangible assets	IV.7	41,339	37,946	48,584
Other assets	IV.8	82,362	89,782	123,648
LIABILITIES		**12,316,674**	**12,578,274**	**12,666,700**
Liabilities to banks	IV.9	10,983,182	12,212,581	12,275,034
Debt securities issued	IV.10	1,001,829		
Provisions	IV.11	65,780	61,750	64,750
Tax liabilities – current and deferred	IV.12		31,263	84,931
Other liabilities	IV.13	265,883	272,680	241,985
EQUITY		**2,254,109**	**1,552,672**	**1,793,690**
Owners' equity	IV.14	2,254,109	1,552,672	1,793,690
Share capital	IV.14	180,000	180,000	180,000
Reserve funds and other reserves	IV.14	36,000	36,000	36,000
Retained profit	IV.14	896,542	943,150	1,160,177
Other comprehensive gains, losses	IV.14	8,749	8,130	4,540
Gains or losses from revaluation of assets and liabilities	IV.14	-6,989		
Profit/loss for the period	IV.14	1,139,807	385,392	412,973
Share attributable to minority shareholders	IV.14			
TOTAL LIABILITIES AND EQUITY		**14,570,783**	**14,130,946**	**14,460,390**

Statement of Comprehensive Income for the year ending 31 December 2011 (in CZK '000) according to IFRS			
Description	*Ref.*	*31 December 2011*	*31 December 2010*
Interest income	V.1	2,332,810	2,276,441
Interest expense	V.1	-350,070	-400,987
NET INTEREST INCOME		**1,982,740**	**1,875,454**
Income from fees and commissions	V.2	628,244	621,347
Fee and commission expenses	V.2	-47,095	-46,586
NET INCOME FROM FEES& COMMISSIONS		**581,149**	**574,761**
Dividend income	V.3	1,404	3,900
Income from investments and participations			
Net income from trading and hedging activities			
Other income / expense	V.4	3,200	3,921
OPERATING INCOME		**2,568,493**	**2,458,036**
Payroll and personnel costs	V.5	-351,843	-325,921
General operating costs	V.6	-294,849	-341,892
Depreciation of property, plant and equipment	V.7	-25,830	-28,897
Amortisation of intangible assets	V.8	-27,281	-32,575
OPERATING COSTS		**-699,803**	**-729,285**
OPERATING INCOME BEFORE ASSET IMPAIRMENT AND PROVISIONS		**1,868,690**	**1,728,751**
Impairment of receivables	V.9	-476,761	-1,051,741
Impairment of assets	V.10	4,630	3,077
Net additions to provisions	V.11	-4,030	-2,000
PROFIT BEFORE TAX		**1,392,529**	**678,087**
Income tax	IV.12.	-252,722	-292,695
- current		-240,765	-276,043
- deferred		-11,957	-16,652
PROFIT / LOSS FOR THE PERIOD, AFTER TAX		**1,139,807**	**385,392**
Other comprehensive income for the period, after tax		-6,370	3,590
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,133,437**	**388,982**
Comprehensive income for the period, attributable to:			
- company owners		1,133,437	388,982
- minority shareholders			
Loss / earnings per share – basic	V.13	6.30	2.14
Loss / earnings per share – diluted	V.13		

Statement of cash flows for the year ending 31 December (in CZK '000) according to IFRS		
Description	*31 December 2011*	*31 December 2010*
CASH AT THE BEGINNING OF THE PERIOD	**18,884**	**35,996**
ACCOUNTING PROFIT OR LOSS FROM ORDINARY ACTIVITIES BEFORE TAX	**1,392,528**	**678,088**
Adjustment for non-cash transactions	-1,593,737	-969,135
Fixed asset depreciation/amortisation	53,111	61,472
Change in allowances and provisions	309,458	952,740
Gain (loss) from the disposal of fixed assets	-4,630	-3,078
Proceeds from dividends and profit sharing	-1,404	-3,900
Net interest expense and income	-2,080,861	-2,020,136
Adjustments for other non-cash transactions, if any	130,589	43,767
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE TAX, CHANGE IN WORKING CAPITAL AND NON-RECURRING ITEMS	**-201,209**	**-291,047**
Change in the non-cash portion of working capital	-904,588	-528,121
Change in receivables from operating activities, prepayment accounts and estimated receivables	-711,695	-557,838
Change in current liabilities from operating activities and estimated payables	-192,893	29,717
Change in inventories		
Change in current financial assets not included in cash		
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE TAX AND NON-RECURRING ITEMS	**-1,105,797**	**-819,168**
Interest expense excluding capitalised interest	-201,724	-232,517
Interest income	2,264,907	2,265,909
Income tax on ordinary activities paid and additional assessments for previous years	-293,794	-329,712
Income and expense on non-recurring accounting transactions		
Dividends and profit shares received	1,404	3,900
NET CASH FLOW FROM OPERATING ACTIVITIES	**664,996**	**888,412**
Fixed asset acquisition costs	-53,868	-44,883
Proceeds from the disposal of fixed assets	5,438	3,350
Loans to related parties	-2,866	-3,991
NET CASH FLOW FROM INVESTING ACTIVITIES	**-51,296**	**-45,524**
Change in non-current liabilities	-193,628	-230,000
Change in equity	-432,000	-630,000
Payment of equity shares to members		
Additional cash contributions from members and shareholders		
Loss settlement by members		
Direct payments from reserves		
Dividends paid	-432,000	-630,000
NET CASH FLOW FROM FINANCING ACTIVITIES	**-625,628**	**-860,000**
NET INCREASE OR DECREASE IN CASH AND CASH EQUIVALENTS	**-11,928**	**-17,112**
CASH AT THE END OF THE PERIOD	**6,956**	**18,884**

12.2 LEGAL AND ARBITRATION PROCEEDINGS

The Issuer does not conduct any judicial, administrative or arbitration proceedings and has not conducted such proceedings in the period of past 12 months, which, in the Issuer's opinion, could have/had in the past 12 months material impact on the financial situation and/or profitability of the Issuer or its group.

12.3 SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING SITUATION

No significant changes in the financial or trading situation of the Issuer or its group have occurred since the publication of the audited financial statements for the year ended as of 31 December 2011.

13. ADDITIONAL INFORMATION

13.1 SHARE CAPITAL

The registered capital of the Issuer amounts to CZK 180,000,000 and it consists of 180,000 ordinary registered shares with the nominal value of CZK 1,000 each. The registered capital is paid up in full. Shares are issued in a dematerialized form; the transfer of shares is restricted by the company's Articles.

The Issuer has not issued any securities with a right to exchange such securities for other shares or to priority subscription of other securities.

13.2 FOUNDATION DOCUMENTS AND ARTICLES OF ASSOCIATION

Articles of Association: The valid wording of the Issuer's Articles of Association was approved by the sole shareholder acting as the General Meeting on 22 June 2010. The objectives and purpose of the Issuer are regulated by the specification within the line of business – it concerns Article 2 of the Articles. The Articles are, in compliance with the Commercial Code, filed in the collection of documents of the Commercial Register.

Foundation of the Issuer: The Issuer was founded by on the basis of a contract of foundation dated 13 September 1996, with a formation on 23 October 1996.

Deed of foundation: The Issuer has been founded in compliance with the laws of the Czech Republic, under the conditions foreseen by the Commercial Code. The deed of foundation is, in compliance with the Commercial Code, filed in the collection of documents of the Commercial Register.

Line of business: The Issuer's line of business is specified in Article 2 of the Issuer's Articles of Association as well as in Chapter V.6.1 hereof.

14. MATERIAL CONTRACTS

The Issuer has not concluded any such contracts, which could lead to liabilities or claims of any group member, which would be material to the Issuer's ability to fulfill its obligations to Bondholders on the basis of issued Bonds.

15. THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

The Base Prospectus does not include any representation or report of any person acting as an expert.

Certain data stated herein come from third parties. Such data have been accurately reproduced, to the Issuer's best knowledge, and to the extent, in which such data could be obtained from information published by a third party. No facts have been omitted, which would render the reproduced data inaccurate or misleading.

16. ISSUER'S AND GUARANTOR'S DOCUMENTS ON DISPLAY

The unabridged wording of statutory audited financial statements of the Issuer and the Guarantor, including any appendices thereto and any auditor's opinions thereof, are available for inspection upon request in the registered office of the Issuer (during the standard working hours) or on its website www.cetelem.cz (in case of the Issuer's financial statements) or on the Guarantor's website www.bnpparibas.com (in case of the Guarantor's financial statements).

Any annual and semi-annual reports are available at the same place. Any other documents and materials specified herein and relating to the Issuer or the Guarantor, including any past financial data of the Issuer or the Guarantor and their subsidiaries for each of the two financial years prior to the publication of this Base Prospectus, are also available for inspection within the Issuer's registered office. It is also possible to consult the foundation documents and Articles of Association of the Issuer and the Guarantor.

Any documents specified in this section will be available at the aforementioned locations until the expiration of this Base Prospectus.

VI. THE GUARANTOR

1. STATUTORY AUDITORS

The financial statements of the Guarantor for the years of 2010 and 2011 were audited by:

Audit firm:	Deloitte & Associés
Registered office:	185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France
Membership in a professional organization:	Versailles Regional Association of Statutory Auditors
Responsible person:	Damien Laurent

Audit firm:	PricewaterhouseCoopers Audit
Registered office:	63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France
Membership in a professional organization:	Versailles Regional Association of Statutory Auditors
Responsible person:	Etienne Boris

Audit firm:	Mazars
Registered office:	61, rue Henri Regnault 92400 Courbevoie, France
Membership in a professional organization:	Versailles Regional Association of Statutory Auditors
Responsible person:	Hervé Hélias

2. RISK FACTORS

The risk factors are identified in the introduction to this Base Prospectus under the caption Risk Factors.

3. INFORMATION ABOUT THE GUARANTOR

3.1 HISTORY AND DEVELOPMENT OF THE GUARANTOR

1966: Creation of BNP

The merger of BNCI and CNEP to form BNP represented the largest restructuring operation in the French banking sector since the end of the Second World War.

1968: Creation of Compagnie Financière de Paris et des Pays-Bas

1982: Nationalisation of BNP and Compagnie Financière de Paris et des Pays-Bas at the time of the nationalisation of all French banks

In the 1980s, deregulation of the banking sector and the growing tendency of borrowers to raise funds directly on the financial market transformed the banking business in France and worldwide.

1987: Privatisation of Compagnie Financière de Paribas

With 3.8 million individual shareholders, Compagnie Financière de Paribas had more shareholders than any other company in the world. Compagnie Financière de Paribas owned 48% of the capital of Compagnie Bancaire.

1993: Privatisation of BNP

BNP's return to the private sector represented a new start. During the 1990s, new banking products and services were launched and financial market activities were developed. At the same time, the Bank expanded its presence in France and internationally, and prepared to reap the full benefits of the introduction of the euro. Privatisation also significantly boosted the Bank's profitability – in 1998, it led the French banking industry in terms of return on equity.

1998: Creation of Paribas

On 12 May 1998, the merger between Compagnie Financière de Paribas, Banque Paribas and Compagnie Bancaire was approved.

1999: A momentous year for the Group

Following an unprecedented double tender offer and a stock market battle waged over six months, BNP was in position to carry out a merger of equals with Paribas. For both groups, this was the most important event since their privatisation. It gave rise to a new Group with tremendous prospects. At a time of economic globalisation, the merger created a leading player in the European banking sector.

2000: Creation of BNP Paribas

BNP and Paribas merged on 23 May 2000.
Drawing on its strong banking and financial services heritage, the new Group adopted the objectives of creating value for shareholders, clients and employees by building the bank of the future and becoming a leading global player.

2006: Acquisition of BNL in Italy

BNP Paribas acquired BNL, Italy's 6th-largest bank. This acquisition transformed BNP Paribas, providing it with access to a second domestic market in Europe. In both Italy and France, all of the Group's businesses can now develop their activities by leveraging a nationwide banking network.

2009: Merger with the Fortis group

BNP Paribas took control of Fortis Bank and BGL (Banque Générale du Luxembourg), thereby creating a European leader in retail banking, with four domestic markets.

Trade Name:	BNP Paribas S.A.
Registered Office:	16, boulevard des Italiens 75009 Paris, France
Id. No:	CE FR 76662042449
Commercial Register:	Paris Trade and Company Register (Régistre du Commerce et des Societes Paris)
Registered under No.:	662 042 449 RCS PARIS
Date of Inception:	26 May 1966 (date of registration)
Time duration:	99 years from 17 September 1993
Legal form:	Public Limited Company (Société Anonyme), the Guarantor when doing business on the territory of the France has to comply with French law and regulation, in particular but not limited to, the French Company and Financial Market Code, the Commercial Code, the Financial and Monetary Code, and the regulation produced by the Financial and Banking Regulation Committee, the Financial Market Authority (AMF) and the French Central Bank (Banque de France).
Internet address:	www.bnpparibas.com
Telephone:	+33 (0)1 40 14 45 46

The Guarantor operates under French law.

LONG TERM CREDIT RATINGS

Standard and Poor's: AA-, negative outlook – outlook revised on 23 January 2012

Moody's: Aa3, on watch with a view to a possible downgrade – 15 February 2012

Fitch: A+, stable outlook – rating revised on 15 December 2011

4. BUSINESS OVERVIEW

4.1 PRINCIPAL ACTIVITIES AND PRINCIPAL MARKETS

The BNP Paribas Group (the "**Group**") (of which BNP Paribas SA is the parent company), Europe's leading provider of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 79 countries and has almost 200,000 employees, including over 155,000 in Europe. BNP Paribas holds key positions in its three activities:

- **Retail Banking, which includes the following operating entities:**
  - French Retail Banking (FRB);
  - BNL banca commerciale (BNL bc), Italian retail banking;
  - BeLux retail Banking;
  - Europe-Mediterranean;
  - BancWest;
  - Personal Finance;
  - Equipment Solutions;
- **Investment Solutions;**
- **Corporate and Investment Banking (CIB).**

In 2012 BNP Paribas will be organized as follows:

- **Retail Banking, which includes the following:**
  - A set of Domestic Markets grouping together:
    - 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)
  - An International Retail Banking entity grouping together:
    - Europe-Mediterranean;
    - BancWest;
  - A Personal Finance entity;
- **Investment Solutions;**
- **Corporate and Investment Banking (CIB).**

4.2 PRODUCTS AND SERVICES OF BNP PARIBAS

4.2.1 RETAIL BANKING

With 7,200 branches in 43 countries, 23 million individual, professional and small business customers and 280,000 corporate clients, in 2011, BNP Paribas generated more than half of its revenues from retail banking and consumer finance activities with close to 13 million active customers and leasing activities. Retail banking activities employ 144,000 people, representing over 70% of the Group's headcount.

Retail Banking is divided into seven autonomous operating entities:

- French Retail Banking;
- BNL bc, Italian retail banking;
- BeLux Retail Banking, covering retail banking activities in Belgium and Luxembourg, a new entity created following the integration of Fortis;
- Europe-Mediterranean, covering retail banking activities in Central and Eastern Europe, the Mediterranean Basin and West Africa;
- BancWest, the retail banking network in the USA;
- Personal Finance, comprising the specialist personal loan, consumer credit and mortgage financing businesses;
- Equipment Solutions, dedicated to financing equipment for corporate clients.

Five transversal missions – Distribution, Markets & Solutions (DMS), IT, Operations, Human Resources and Communications – provide the business lines with their expertise and work on shared cross-functional projects.

There are also two cross activities: Cash Management and Factoring.

In 2012, the organizational structure of Retail Banking activities is set to change as follows:

- a set of **Domestic Markets**, grouping together retail banking networks of BNP Paribas in France (FRB), Italy (BNL bc), Belgium (BNP Paribas Fortis) and Luxembourg (BGL BNP Paribas), leasing activities (BNP Paribas Leasing Solutions), automotive fleet leasing with associated services (Arval) and BNP Paribas Personal Investors, online savings and brokerage expert. Lastly, Wealth Management will continue to report functionally to this set;
- an **International Retail Banking** entity, grouping together countries covered previously by the Europe-Mediterranean operating entity (Central and Eastern Europe, Turkey, Mediterranean, West Africa and Asia), in addition to the USA with BancWest;
- a **Personal Finance** entity, market leader in consumer finance, with operations in around 30 countries.

FRENCH RETAIL BANKING

French Retail Banking (FRB) supports all its clients with their projects. It has a client base made up of 6.8 million individual and private banking clients, 615,000 small business and professional clients and 25,000 corporate and institutional clients. The division offers a broad line-up of products and services, ranging from current account services to the most complex financial engineering services in the areas of corporate financing and asset management.

During 2011, FRB acquired close to 460,000 new clients. To forge even closer relationships with its clients, French Retail Banking continues to invest in its network. At 31 December 2011, it consisted of 2,250 branches, of which over 1,450 have been refurbished based on the "Welcome & Services" concept, and 5,892 cash dispensers. As such, the network is now more compatible with a multi-channel organizational structure.

The French Retail Banking Division employs 31,900 people working for all its clients chiefly in the BNP Paribas branded branch network, as well as at BNP Paribas Factor, BNP Paribas Development, a provider of capital, and Protection 24, a remote surveillance firm. The merger between BNP Paribas and Banque de Bretagne was completed in October 2011.

The network is organized by client category:

- branches dedicated to individual, professional and business clients;
- 223 wealth management centres, making BNP Paribas the no. 1 private bank in France (based on assets under management)[1];
- a unique network of 28 Business Centres dedicated to business customers across the length and breadth of the country, as well as a professional assistance service – Service Assistance Enterprise (SAE) and Cash Customer Services (CCS);
- 46 Small Business Centres which help small businesses and SMEs to manage their wealth planning projects or projects related to their company's lifecycle.

The Client Relations Centre's three platforms in Paris, Orleans and Lille deal with calls made to the branches and handle client e-mails. A Net Crédit Immo contact centre processes mortgage applications in less than 48 hours. In addition, a dedicated area on bnpparibas.net (NetEpargne) provides information for clients and enables them to apply for on balance sheet savings accounts and life insurance products.

FRB continues to pursue the development of its multi-channel approach encompassing automated banking systems in branches, mobile account management and applications, new online services and loans, and the NET Agence online bank.

[1] Source: Décideurs Stratégie Finances Droit 2011.

Backed by 59 production and sales support branches, FRB's back offices handle all the transaction processing operations.

BNL BANCA COMMERCIALE (BNL BC)

BNL banca commerciale (BNL bc) is one of the major players in the Italian banking system, ranking 6th in terms of both total assets and loans to customers[1].

BNL bc provides a comprehensive range of banking, financial and insurance products and services to meet the needs of its diversified client base consisting of:

- about 2.5 million individuals and 20,900 private clients (households);
- 169,000 small business clients;
- over 29,000 medium and large companies, including Large Relationships ("*Grandes Relations*") consisting of around 460 groups with 1,800 operating companies;
- 16,000 local authorities and non-profit organisations.

In retail and private banking, BNL bc has a strong position in lending, especially residential mortgages (market share of nearly 7%), and a good deposits base (market share of around 4% for current accounts) well ahead of its network penetration (2.7% in terms of branch numbers)[2].

BNL bc also has a longstanding tradition in supporting large companies and local authorities (with market shares of over 4% and 5% respectively[2] for loans) with a well-established reputation in cross-border payments, project financing and Structured Finance, as well as factoring through its specialised subsidiary Ifitalia (which ranks 2nd in the market in terms of annual turnover[3]).

BNL bc has adopted a multi-channel distribution approach, organised into 5 regions ("direzioni territoriali") with the Retail & Private Banking and Corporate Banking activities being run as separate structures:

- close to 890 branches;
- 29 Private Banking Centres;
- 33 Small Business Centres;
- 53 branches dealing with small and medium enterprises, large corporates, local authorities and public sector organisations.

In addition, 5 Trade Centres provide companies with a range of solutions for cross-border activities, complementing BNP Paribas' international network. Moreover, a network of 10 Italian desks, mainly located in the Mediterranean area, assists Italian companies abroad as well as multinational companies with direct investments in Italy.

The multi-channel offering is complemented by more than 1,970 Automated Teller Machines and over 25,600 points of sale with retailers, as well as telephone and online banking for both retail and business clients.

This organisation is supported by specialised local risk and back-office units, which on one side closely monitor risk exposures, and on the other help the distribution network to improve the satisfaction of both internal and external clients with high-quality and effective services.

BELUX RETAIL BANKING

Retail & Private Banking (RPB)

BNP Paribas Fortis is no. 1 in personal banking in Belgium, with 3.7 million customers and high-ranking positions in all banking products[4]. Detail customers are reached through a multi-channel distribution strategy.

The branch network comprises 983 branches plus 681 customer service points under the partnership with Banque de la Poste and 308 Fintro franchise outlets[5].

RPB's Client Relationship Management (CRM) centre manages a network of 3,259 cash dispensers, as well as online banking services (1.2 million users), mobile banking and phone banking.

With 38 Private Banking Centres, BNP Paribas Fortis is a major player in the Belgian private banking market. Its services are aimed at individual customers with assets of more than EUR 250,000. Wealth Management caters to clients with assets of more than EUR 4 million.

Corporate & Public Bank Belgium (CPBB)

CPBB offers a comprehensive range of financial services to Belgian corporates, public entities and local authorities. With more than 650 corporate clients and 14,200 midcap clients, it is the market leader in both those categories[6] and a challenger in public banking with 850 clients. CPBB keeps very close to the market through its team of more than 70 corporate bankers and 217 relationship managers operating out of 22 Business Centres, supported by specialists in specific areas.

Retail and Corporate Banking Luxembourg (BDEL)

The BDEL business of BGL BNP Paribas provides a broad range of financial products and services to its private and professional

[1] Source: published financial information on companies' websites.
[2] Source: internal data and Bank of Italy statistics as at 30 September 2011.
[3] Source: Assifact as at 31 December 2011.
[4] Source: Strategic Monitor Individuals study 2010.
[5] In December 2011, Fintro had 1,018 employees, 335,427 customers and more than EUR 11.25 billion of deposits.
[6] Source: TNS survey.

clients, as well as corporates through a network of 38 branches and departments dedicated to corporate clients. BGL BNP Paribas is the second-largest retail bank in Luxembourg in terms of services for individuals, with a total of 213,000 resident customers representing a market share of 16%[1]. It is the leading commercial bank with 37,500 corporate clients representing a market share of 38%[2].

EUROPE-MEDITERRANEAN

Europe-Mediterranean (EM) operates a network of 2,087 branches in 10 geographical areas. It is present in Turkey, Central and Eastern Europe (Poland and Ukraine), the southern Mediterranean Basin (Morocco, Algeria, Tunisia, Egypt), in sub-Saharan Africa and in Asia through partnerships.

EM is gradually rolling out the integrated Retail Banking model of the BNP Paribas group which has proved so successful in its domestic markets by providing local customers with the expertise for which the Group has a strong competitive position in the market (dynamic customer segmentation, cash management, trade finance, multi-channel distribution, specialised financing, wealth management etc.).

BANCWEST

In the United States, the retail banking business is conducted through Bank of the West and First Hawaiian Bank, subsidiaries of BancWest Corporation since 1998, wholly-owned by BNP Paribas since the end of June 2001. Until 2006, BancWest pursued a policy of acquisitions to develop its franchise in western America.

Bank of the West markets a very broad range of retail banking products and services to individuals, small businesses and corporate clients in 19 States in western and mid-western America. It also has strong positions across the USA in certain niche lending markets, such as marine, recreational vehicles, church lending, small business and agribusiness.

With a market share of more than 40% in deposits[3], First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and businesses.

In total, with 11,600 employees, close to 800 branches and corporate offices, total assets of over USD 78 billion at 31 December 2011, BancWest currently serves some 2.3 million clients. It ranks as the seventh-largest commercial bank in the western United States by deposits[3].

PERSONAL FINANCE

BNP Paribas Personal Finance, European no. 1 in personal loans[4]

Within the BNP Paribas Group, BNP Paribas Personal Finance (PF) specialises in personal loans through its consumer credit and mortgage lending activities. With 30,000 employees in around 30 countries and on four continents, BNP Paribas Personal Finance ranks as the leading player in France and Europe[4].

BNP Paribas Personal Finance markets a comprehensive range of solutions available at the point of sale (stores, car dealerships), directly via its customer relations centres and over the internet. Since 2011, the Company has also offered savings and insurance services for clients in France.

Furthermore, BNP Paribas Personal Finance has made partnerships an area of specialisation in its own right underpinned by its expertise in providing all types of financing and services geared to the activities and commercial strategy of its partners. As a result, BNP Paribas Personal Finance has become a key partner for retail chains, service providers, banks and insurance companies.

Core commitment to responsible lending®

Primarily via its commercial brands Cetelem and Findomestic in Italy, BNP Paribas Personal Finance has made responsible lending the basis of its commercial strategy as a means of ensuring **lasting growth**. At each stage of the customer relationship, as well as during the process of granting a loan, responsible lending criteria are applied. These criteria are based on customer needs – which are central to this approach – and customer satisfaction, which is assessed regularly.

This approach – shared by all of PF – is implemented depending on the specific characteristics of each country. In addition, structural measures such as the design and distribution of accessible and responsible products and services, as well as the "Recoverability Charter", are rolled out and implemented in all countries.

France has the most comprehensive Personal Finance offering, including access to independent business mediation and, since 2004, monitoring of three responsible lending criteria that have been made public: refusal rate, repayment rate and risk rate.

Since 2007, BNP Paribas Personal Finance has supported the development of personal microfinance guaranteed by the Fonds de Cohesion Sociale. At the end of 2011, it had granted more than 253 micro-loans totalling EUR 507,127.

EQUIPMENT SOLUTIONS

Equipment Solutions uses a multi-channel approach (direct sales, sales via referrals or banking networks) to offer corporate and business clients an array of leasing and rental solutions, ranging from equipment financing to fleet outsourcing.

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[1] Source: ILRES survey, October 2011.

[2] Source: ILRES survey, November 2010 (conducted every two years).

[3] Source: SNL Financial, 30 June 2011.

[4] Source: Annual Reports of personal finance companies.

Equipment Solutions consists of four international business lines organised around assets and specially customised leasing and rental solutions:

- Arval for cars and light commercial vehicles;
- Equipment & Logistics Solutions for rolling equipment: farming machinery, construction and public works equipment, commercial vehicles;
- Technology Solutions for technological assets, including office, hardware and software, and telecoms equipment;
- Bank Leasing Services for leasing products to BNP Paribas bank network customers.

Equipment Solutions successfully capitalised on the economic recovery at the beginning of the year, launching numerous commercial initiatives.

For the second year in a row, the business remains the European leader in equipment financing in terms of new business and remains committed to providing financing for the economy, with over 495,000 contracts signed[1]. In late December 2011, Arval posted an increase in its leased vehicle fleet of 3% compared with 2010, together with a rise in the number of vehicles purchased (210,648 vehicles, up 17% compared with 2010). At the same date, Arval had a total leased fleet of 686,946 vehicles. Arval is a major European player in full service vehicle leasing and no. 1 in Spain[2], France[3], Italy[4] and Poland[5] in terms of leased vehicles.

BNP Paribas Leasing Solutions arranged over 288,000 financing deals in 2011. Its total outstandings under management exceed EUR 20.9 billion[6].

4.2.2 INVESTMENT SOLUTIONS

Combining BNP Paribas' activities related to the collection, management, development, protection and administration of client savings and assets, Investment Solutions offers a broad range of high value-added products and services around the world, designed to meet all the requirements of individual, corporate and institutional investors.

Investment Solutions comprises 6 business lines, with complementary expertise:

- Asset Management–BNP Paribas Investment Partners (3,423 employees, 42 countries);
- Insurance–BNP Paribas Cardif (7,076 employees, 39 countries);
- Private Banking–BNP Paribas Wealth Management (6,103 employees, 30 countries);
- Online savings & brokerage–BNP Paribas Personal Investors (3,992 employees, 7 countries);
- Securities Services–BNP Paribas Securities Services (7,617 employees, 30 countries);
- Real Estate–BNP Paribas Real Estate (3,289 employees, 29 countries).

In total, Investment Solutions is present in 68 countries with around 31,000 employees.

All the Investment Solutions businesses hold leading positions in Europe, where they operate in the key domestic markets of the BNP Paribas group (France, Italy, Belgium, Luxembourg) and in Switzerland, the United Kingdom, Spain and Germany, among others. Investment Solutions is also actively working to further its international development in highgrowth regions such as the Asia-Pacific, Latin America and the Middle East, where the businesses are expanding their activities through new operations, acquisitions, joint ventures and partnership agreements.

In 2012, BNP Paribas Personal Investors will join Retail Banking's set of Domestic Markets.

BNP PARIBAS INVESTMENT PARTNERS

BNP Paribas Investment Partners (BNPP IP) is the asset management arm of the BNP Paribas group and is comprised of a network of 24 specialised companies worldwide.

A global investment solution provider, BNPP IP has three distinct groups of investment expertise:

- Multi-expertise investment capabilities: BNP Paribas Asset Management, the largest partner, encompasses the major asset classes with investment teams operating in all key markets;
- Specialist Investment Partners: specialists in a particular asset class or field (mainly alternative and multi-management), operating as boutique-like structures;
- Local and regional solution providers: local asset managers covering a specific geographical region and/or clientele, the majority in emerging markets.

With EUR 403 billion in assets under management and advisory and over 3,400 staff operating in 42 countries, BNPP IP offers a full range of investment management services to both institutional clients and distributors wherever they are located.

BNPP IP has offices in the world's major financial centres, including Brussels, Hong Kong, London, Milan, New York, Paris and Tokyo. It has a strong presence in a large number of emerging markets with local teams in Brazil, China, India, Indonesia, Russia and Turkey – enabling it to adapt its offering to the local needs of each market it is in. This is why BNPP IP can be considered both a global investor and a local partner.

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[1] Source: Leaseurope 2010 league tables published in August 2011.

[2] Source: Asociación Española De Renting De Vehículos (AER), Spain, October 2011.

[3] Source: Syndicat National des Loueurs de Voitures Longue Durée, 1st quarter 2011.

[4] Source: FISE ANIASA (Federazione Imprese di Servizi - Associazione Nazionale Industria dell'Autonoleggio e Servizi Automobilistici), Italy, September 2011.

[5] Source: PZWLP February 2012.

[6] Amounts after servicing transfer, excluding short-term outstandings.

Based on assets under management, BNPP IP ranks no. 4 among the European asset managers[1].

BNP Paribas Investment Partners combines the financial strength, distribution network and disciplined management of BNP Paribas with the reactivity, specialisation and entrepreneurial spirit of investment boutiques.

BNP PARIBAS CARDIF

BNP Paribas Cardif's role is to insure individuals, their families and their property.

It markets its savings and protection products and services via various partners.

By forging close relationships with its clients, BNP Paribas Cardif has developed unique expertise in insurance-based partnerships and an ability to adapt to each partner's specific needs in the markets of Europe, Asia and Latin America, where it holds strong positions.

BNP Paribas Cardif strives to meet the expectations of its clients by supporting each partner with its projects and each policyholder at every stage in their life.

As a global player in personal insurance, BNP Paribas Cardif has established itself as Europe's tenth-ranked insurer[2] and aims to become the global leader in insurance-based partnerships.

Three major distribution channels:

- BNP Paribas' retail banking networks in France, Italy, Luxembourg, Belgium, Turkey and Ukraine;
- banks, financial institutions and mass retailers;
- brokers, networks of independent financial advisers and the Internet.

WEALTH MANAGEMENT

BNP Paribas Wealth Management encompasses BNP Paribas' private banking activities. As part of an integrated approach to client relationships, Wealth Management provides its clients with security and an innovative product and service capability.

It delivers high value-added products and services designed to meet the needs of a sophisticated clientele. Its range of products and services includes:

- wealth management services, such as estate planning and holding structure optimisation;
- financial services such as advisory services in asset allocation, the selection of investment products and securities, discretionary portfolio management;
- expert advice in specific areas, such as art, real estate and philanthropy. In an environment significantly affected by new regulations, the business is organised to meet the following objectives:
- support Wealth Management's development in countries where the Group has a retail banking network;
- grow Wealth Management's business in fast growing markets;
- gain or strengthen positions through close cooperation with Corporate & Investment Banking and through other partnerships;
- increase cross-functionality between geographies and support functions.

Clients draw on the expertise of the business line's support teams in financial planning and asset management, as well as diversification. BNP Paribas Wealth Management sources solutions for these services from the Group's other businesses (Investment Partners, Securities Services, Cardif, Corporate Finance, Fixed Income and Equity Derivatives), as well as from selected external product and service providers. To strengthen its ability to attract and advise the world's largest fortunes ("Key Clients"), BNP Paribas Wealth Management has also set up a dedicated team responsible for global coverage of this segment.

With EUR 244 billion in assets under management in 2011 and about 6,100 professionals in close to 30 countries, BNP Paribas Wealth Management ranks among the Top 3 global private banks and as the no. 2 European private bank by Private Banker International and as no. 7 worldwide and as no. 3 in Western Europe, according to the Euromoney[3] survey. In France with EUR 69 billion of assets under management, it was ranked no. 1[4].

BNP PARIBAS PERSONAL INVESTORS

BNP Paribas Personal Investors provides independent financial advice and a wide range of investment services to individual clients. It brings together three players:

- Cortal Consors, European leader[5] specialist in online savings and brokerage for individuals, provides personalised investment advice and online trading services via Internet, telephone and face to face to over one million clients in Germany, France and Spain. Its broad range of independent products and services includes short-term investment solutions, mutual funds and life insurance;
- B*capital, an investment company, offers direct access to a complete range of markets (equities, bonds, derivatives), providing financial analysis as well as customised advice and portfolio management.

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[1] Source: IPE ranking June 2011, based on assets under management as at 31 December 2010.

[2] Source: Study based on information published by competitors.

[3] Source: Euromoney 2012.

[4] Source: Décideurs Stratégie Finances Droit 2011 and Euromoney 2012.

[5] Source: BCG, December 2011

- B*capital is the majority shareholder in stockbroker Portzamparc, specialised in small and mid-cap businesses;
- Geojit BNP Paribas is one of the leading retail brokers in India. It provides brokerage services for equities, derivatives and financial savings products by phone, online and via a network of around 530 branches throughout India. Geojit BNP Paribas also operates in the United Arab Emirates, Saudi Arabia, Oman, Bahrain and Kuwait, where it targets mainly non-resident Indian clientele.

In Luxembourg and Singapore, BNP Paribas Personal Investors provides products and services to an international and expatriate clientele.

Since June 2011, BNP Paribas Personal Investors manages TEB Investment activities in Turkey, which include brokerage services for corporate clients and individual investors via Internet and a network of 29 branches.

On 31 December 2011, BNP Paribas Personal Investors[1] had 1.4 million customers and EUR 32 billion in assets under management, of which 39% was invested in equity assets, 35% in savings products or mutual funds and 26% in cash. BNP Paribas Personal Investors employs over 4,000 staff.

BNP Paribas Personal Investors' goal is to strengthen its leadership position in Europe and in emerging markets that enjoy strong savings capacity and to further develop synergies within the BNP Paribas group.

BNP PARIBAS SECURITIES SERVICES

BNP Paribas Securities Services is one of the major global players in securities services[2]. During 2011, assets under custody declined by -2.7% compared with 2010 to stand at EUR 4,517 billion. Assets under administration grew by +7.4% to EUR 828 billion and the number of funds also rose by +11.3% to 7,044. The number of transactions settled rose by +4.4% to 49 million against a backdrop of very strong activity in the financial markets.

BNP Paribas Securities Services provides integrated solutions for all actors involved in the investment cycle: sell side, buy side and issuers.

- investment banks, broker-dealers, banks and market infrastructures are offered customised solutions in execution services, derivatives clearing, local and global clearing, settlement and custody for all onshore and offshore asset classes worldwide. Outsourcing solutions for middle and back-office activities are also provided;
- institutional investors (asset managers, alternative fund managers, sovereign wealth funds, insurance companies, pension funds, fund distributors and promoters) have access to a broad range of services. These include global custody, depository bank and trustee services, transfer agency and fund distribution support, fund administration and middle-office outsourcing, investment reporting and risk and performance measurement;
- issuers (originators, arrangers and corporates) are provided with a wide range of corporate trust solutions: securitisation and Structured Finance services, debt agency services, issuer advisory, stock option and employee stock plans, shareholder services and management of Annual General Meetings;
- market and financing services are provided across all client types. These include securities lending and borrowing, foreign exchange, credit and collateral management, and cash financing.

BNP PARIBAS REAL ESTATE

With 3,400 employees, BNP Paribas Real Estate ranks as continental Europe's no. 1 provider of real estate services to corporates [3] and as one of France's leading players in residential property[4].

Clients are the focus of its business strategy and its commercial organisation. Its clients comprise businesses, institutional investors, private individuals, property developers and public entities.

BNP Paribas Real Estate can meet the needs of its clients at every stage in a property's lifecycle. The business is able to draw on its full range of services:

- Property development – no. 1 in commercial property and no. 6 in residential property in France[4] .
- Advisory (Transaction, Consulting, Valuation) – no. 1 in France[5] and in Germany[6].
- Property Management – no. 2 in France[7] and no. 1 in Belgium[8].
- Investment & Asset Management – no. 1 in raising funds for nontrading property investment trusts (SCPIs)[9].

This integrated offering is built around international business lines. It encompasses all types of property, such as offices, warehouses, logistics hubs, retail units, hotels, housing units, "Studelites" student serviced residences and "Hipark"-branded business tourist residences.

In residential real estate, BNP Paribas Real Estate's activities are chiefly conducted in France.

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1 With Geojit included at a rate of 34%.

2 Source: BNP Paribas Securities Services figures at 31 December 2011 for assets under custody; financial release of Top 10 competitors.

3 Source: Property Week, June 2011.

4 Source: Innovapresse property developer league tables, September 2011.

5 Source: Euromoney, September 2011.

6 Source: Immobilier Manager, September 2011.

7 Source: Lettre M2.

8 Source: Expertise, November 2011.

9 Source: IEIF, March 2011.

In commercial property, BNP Paribas Real Estate supports its clients in 30 countries:

- through a direct presence (15 countries):
  - in Europe: Germany, Belgium, Spain, France, Hungary, Ireland, Italy, Jersey, Luxembourg, Poland, Czech Republic, United Kingdom, Romania,
  - India and the Gulf countries;
- via alliances with local partners (15 countries).

As a responsible corporate citizen, BNP Paribas Real Estate is engaged in a number of programmes promoting environmental protection, architecture and training for young people.

4.2.3 CORPORATE & INVESTMENT BANKING

BNP Paribas Corporate & Investment Banking (CIB) employs nearly 20,000 people across more than 50 countries. BNP Paribas CIB provides its clients with financing, advisory and capital markets services. In 2011, BNP Paribas CIB contributed 23% of the BNP Paribas group's revenues and 37% of its pre-tax net income.

BNP Paribas CIB's clients, consisting of corporates, financial institutions and investment funds, are central to BNP Paribas CIB's strategy and business model. Staff's main aim is to develop and maintain longterm relationships with clients, to support them in their expansion or investment strategy and provide global solutions to meet their financing, advisory and risk management needs. In 2011, BNP Paribas CIB continued to strengthen its European leadership and to develop its international activities, consolidating its role as European partner of choice for many corporates and financial institutions worldwide.

Amid very tough market conditions as a result of tighter regulations, heightened concerns about the sovereign debt of certain European countries and an economic slowdown in developed countries, BNP Paribas CIB took measures during 2011 to adjust its business activities. To contend with this new environment, BNP Paribas CIB implemented a plan to reduce its asset base and its funding needs in US dollars, which will be completed by year-end 2012.

STRUCTURED FINANCE

Structured Finance (SF) operates at the crossroads of the lending and capital markets activities. It designs customised short- and mediumterm financing solutions for a global clientele. With a presence in almost 40 countries and over 2,100 experts, SF offers a full range of financing solutions, from the origination, structuring and execution of structured debt through syndication. Structured Finance also includes CIB's cash management activities outside Europe.

SF has a major role in energy and commodities financing, asset financing (aircraft, shipping, real estate), export financing, leveraged financing, project financing, corporate acquisition financing, trade financing, cash management and loan syndication.

During 2011, SF completed a number of deals that helped to finance the economy. It helped to finance its clients' investment and expansion projects by providing customised, integrated solutions geared to their specific needs. Clients therefore benefit from a global offering combining product expertise with dedicated specialists. As part of the measures being taken by the Group to adapt to the new environment, SF made a significant contribution to the adaptation plan introduced by CIB to reduce its US dollar funding needs and its risk-weighted assets.

Once again, Structured Finance won a number of awards during the year reflecting the excellence of its teams and the quality of its service:

- No. 5 Globally in Cash Management (Euromoney 2011);
- Best Project Finance House in Western Europe (Euromoney 2011);
- Best Energy Finance Bank (Trade Finance Magazine 2011);
- Emerging EMEA Loan House (IFR 2011);
- No. 1 Mandated Lead Arranger (MLA) for Global Trade Finance Hans (excl. sole bank loans) for 2011 (Dealogic);
- No. 1 MLA (by number of deals) and no. 3 (by volume) in ECA-backed Trade Finance Loans for 2011 (Dealogic);
- No. 2 Global Financial Adviser (Infrastructure Journal 2011);
- No. 2 Global Renewables Financial Adviser (Infrastructure Journal 2011);
- No. 1 Bookrunner (Dealogic) and no. 1 Bookrunner and Mandated Lead Arranger (Thomson Reuters) in EMEA syndicated loans for 2011 by volume and number of deals;
- No. 1 Bookrunner in the EMEA Leveraged Loan market for 2011 by number of deals (Dealogic);
- No. 1 Best Arranger of Western European Loans, no. 2 Most Impressive Arranger of EMEA Loans and no. 2 Best Arranger of Corporate Hans (EuroWeek Syndicated Loans Awards 2011).

CORPORATE AND TRANSACTION BANKING EUROPE

Corporate and Transaction Banking Europe (CTBE), created in February 2010, is the cornerstone of BNP Paribas' strategy of becoming "THE bank for corporates in Europe". CTBE provides its corporate clients with both day-to-day corporate banking services in liaison with the Global Cash Management, Global Trade Solutions and Global Faktoring competence centres, and a full range of investment banking services from CIB's other business lines.

CTBE targets a local clientele of large and mid caps and the local subsidiaries of BNP Paribas' customers from all regions. Clients are served equally whether they come from CIB, a domestic retail market or another retail banking entity.

With its corporate banking focus, CTBE offers financing, cash management and trade solutions to all its clients. It works hand in hand with BNP Paribas Factor, BNP Paribas Leasing Solutions and Arval to distribute a range of leasing and factoring solutions.

It also cooperates with the other CIB business lines to offer their products and services to its clients, and particularly the Fixed Income business line for simple interest rate and exchange rate hedging solutions.

CTBE operates in 16 countries (Germany, Austria, Bulgaria, Denmark, Spain, Hungary, Ireland, Norway, The Netherlands, Portugal, Czech Republic, Romania, United Kingdom, Russia, Sweden and Switzerland) and has 30 business centres. A team of some 200 relationship managers, 40 Cash Management specialists and 25 Trade Solutions specialists serve 8,000 clients.

CORPORATE FINANCE

Corporate Finance offers advisory services for mergers and acquisitions, primary equity capital market transactions and restructuring. The M&A teams advise both buyers and targets and also offer advice on other strategic financial issues, such as privatisations. Primary capital market services include flotations, equity issues, secondary issue placements, and convertible/exchangeable bond issues. It employs around 400 professionals in a global network based on two main platforms, one in Europe and one in Asia, and a growing presence in the Middle East, Africa and the Americas.

In M&A, BNP Paribas consolidated its Top 10 ranking in Europe. It ranked as the no. 9 in Europe (Thomson Reuters, completed deals), no. 1 in France (Thomson Reuters and Dealogic, announced and completed deals), no. 3 in Italy (Dealogic announced deals) and no. 4 in Spain (Thomson Reuters, announced deals) at 31 December 2011.

In addition, BNP Paribas won the following awards:

- "M&A Deal of the Year in Europe" from The Banker for the combination between GDF Suez Energy International and International Power;
- "Best M&A House in France" awarded by Euromoney;
- "Financial Advisor for France" awarded by FT Mergermarket.

In the North Africa/Middle East region, BNP Paribas CIB ranks no. 1 (Thomson Reuters, announced deals) and received the "M&A Deal of the Year in Africa" award from The Banker for the sale of Zain's African business activities to Bharti Airtel.

In the primary equity market, BNP Paribas consolidated on its leadership in the Europe/Middle East/Africa region by ranking as the no. 2 bookrunner of EMEA equity-linked deals according to Dealogic at 31 December 2011.

BNP Paribas also ranks as the no. 5 bookrunner for initial public offerings (IPOs) (Thomson Reuters). In addition, BNP Paribas won the prestigious "EMEA Structured Equity House of the Year" award from IFR for the second year in a row in December 2011.

In Asia, the USD 1.2 billion IPO of Sun Art Retail Group in Hong Kong, on which BNP Paribas acted as bookrunner, received the following two awards:

- "Best Equity Deal", "Best IPO" awarded by FinanceAsia;
- "Best IPO" awarded by Asiamoney.

GLOBAL EQUITIES & COMMODITY DERIVATIVES

BNP Paribas CIB's Global Equities & Commodity Derivatives (GECD) division offers equity derivatives and commodity derivatives products, indices and funds, as well as financing solutions and an integrated equity brokerage platform. It employs 1,400 front-office professionals operating in three major regions (Europe, America, Asia-Pacific).

GECD is organised into three segments:

Structured Equity provides structured solutions for a broad clientele including retail customers, corporate clients, banking networks, insurance companies and pension funds. It provides its clients with customised or exchange-traded structured products to meet their capital protection, yield and diversification requirements.

Flow and Financing caters to the needs of institutional investors and hedge funds. It delivers appropriate and innovative investment and hedging strategies in equity markets across the globe and provides access to financing solutions through its Prime Brokerage unit, stock lending and borrowing and synthetic financing. Flow and Financing also provides its clients with a rapidly developing integrated equity brokerage platform combining numerous researches, sales, trading and execution service capabilities.

Commodity Derivatives provides a range of risk hedging solutions to corporate clients whose business is highly correlated with commodity prices (producers, refineries and transport companies, for example).

It also provides investors with access to commodities through various investment strategies and structured solutions.

2011 awards

GECD's expertise and know-how was recognised in 2011 by the following awards:

- Structured Products House of the Year (Risk Magazine 2011);
- House of the Year (Structured Products Europe Awards 2011);
- House of the Year (Structured Products Americas Awards 2011);
- Derivatives House of the Year (The Asset Triple A Investment Awards 2011);
- Derivatives House of the Year (Energy Risk Magazine 2011);
- Precious Metals House of the Year (Energy Risk Magazine 2011);
- Energy Brokerage House of the Year, Asia (Energy Risk Magazine 2011);
- Commodities House of the Year (Commodity Business Awards 2011);
- Excellence in Commodity Risk Exposure Mitigation (Commodity
- Business Awards 2011);

- Excellence in Commodity Finance & Structured Products (Commodity
- Business Awards 2011);
- Best Equity Derivatives Provider, Asia (Global Finance Magazine 2011).

FIXED INCOME

BNP Paribas CIB's Fixed Income team, which is active in interest-rate, currency and credit products, is a major provider of global solutions in these areas. With headquarters in London, seven other trading floors in Paris, Brussels, New York, Sao Paulo, Hong Kong, Singapore and Tokyo, and additional regional offices throughout Europe, the Americas, the Middle East and Asia-Pacific, the business has almost 2,400 staff globally.

Fixed Income covers a broad range of products and services extending from origination to sales and trading via structuring, syndication, research and electronic platforms. The division's global network of Fixed Income experts has built a large and diversified client base of asset managers, insurance companies, banks, corporates, governments and supranational organisations.

Teams of dedicated experts in each region help to finance the economy by meeting client needs through financing solutions such as bond issues.

Fixed Income also offers its institutional client base new investment opportunities and solutions to manage various types of risk, such as interest rate, inflation, foreign exchange and credit risk. In 2011, Fixed Income added real value for its clients, as illustrated by its rankings in the official league tables and awards won:

2011 rankings

- No. 1 bookrunner for euro bond issues, no. 4 bookrunner for international bond issues in all currencies (Thomson Reuters Bookrunner Rankings 2011);
- No. 4 in euro inflation products and no. 4 in all interest rate products all currencies combined (Total Derivatives/Euromoney Interest Rate Derivatives Survey 2011);
- No. 2 in credit derivatives – indices and tranches, Europe (Risk Institutional Investor Survey 2011);
- No. 2 in forex services for financial institutions (Asiamoney FX Poll 2011);
- No. 1 in credit research in the banking sector; no. 2 in the consumer products sectors and no. 5 in trading ideas (Euromoney Fixed Income Research Poll 2011);
- No. 2 in credit derivatives overall (AsiaRisk Interdealer Rankings, 2011).

2011 awards

- Structured Products House of the Year (Risk Magazine 2012);
- Structured Products House of the Year (Structured Products Europe 2011);
- Structured Products House of the Year (Structured Products Americas 2011);
- Interest Rates House of the Year (Structured Products Europe 2012);
- Best Issuer for Covered Bonds, Best Bank for Structuring (The Cover/EuroWeek Covered Bond Awards 2011);
- Best Corporate Bond House, Best Bank for Corporate Secondary Markets, Best Bank for Corporate Liability Management (EuroWeek Awards 2011);
- Most Innovative for Interest Rate Derivatives (The Banker 2011);
- Derivatives House of the Year in Asia-Pacific, Best Credit Derivatives House, Best Derivatives House Korea (The Asset Triple A Investment Awards 2011);
- Credit Derivatives House of the Year (Asia Risk Magazine 2011);
- Covered Bond House (IFR 2011).

4.2.4 BNP PARIBAS "PRINCIPAL INVESTMENTS"

BNP Paribas Principal Investments manages the Group's portfolio of listed and unlisted investments and emerging market sovereign debt.

LISTED INVESTMENT MANAGEMENT

The Listed Investment Management unit acquires and manages minority interests in listed companies on behalf of the Group. Investments are generally made in large caps and the portfolio comprises mostly French companies. The unit's mission is to extract the greatest possible value from its assets over the medium term.

UNLISTED INVESTMENT MANAGEMENT

The Unlisted Investment Management unit manages the Group's portfolio of interests in unlisted companies (direct and indirect through funds). It identifies and analyses investment opportunities, structures transactions, manage investments with a view to extracting value in the medium term and organises the disposal of mature investments.

EMERGING MARKET SOVEREIGN DEBT MANAGEMENT

The Sovereign Debt Management unit's role is to:

- monitor, on the Group's behalf, restructurings of emerging market sovereign debt in default or of countries facing difficulties and take part in or chair specially-created credit committees (London Club Committees);
- manage the portfolio of emerging market sovereign debt housed in Principal Investments with a view to extracting value in the medium term.

4.2.5 KLÉPIERRE

With a presence in 13 countries, including France, Belgium, Norway, Sweden, Denmark, Italy and Spain, Klepierre is one of the largest shopping centre owners and managers in continental Europe with 335 centres under management (representing more than 16,000 leases), including 271 owned centres. Via its Segece and Steen & Strom subsidiaries, the Group possesses expertise and over 50 years' experience of shopping centre management and development.

Klepierre is able to provide a unique platform catering to the expansion strategies of major international retailers right across Europe.

Klepierre also offers sale & lease back solutions in out-of-town and citycentre locations in France through its subsidiary Klemurs.

Furthermore, Klepierre owns and manages a portfolio of office buildings concentrated in the main business districts of Paris and its inner rim (3.4% of the portfolio at 31 December 2011).

At 31 December 2011, Klepierre's portfolio was valued at EUR 16,176 million (excluding transfer duties) and the Company employed 1,500 people.

Klepierre and Klemurs are SIICs (French REITs) listed in compartment A and compartment C respectively of Euronext Paris™ .

The Klepierre group in Europe[1]:

- Present in 13 countries;
- 1,500 employees;
- EUR 16.2 billion portfolio value (excluding transfer duties);
- 271 shopping centres owned;
- 335 shopping centres managed.

In March 2012, the Bank completed the sale of a 28.7% stake in Klépierre to Simon Property Group for €1.5 billion. Following the completion of the transaction, the Bank owns 22.2% of Klépierre.

4.3 BNP PARIBAS AND ITS SHAREHOLDERS

4.3.1 SHARE CAPITAL

At 31 December 2010, BNP Paribas' share capital stood at EUR 2,397,320,312 divided into 1,198,660,156 shares. Details of the historical evolution of the capital are provided in the "Changes in share capital and earnings per share" section.

In 2011, three series of transactions led to changes in the number of shares outstanding:

- 2,736,124 shares were issued through the exercise of stock options;
- 34,053 shares were issued through the exercise of stock options;
- 6,315,653 shares were issued under an employee share offering.

Thus, at 31 December 2011, BNP Paribas' share capital stood at EUR 2,415,491,972 divided into 1,207,745,986 shares with a par value of EUR 2 each.

The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with the relevant legal provisions. **None of the Bank's shares entitle their holders to an increased dividend or double voting rights or limit the exercise of voting rights.**

4.4 COMPETITIVE POSITION OF THE GUARANTOR

Please see chapter VI.4.2 (Products and services of BNP Paribas) for details.

[1] Figures at 31 December 2011

5. ORGANIZATIONAL STRUCTURE

Interest held by BNP Paribas SA as of 31 December 2011:

Name	Interest held by BNP Paribas SA	Name	Interest held by BNP Paribas SA
Detailed information about subsidiaries and associated companies whose book value exceeds 1% of BNP Paribas SA's share capital			
1. Subsidiaries (more than 50%-owned)		BNP PARIBAS YATIRIMLAR HOLDING ANONIM SIRKETI	100. 00%
ANTIN PARTICIPATION 5	100. 00%	BNP PARIBAS ZAO	100. 00%
ANTIN PARTICIPATION 8	100. 00%	BNP PUK HOLDING LTD	100. 00%
AUSTIN FINANCE	92. 00%	COBEMA	99. 20%
BANCA NAZIONALE DEL LAVORO SPA	100. 00%	COMPAGNIE D'INVESTISSEMENTS DE PARIS - C.I.P.	100. 00%
BANCO BNP PARIBAS BRASIL SA	84. 10%	COMPAGNIE FINANCIERE OTTOMANE SA	96. 85%
BANCWEST CORPORATION	98. 74%	CORTAL CONSORS	94. 22%
BGL BNP PARIBAS	15. 96%	FIDEX HOLDINGS LTD	100. 00%
BNL INTERNATIONAL INVESTMENT SA	100. 00%	FINANCIERE BNP PARIBAS	100. 00%
BNP INTERCONTINENTALE	100. 00%	FINANCIERE DES ITALIENS SAS	100. 00%
BNP PARIBAS CARDIF (formerly BNP PARIBAS ASSURANCE)	100. 00%	FINANCIERE DU MARCHE ST HONORE	100. 00%
BNP PARIBAS BDDI PARTICIPATIONS	100. 00%	FORTIS BANQUE SA (BNP PARIBAS FORTIS)	74. 93%
BNP PARIBAS CANADA	100. 00%	BNP PARIBAS LEASING SOLUTIONS (formerly FORTIS LEASE GROUP SA)	65. 00%
BNP PARIBAS (CHINA) LTD	100. 00%	GESTION ET LOCATION HOLDING	99. 24%
BNP PARIBAS COLOMBIA CORPORACION FINANCIERA S.A.	94. 00%	GRENACHE & CIE SNC	57. 27%
BNP PARIBAS COMMODITY FUTURES LTD	100. 00%	HAREWOOD HELENA 1 LTD*	100. 00%
BNP PARIBAS DEVELOPPEMENT SA	100. 00%	HAREWOOD HOLDINGS LTD	100. 00%
BNP PARIBAS SAE	95. 19%	IMS ABS FCP**	100. 00%
BNP PARIBAS EL DJAZAIR	84. 17%	OMNIUM DE GESTION ET DE DEVELOPPEMENT IMMOBILIER	100. 00%
BNP PARIBAS EQUITIES FRANCE	99. 96%	OPTICHAMPS	100. 00%
BNP PARIBAS ESPANA SA	99. 62%	ORANGE - BNP PARIBAS SERVICES	100. 00%
BNP PARIBAS FACTOR	100. 00%	PARIBAS NORTH AMERICA INC.	100. 00%
BNP PARIBAS FACTOR PORTUGAL	64. 26%	PARILEASE SAS	100. 00%
BNP PARIBAS HOME LOAN SFH (formerly BNP PARIBAS HOME LOAN COVERED BONDS)	100. 00%	PARTICIPATIONS OPERA	100. 00%
BNP PARIBAS INVESTMENT PARTNERS	66. 67%	PETITS CHAMPS PARTICIPACOES E SERVICOS SA	100. 00%
BNP PARIBAS IRELAND	100. 00%	PT BANK BNP PARIBAS INDONESIA	99. 00%
BNP PARIBAS LEASE GROUP LEASING SOLUTIONS SPA (formerly BNP PARIBAS LEASE Group SPA)	95. 94%	ROYALE NEUVE I SARL	100. 00%
BNP PARIBAS MALAYSIA BERHAD	100. 00%	SAGIP	100. 00%
BNP PARIBAS PERSONAL FINANCE	98. 94%	SOCIETE ORBAISIENNE DE PARTICIPATIONS	100. 00%
BNP PARIBAS REAL ESTATE	100. 00%	STRADIOS FCP FIS	54. 39%
BNP PARIBAS REUNION	100. 00%	TAITBOUT PARTICIPATION 3 SNC	100. 00%
BNP PARIBAS SB RE	100. 00%	UCB ENTREPRISES	100. 00%
BNP PARIBAS SECURITIES JAPAN LTD	100. 00%	UKRSIBBANK	100. 00%
BNP PARIBAS SECURITIES (ASIA) LTD	100. 00%	WA PEI FINANCE COMPANY LTD	100. 00%
BNP PARIBAS SECURITIES (JAPAN) LTD	100. 00%	**2. Associated companies (10% to 50%-owned)**	
BNP PARIBAS SECURITIES KOREA COMPANY LTD	100. 00%	BANQUE DE NANKIN	12. 68%
BNP PARIBAS SECURITIES SERVICES - BP2S	94. 44%	CREDIT LOGEMENT*	16. 50%
BNP PARIBAS SUISSE SA	99. 99%	ERBE	39. 18%
BNP PARIBAS UK HOLDINGS LTD	100. 00%	GEOJIT BNP PARIBAS FINANCIAL SERVICES LTD	33. 58%
BNP PARIBAS VOSTOK LLC	100. 00%	ORIENT COMMERCIAL BANK	20. 00%
BNP PARIBAS VPG MASTER LLC	100. 00%	PARGESA HOLDING SA*	11. 33%
BNP PARIBAS WEALTH MANAGEMENT	100. 00%	VERNER INVESTISSEMENTS	50. 00%

* *At 31 December 2010*

** *At 30 September 2010*

The information on the scope of consolidation of the BNP Paribas Group as at 31 December 2011 can be found in the 2011 Registration Document, pages 170 through 187. This information has been incorporated by reference in this Base prospectus (see Chapter II – Information Incorporated by Reference).

6. TREND INFORMATION

6.1 CORE BUSINESSES

RETAIL BANKING

In the four domestic networks (France, Italy, Belgium and Luxembourg), the Group will continue its dedication to serving its customers throughout the crisis and adapt to regulatory changes.

Thus, for individual customers, the networks will continue to upgrade the savings product offering to meet customers' expectations and adapt to regulatory changes. Technological innovations for the benefit of customers (mobile, online, contactless payment systems) will be rolled out quickly and a new service (Priority Banking) will also be introduced.

For corporates and small businesses, the networks will finish rolling out the Small Business Centres in France and Italy and develop leasing solutions (Leasing, Arval), in particular for SMEs' investments. In Belgium, a Working Capital Management campaign will be launched to better support customers in the financing of their working capital and in their cash management requirements.

In an effort to achieve greater operating efficiency, cost-cutting programmes under way in Italy, Belgium and Luxembourg will continue with ambitious savings targets by 2014.

In the retail banking networks outside the eurozone, the objective will be to support selective business development initiatives. BancWest may therefore benefit from a more favourable economic environment, pursuing the rolling out of private banking and capitalising on sales and marketing drives targeting corporates. Europe-Mediterranean will continue the selective roll out of its integrated business model, stepping up the development of shared platforms and reducing the operating cost base. In Turkey, a fast-growing market, the Group will be aiming to consolidate its position by carrying out the business plan and expanding cross-selling with Investment Solutions (Wealth Management and Insurance) and CIB (Trade Finance and Fixed Income).

Personal Finance will continue to adapt its business models to the new environment.

In France, Cetelem Bank will continue to grow sales of savings and protection insurance products. Action will be taken to foster access to credit in the new regulatory environment. Personal Finance will gradually follow through with the business alliance with BPCE.

In Italy, Personal Finance will roll out the Cetelem Bank model with Findomestic Banca, improving customer relations and marketing deposit accounts. The marketing of BNL bc's mortgages and current accounts as well as Cardif's insurance products will also be stepped up.

Separately, Personal Finance will be exploring growth sources by developing business in Germany, Brazil, Central Europe and Russia, launching a partnership with Banque de la Poste in Belgium and expanding PF Inside, a model to market consumer lending within the Group's networks outside the eurozone.

INVESTMENT SOLUTIONS

In 2012, the division will continue its efforts to turnaround Asset Management. The business unit's goal is to cut costs by 10% compared to 2011. It will speed up the development of value added products (such as debt and equity securities management for emerging markets and alternative management) and focus on Asia Pacific, Middle East and Latin America. More generally, Investment Solutions will bolster its presence in fast-growing markets like Asia Pacific, in particular the Wealth Management and Securities Services business units. Insurance will endeavour to grow its gross written premiums from the protection insurance business.

Lastly, the division will pursue cross-business growth and streamlining approaches, both within Investment Solutions' business units and with Retail Banking and CIB, as well as growing BNP Paribas Real Estate's business in the Group.

CORPORATE AND INVESTMENT BANKING (CIB)

CIB will continue its efforts to adapt rapidly and to implement a more disintermediated model to support its clients in connection with the new Basel regulations.

In Fixed Income, CIB will develop distribution capacity and investor services and promote short-term and more standard products to meet the growing role of markets in financing the economy and reduce capital and liquidity consumption, adjusting its platform in a selective way.

Synergies with the Financing Businesses will be expanded in order to promote origination and distribution to support clients in their projects.

The Equities and Advisory business units will speed up the roll out of standardised or listed product distribution platforms and bolster the franchise in reaction to market consolidation and to meet the demand for simpler and more liquid products.

In 2012, a further significant impact of non-recurring items is expected with an additional EUR 650 million in costs for sales and EUR 200 million in restructuring costs. Over time, these adaptation efforts are expected to generate EUR 450 million in savings on a full year basis, partly offsetting the loss of recurring revenues as a result of the reduction of financed loan outstandings: EUR -1.4 billion excluding the repricing effect.

With increasingly stringent regulations, the division is well positioned, being one of the few European CIBs with critical mass and a global reach that has a customer approach based on long-term relationships, four domestic markets and teams with exceptional expertise recognised by the market.

6.2 LIQUIDITY AND FINANCING

The Group's cash balance sheet, excluding Klepierre and Insurance and with netted amounts for derivatives, repos, and payables/receivables, fell from EUR 1,097 billion as at 31 December 2010 to EUR 965 billion as at 31 December 2011, which equates to a 12% decline in one year. Equity, customer deposits and medium- and long-term resources show total stable resources with a EUR 31 billion surplus compared to the funding needs of the client activity, which illustrates how the bank has adjusted to the new regulatory and market environment.

The Group's immediately available liquid asset reserves totaled EUR 160 billion (including USD 66 billion), which equates to 85% of the short-term cash resources.

The Group's 2012 medium- and long-term funding programme amounts to EUR 20 billion, given the reduced funding needs as a result of the adaptation plan. As at 31 January 2012, EUR 5 billion have already been raised with an average spread of 122 bp above the swap and an average maturity of 6.7 years, in the form of private placements and in the Group's networks. The 2012 programme is designed to be carried out without the need to tap public markets.

6.3 SOLVENCY

As at 31 December 2011, the Basel 2.5 common equity Tier 1 ratio, which includes the European Capital Requirements Directive 3 (CRD3) regulatory regime that came into force at the end of 2011, was 9.6%. The target of 9% solvency by the end of June 2012 set by the European Banking Authority (EBA), which, beyond CRD3, mandates an additional deduction for unrealised capital losses from European sovereign bonds held, has thus already been achieved 6 months ahead of schedule with a 9.2% ratio.

According to the EBA's official measurement, this additional deduction is actually 40 bp for BNP Paribas. This high solvency has been reinforced each year and helped double the common equity Tier 1 in three years, in particular thanks to retaining most of the earnings.

Risk-weighted assets were EUR 614 billion, including the impact of the switch to Basel 2.5 which added a further EUR 32 billion, essentially in capital markets. The deleveraging plan helped reduce the risk-weighted assets by EUR 25 billion, of which EUR 8 billion from the adaptation to Basel 2.5.

By the end of 2012, based on the Basel 2.5 common equity Tier 1 ratio of 9.6% at the end of 2011, the Basel 3 9% common equity Tier 1 ratio (fully loaded) target should be attained by combining the conventional 40 bp deduction, as an extension of the EBA rule, for European sovereign debt held; the impact of the other CRD4 directives currently anticipated by BNP Paribas to be -180 bp [1]; the deleveraging plan producing an additional +68 bp on top of the 32 bp already realised in 2011; lastly, the payment of the dividend in shares and the 2012 organic generation of capital respectively bring in an additional +20 bp [2] and +72 bp [3].

The Group's balanced portfolio of activities has been a stabilising factor that has helped it to continue to remain profitable throughout the crisis. This equilibrium will not be affected by the switch to Basel 2.5, since the share of retail banking business operations is still above 50%, CIB's share is close to one-third and Investment Solutions' is about one-sixth of the capital allocated to the operating divisions.

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

7. PROFIT FORECASTS OF ESTIMATES

The Issuer has chosen not to include the Guarantor's profit forecasts/estimates in this Base Prospectus.

8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

8.1 BOARD OF DIRECTORS OF BNP PARIBAS

BNP Paribas is governed by a Board of Directors composed of (i) directors appointed by the ordinary general Shareholders' Meeting - there shall be at least 9 and no more than 18 directors, and (ii) directors elected by BNP Paribas employees - there shall be two such directors – one representing executive staff and one representing non-executive staff. The Board of Directors shall determine the business strategy of BNP Paribas and supervise the implementation thereof. Subject to the powers expressly conferred upon the Shareholders' Meetings and within the limit of the corporate purpose, the Board of Directors shall handle any issue concerning the smooth running of BNP Paribas and settle matters concerning the company pursuant to its deliberations. The Board of Directors shall decide how to organize the executive management of the company. The executive management of BNP Paribas shall be ensured under his own liability either by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors currently comprises 14 directors, plus two additional directors elected, in accordance with the terms of the by-laws, by employees of BNP Paribas. In accordance with French law, the directors of BNP Paribas may be removed at any time, with or without cause. Each director is elected or appointed for a term of three years. The Board of Directors elects a chairman from among its members and also establishes the term of the appointment of the chairman that may not exceed the period or remaining period, as the case may be, of the chairman's appointment as a member of the Board of Directors.

The aggregate compensation paid to members of the Board of Directors, in their capacity as such, during the year ended December 31, 2011 was €841,507.

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[1] Since CRD4 is still being debated in the European Parliament, its directives remain subject to interpretation and can still be amended.

[2] Assumption that, on average, 50% of the dividend is paid in shares for both 2011 and 2012.

[3] Based on the Bloomberg consensus as at 10 February 2012 with a 25% payout ratio.

The following table sets forth the names of the members of the Board of Directors as of the date of this Base Prospectus, their current function at BNP Paribas, their business address and their principal business activities outside of BNP Paribas as of the date of this Base Prospectus:

Baudouin Prot
Function: Chairman of BNP Paribas
Office address: 3, rue d'Antin, 75002 Paris, France
Principal outside activities: **Director of:**

- Pinault-Printemps-Redoute
- Veolia Environnement
- Erbé SA (Belgium)
- Pargesa Holding SA (Switzerland)

Member of:

- Vice-Chairman of the International Monetary Conference
- Institute of International Finance (IIF)
- International Advisory Panel of the Monetary Authority of Singapore

Michel Pébereau
Function: Honorary Chairman of BNP Paribas
Office address: 3, rue d'Antin, 75002 Paris, France
Principal outside activities: **Director of:**

- AXA
- Compagnie de Saint-Gobain
- Lafarge
- Total
- BNP Paribas SA, Switzerland
- EADS N.V., Netherlands
- Pargesa Holding SA, Switzerland

Member of the Supervisory Board of:

- Banque Marocaine pour le Commerce et l'Industrie, Morocco
- Non-voting director of:
- Société Anonyme des Galeries Lafayette

Chairman of:

- Management Board of the Institut d'Études Politiques de Paris

Member of:

- Académie des sciences morales et politiques
- Executive committee of Mouvement des Entreprises de France
- International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC)

Pierre-André de Chalendar
Function: Chairman and Chief Executive Officer of Saint Gobain
Office address: Les Miroirs, 92096 La Défense Cedex, France
Principal outside activities: **Director of:**

- Veolia Environment

Jean-Laurent Bonnafé
Function: Chief Executive Officer and Director of BNP Paribas
Office address: 3, rue d'Antin, 75002, Paris, France
Principal outside activities: **Director of:**

- Carrefour
- BNP Paribas Personal Finance,
- Banca Nazionale del Lavoro (Italy)
- BNP Paribas Fortis (Belgium)

Denis Kessler
Function: Chairman and Chief Executive Officer of Scor SE
Office address: 1, avenue du Général-de-Gaulle, 92074 Paris La Défense Cedex, France
Principal outside activities: **Director of:**

- Bolloré
- Fonds Stratégique d'Investissement
- Dassault Aviation
- Invesco Ltd, United States

Member of the Supervisory Board of:

- Yam Invest N.V., Netherlands

Member of:

- Commission Économique de la Nation
- Board of Directors of Le Sičcle
- Board of directors of Association de Genève

- Board of the French Foundation for Medical Research
- StrategicBoard of the European Insurance Federation
- Global Reinsurance Forum
- Reinsurance Advisory Board

Meglena Kuneva
Function: Chairman of the Governing Board of the European Policy Centre (Brussels)
Office address: Ul. Plachkovica 1, Vhod A, SOFIA 1164, BULGARIA
Principal outside activities: **Member of:**

- Board of Trustees of the American University in Bulgaria

Jean-François Lepetit
Function: Director of companies
Office address: 30, boulevard Diderot, 75572 Paris Cedex 12, France
Principal outside activities: **Member of:**

- Board of QFCRA (Qatar Financial Center Regulatory Authority, Doha)

Director of:

- Smart Trade Technologies S.A.
- Shan SA

Nicole Misson
Function: Customer Advisor
Office address: 22, rue de Clignancourt, 75018 PARIS, FRANCE
Principal outside activities:

- Judge at the Paris Employment Tribunal, Management Section
- Member of the Commission Paritaire de la Banque (Association Française des Banques – Recourse Commission)

Thierry Mouchard
Function: In charge of administrative functions customer transactions service
Office address: 41 boulevard du Maréchal Foch - 49000 Angers - France
Principal outside activities: None

Laurence Parisot
Function: Vice-Chairman of the Board of Directors of IFOP SA
Office address: 6/8, rue Eugène-Oudiné, 75013 Paris, France
Principal outside activities: **Chairman of:**

- Mouvement des Entreprises de France (MEDEF)

Director of:

- Coface SA

Member of the Supervisory Board:

- Compagnie Générale des Établissements Michelin SCA

Hélène Ploix
Function: Chairman of Pechel Industries SAS, Pechel Industries Partenaires SAS and FSH SAS
Office address: 162, rue du Faubourg Saint Honoré, 75008 Paris, France
Principal outside activities: **Director of:**

- Lafarge
- Ferring SA, Switzerland
- Sofina, Belgium

Permanent representative of:

- Pechel Industries Partenaires (SAS) to Ypso Holding (Luxembourg)
- Goemar Developpement (France)
- Laboratoires Goemar (France), Goëmar Holding (Luxembourg)
- Store Electronic Systems (France)

Member of the Supervisory Board of:

- Publicis Groupe

Manager of:

- Hélène Ploix SARL
- Hélène Marie Joseph SARL
- Sorepe Société Civile
- Goëmar Holding (Luxembourg)

Member of:

- United Nations Joint Staff Pension Fund Investment
- Committee (until end-2011), Independent Expert Oversight Advisory
- Committee (IEOAC) of the World Health Organization (WHO), Institut
- Français des Administrateurs

Louis Schweitzer
Function: Chairman of France Initiative, Honorary Chairman of Renault
Office address: 8-10, avenue Emile Zola, 92109 Boulogne, Billancourt, France
Principal outside activities: **Chairman of the Board of Directors of:**

- AstraZeneca Plc, United Kingdom
- AB VOLVO, Sweden

Director of:

- L'Oréal
- Veolia Environnement

Chairman of:

- Avignon Arts Festival
- Maison de la Culture of the Seine-Saint-Denis district (near Paris)

Member of the board of:

- Fondation Nationale des Sciences Politiques
- Musée du Quai Branly

Member of the Advisory Committee of:

- Bosch (Germany)
- Allianz, Germany

Michel Tilmant
Function: Manager of Strafin SPRL (Belgium)
Office address: Rue du Moulin 10, B – 1310 La Hulpe, Belgium
Principal outside activities: **Chairman of:**

- Green Day Holdings Limited (Jersey)
- Green DayAcquisitions Limited (U.K.)

Director of:

- Sofi na SA (Belgium)
- Groupe Lhoist SA (Belgium)
- Foyer Assurances SA (Luxembourg)
- CapitalatWork Foyer Group SA (Luxembourg)
- Université Catholique de Louvain (Belgium)
- Royal Automobile Club of Belgium

Senior Advisor at:

- Cinven Ltd (U.K.)

Emiel Van Broekhoven
Function: Economist, Honorary Professor at the University of Antwerp (Belgium)
Office address: Zand 7 – 9, B – 2000 Antwerp, Belgium
Principal outside activities: None

Daniela Weber-Rey
Function: Partner at Clifford Chance, Frankfurt, Germany
Office address: Mainzer Landstraße 46, D 60325 Frankfurt am Main, Germany
Principal outside activities: **Member of:**

- German Government's Code of Corporate Governance Commission
- Stakeholder Group of the European Instance and Occupational Pensions Authority (EIOPA)
- Clifford Chance Partnership Council

Fields Wicker-Miurin
Function: Co-founder and Partner of Leaders' Quest (United Kingdom)
Office address: 3-5 Richmond Hill, RICHMOND, SURREY TW10 6RE, UNITED KINGDOM
Principal outside activities: **Director of:**

- CDC Group plc
- Ballarpur International Graphic Paper Holdings

Member of:

- Battex School of Leadership - University of Virginia Board of advisors

8.2 GENERAL MANAGEMENTOF BNP PARIBAS AND EXECUTIVE COMMITTEE

The General Management of BNP Paribas is composed of a Chief Executive Officer (CEO), Jean-Laurent Bonnafé, plus three Chief Operating Officers (COO), François Villeroy de Galhau, Georges Chodron de Courcel and Philippe Bordenave. As Chief Executive Officer, Jean-Laurent Bonnafé bears responsibility for the management of the Group and, for this purpose, is invested with extensive powers. Accordingly, all operational activities and Group functions fall under his direct responsibility.

The BNP Paribas **Executive Committee** brings together the General Management as well as 14 other members - Heads of core businesses and central functions. They meet at least once a week.

The Executive Committee was composed of the following members as of the date of this Base Prospectus:

- Jean-Laurent Bonnafe, Chief Executive Officer and Director;
- Philippe Bordenave, Chief Operating Officer;
- Georges Chodron de Courcel, Chief Operating Officer;
- Francois Villeroy de Galhau, Chief Operating Officer;
- Jacques d'Estais, Deputy Chief Operating Officer and Head of Investment Solutions, Personal Finance, and International Retail Banking;
- Alain Papiasse, Deputy Chief Operating Officer and Head of Corporate and Investment Banking;
- Jean Clamon, Managing Director and Head of Compliance and Internal Control;
- Marie-Claire Capobianco[1], Head of French Retail Banking;
- Stefaan Decraene[1], Head of International Retail Banking;
- Fabio Gallia, Chief Executive Officer of BNL bc;
- Yann Gerardin[1],Head of Global Equities & Commodity Derivatives;
- Maxime Jadot, Chief Executive Officer of BNP Paribas Fortis;
- Frederic Janbon[1], Head of Fixed Income;
- Michel Konczaty, Head of Group Risk Management;
- Thierry Laborde[1], Head of BNP Paribas Personal Finance;
- Frederic Lavenir, Head of Group Human Resources;
- Eric Lombard[1], Chief Executive Officer of BNP Paribas Cardif;
- Eric Raynaud[1], Head of the Asia-Pacific Region.

The BNP Paribas Executive Committee has been assisted by a permanent secretariat since November 2007.

8.3 ADMINISTRATIVE BODIES

In creating an Internal Control and Risks Committee distinct from the Financial Statements Committee, the Board of Directors decided, as early as 1994, to separate the powers usually devolved to the Audit Committee.

The Internal Rules adopted by the Board in 1997 define the duties of the Board and of its specialised committees; they are updated periodically to comply with current laws, regulations and market guidelines, and to keep pace with best practice in the area of corporate governance. They include a Directors' Code of Ethics.

The specialised committees of the Board of Directors are the **Financial Statements Committee**, the **Internal Control, Risk Management and Compliance Committee**, the **Corporate Governance and Nominations Committee** and the **Compensation Committee**.

In 2011, the members of the Financial Statements Committee were Louis Schweitzer, Chairman, Denis Kessler, Helene Ploix and Emiel Van Broekhoven from 2 May 2011. Patrick Auguste was a member until 30 June 2011 when his term as employee-elected Director ended.

The members of the Internal Control, Risk Management and Compliance Committee in 2011 were Francois Grappotte, who was Chairman until 11 May 2011, Jean-Marie Gianno, Jean-Francois Lepetit, and Michel Tilmant from 27 April 2011. Jean-Francois Lepetit has been Chairman of the committee since 11 May 2011. At least two thirds of the committee's members are independent Directors in accordance with the recommendations of the AFEP-MEDEF Code.

The members of the Corporate Governance and Nominations Committee are Claude Bebear (Chairman), Laurence Parisot and Daniela Weber-Rey. Its members are independent Directors who have experience of corporate governance issues and of putting together management teams in international companies. The committee does not include any members of Executive Management but involves the Chairman in its work on selecting new Directors or nonvoting Directors and succession planning for corporate officers.

The members of the Compensation Committee are Denis Kessler (Chairman), Francois Grappotte (until 11 May 2011) and Jean-Francois Lepetit. The composition of the committee complies with the recommendations of the AFEP-MEDEF Corporate Governance Code; its members have experience of compensation systems and market practices in this area. Each member of the Compensation Committee is also a member either of the Financial Statements Committee (Denis Kessler) or the Internal Control, Risk Management and Compliance Committee (Jean-Francois Lepetit). This structure is likely to benefit the work of the Board of Directors on matching compensation principles to the Bank's risk policy. The Committee does not include any members of Executive Management. The Chairman of the Board of Directors is not a member of the committee, but is invited to take part in

[1] Member of the BNP Paribas Executive Committee since 1 December 2011.

its deliberations, except where they concern him personally.

8.4 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES CONFLICTS OF INTERESTS

To the knowledge of the BNP Paribas, none of the members of the Board of Directors of BNP Paribas has any conflicts of interest with such members' private interests or other duties.

BNPP complies with the French corporate governance regime, namely the "Code de gouvernement d´entreprise AFEP-MEDEF".

9. MAJOR SHAREHOLDERS

Shareholders structure as of 31 December 2011:

Shareholder	as of 31 December 2011 (% of share capital)
SFPI [(1)]	10.60 %
AXA	5.40 %
Grand Duchy of Luxembourg	1.10 %
Retail Shareholders	6.20 %
Employees	6.20 %
Treasury shares [(2)]	1.40 %
Institutional investors	65.30 %
Others	3.80 %
Total	100.00 %

(1) Société Fédérale de Participations et d'Investissement: public-interest limited company acting on behalf of the Belgian Government.

(2) Excluding trading desks' working positions.

To the Company's knowledge, no shareholder other than SFPI or AXA owns more than 5% of its capital or voting rights.

Societe Federale de Participations et d'Investissement (SFPI) became a shareholder in BNP Paribas at the time of the integration with the Fortis group in 2009. During 2009, SFPI made two threshold crossing disclosures to the Autorite des Marches Financiers (AMF):

- on 19 May 2009 (AMF disclosure no. 209C0702), SFPI disclosed that its interest in BNP Paribas' capital and voting rights had risen above the 5% and 10% disclosure thresholds following its transfer of a 74.94% stake in Fortis Bank SA/NV in return for 121,218,054 BNP Paribas shares, which at the time represented 9.83% of BNP Paribas' share capital and 11.59% of its voting rights. The disclosure stated that neither the Belgian government nor SFPI were considering taking control of BNP Paribas.

  At the same time, BNP Paribas notified the AMF (AMF disclosure no. 209C0724) that an agreement had been reached between the Belgian government, SFPI and Fortis SA/NV (renamed Ageas SA/NV on 29 April 2010), giving Fortis SA/NV an option to buy the 121,218,054 BNP Paribas shares issued as consideration for SFPI's transfer of its shares in Fortis Bank, with BNP Paribas having a right of subrogation regarding the shares concerned;
- on 4 December 2009 (AMF disclosure no. 209C1459), SFPI disclosed that it owned 10.8% of BNP Paribas' capital and voting rights. This change mainly resulted from:
  - BNP Paribas' issue of ordinary shares in 2009,
  - and the reduction in its capital through the cancellation, on 26 November, of non-voting shares issued on 31 March 2009 to Societe de Prise de Participation de l'Etat.

  BNP Paribas received no disclosures from SFPI in 2010 or 2011.

  On 16 December 2005, the AXA group and the BNP Paribas group informed the AMF (AMF disclosure no. 205C2221) about an agreement under which the two groups would maintain stable cross-shareholdings and reciprocal call options exercisable in the event of a change in control affecting either group. The two companies subsequently notified the AMF on 5 August 2010 (AMF disclosure no. 210C0773) that they had entered into an agreement replacing that of December 2005 to take into account the new rules on financial institutions drawn up by the regulators. The new agreement no longer refers to maintaining stable cross-shareholdings.

There are no arrangements, known to BNP Paribas, the operation of which may, at a subsequent date, result in a change of control of the bank.

10. FINANCIAL INFORMATION CONCERNING THE GUARANTOR'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

Consolidated financial statements of BNP Paribas for 2010 and 2011 (including Statutory Auditors' Report and Notes to the Financial Statements) and unaudited interim financial data as at 31 March 2012 are incorporated in this Base Prospectus by reference (see Chapter II – Information Incorporated by Reference).

10.1 HISTORICAL FINANCIAL INFORMATION; FINANCIAL STATEMENTS

Consolidated balance sheet as of December 31, 2011 and December 31, 2010 in accordance with IFRS, audited, in millions of EUR:

Assets	**December 31, 2011**	**December 31, 2010**
Cash and amounts due from central banks and post office banks	58,382	33,568
Financial assets at fair value through profit and loss	820,463	832,945
Derivates used for hedging purposes	9,700	5,440
Available-for -sale financial assets	192,468	219,958
loans and receivables due from credit institutions	49,369	62,718
Loans and receivables due from customers	665,834	684,686
Re-measurement adjustment on interest-rate risk hedged portfolios	4,060	2,317
Held to maturity financial assets	10,576	13,773
Current and deferred tax assets	11,570	11,557
Accrued income and other assets	93,540	83,124
Policyholders' surplus reserve	1,247	-
Investments in associates	4,474	4,798
Investment property	11,444	12,327
Property, plant and equipment	18,278	17,125
Intangible assets	2,472	2,498
Goodwill	11,406	11,324
Total assets	**1,965,283**	**1,998,158**

Liabilities	**December 31, 2011**	**December 31, 2010**
Due to central banks and post office banks	1,231	2,123
Financial liabilities at fair value through profit and loss	762,795	725,105
Derivates used for hedging purposes	14,331	8,480
Due to credit institutions	149,154	167,985
Due to customers	546,284	580,913
Debt securities	157,786	208,669
Remeasurement adjustment on interest-rate risk hedged portfolios	356	301
Current and deferred tax liabilities	3,489	3,745
Accrued expenses and other liabilities	81,010	65,229
Technical reserves of insurance companies	133,058	114,918
Provisions for contingencies and charges	10,480	10,311
Subordinated debt	19,683	24,750
Shareholders' equity	75,370	74,632
Total minority interests	10,256	10,997
Total equity and liabilities	**1,965,283**	**1,998,158**

Consolidated income statement as of December 31, 2011 and December 31, 2010 in accordance with IFRS, audited, in millions of EUR:

Income statement	**December 31, 2011**	**December 31, 2010**
Interest income	47,124	47,388
Interest expense	-23,143	-23,328
Commission income	13,695	13,857
Commission expense	-5,276	-5,371
Net gain/loss on financial instruments at fair value through profit and loss	3,733	5,109
Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value	280	452
Income from other activities	26,836	30,385
Expense on other activities	-20,865	-24,612
Revenues	**42,384**	**43,880**
Operating expense	-24,608	-24,924
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-1,508	-1,593
Gross operating income	**16,268**	**17,363**
Cost of risk	-6,797	-4,802
Operating income	**9,471**	**12,561**
Share of earnings of associates	80	268
Net gain on non-current assets	206	269
Goodwill	-106	-78
Pre-tax income	**9,651**	**13,020**
Corporate income tax	-2,757	-3,856
Net income	**6,894**	**9,164**
Net income attributable to minority interest	844	1,321
Net income attributable to equity holders	**6,050**	**7,843**
Basic earnings per share	4.82	6.33
Diluted earnings per share	4.81	6.32

10.2 2011 REVIEW OF OPERATIONS - BNP PARIBAS CONSOLIDATED RESULTS

In millions of EUR	**2011**	**2010**
Revenues	**42 348**	**43 880**
% change /2010	*-1.5%*	*na*
Operating expenses and Dep.	-26 116	-26 517
Gross operating income	**16 268**	**17 363**
% change /2010	*-6.3%*	*na*
Cost of risk	-6 797	-4 802
Operating income	**9 741**	**12 561**
Pre-tax Income	**9 651**	**13 020**
% change /2010	*-25.9%*	na
Corporate income tax	-2 757	-3 856
Minority interest	-844	-1 321
Net income for equity holders	**6 050**	**7 843**

EUR 6 BILLION IN NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS, DESPITE THE GREEK SOVEREIGN DEBT IMPAIRMENT INCREASING THE PROVISION TO 75% OF THE TOTAL GREEK DEBT EXPOSURE, CONFIRMING THE ROBUSTNESS OF BNP PARIBAS' BUSINESS MODEL

The second half of 2011 was marked by the European authorities' decision not to cover the full amount of the Greek sovereign debt, the sovereign debt crisis of certain eurozone countries, plummeting equity markets, liquidity and refinancing tensions as well as the more stringent solvency requirements of the European Banking Authority (EBA). In the circumstance, the Group increased the provision covering its Greek sovereign debt to 75% and substantially reduced its sovereign debt outstandings (-29%), taking a EUR 872 million loss. It also contracted its medium- and long-term funding needs in dollars (USD -53 billion) and grew its medium- and long-term debt issues (EUR 43 billion as compared to 35 billion planned). Lastly, the Group has introduced a plan to deleverage its balance sheet and downsize its business operations in order to generate a further +100 bp in common equity Tier 1 ratio by the end of 2012. One-third has already been completed.

In this exceptional environment, the Group generated EUR 42,384 million in revenues[1], down 3.4% compared to 2010. Operating expenses came to EUR 26,116 million (-1.5%)[2] and gross operating income was down 6.3% to EUR 16,268 million. Due to the Greek sovereign debt provision (EUR -3,241 million), the cost of risk is up 41.5% to EUR 6,797 million.

[1] Exceptional revenue items offset one another, save for EUR 35 million: losses from sovereign bond sales (EUR -872 million), losses from loan sales (EUR -152 million), the impairment of the equity investment in AXA (EUR -299 million), own debt revaluation (EUR +1,190 million) and a one-off amortisation of Fortis PPA (EUR +168 million).

[2] Exceptional operating expense items offset each other, save for EUR 14 million: cost of the adaptation plan (EUR -239 million), reversal of provision due to the favourable outcome of litigation (EUR +253 million).

Excluding this effect, it was down 25.9% to EUR 3,556 million. After the impact of Greek sovereign debt impairment in the insurance partnerships (EUR -213 million), the pre-tax income was down 25.9% to EUR 9,651 million. After the corporate tax charge (EUR -2,757 million) and minority interests (EUR -844 million), net income attributable to equity holders came to EUR 6,050 million, down 22.9% compared to 2010.

Despite this exceptionally challenging environment, the Group has confirmed its expertise in corporate integration. The successful integration of BNP Paribas Fortis and BGL BNP Paribas with the Group thanks to the dedication of the teams in all of the territories and business units produced EUR 1,127 million in synergies already in 2011, an amount close to the EUR 1,200 million target set for 2012. An additional EUR 300 million per year starting in 2012 will bring the total amount of synergies to EUR 1,500 million compared to 900 million initially planned. The corresponding residual restructuring costs will total EUR 300 million in 2012.

Return on equity was 8.8% compared to 12.3% in 2010.

Net earnings per share were EUR 4.82 compared to EUR 6.33 in 2010. The net book value per share, which totalled EUR 58.2, was up 5.0% compared to 2010. It has increased 35.7% since 2006, the last year before the crisis began. So, BNP Paribas' business model generates robust growth in net book value per share throughout the cycle.

The Board of Directors will propose to shareholders to pay a dividend of EUR 1.20 per share, which equates to a 25.1% pay-out ratio, payable in cash or shares[1]. This allocation of earnings will enable the Group to reinvest at least three-quarters of profits back into the Company to reinforce the shareholders' equity and protect the Group's ability to finance its customers.

10.3 2011 CORE BUSINESS RESULTS

In millions of EUR	French retail banking	BNL BC	Belux RB	Europe-Mediterranean	BancWest	Personal Finance	Equipment Solutions	Investment solutions	Corp & invest banking	Corporate Centre
Revenues	**6 968**	**3 140**	**3 555**	**1 586**	**2 187**	**5 092**	**1 571**	**6 265**	**9 731**	**2 725**
% change /2010	*1.7%*	*2.6%*	*4.9%*	-5.7%	-4.2%	1.4%	7.2%	*2.8%*	*-19.8%*	*na*
Operating expenses and Dep.	-4 573	-1 829	-2 509	-1 277	-1 241	-2 420	-832	-4 554	-6 126	-965
Gross operating income	**2 395**	**1 311**	**1 046**	**309**	**946**	**2 672**	**739**	**1 711**	**3 605**	**1 760**
% change /2010	*2.6%*	*3.9%*	*8.1%*	-18.5%	-8.5%	-1.4%	8.4%	*-4.9%*	*-36%*	*na*
Cost of risk	-315	-795	-170	-268	-256	-1 639	-125	-64	-75	-3 093
Operating income	**2 080**	**516**	**876**	**41**	**690**	**1 033**	**614**	**1 647**	**3 530**	**-1 333**
Pre-tax Income	**1 959**	**502**	**819**	**111**	**691**	**1 193**	**629**	**1 573**	**3 610**	**-1 419**
% change /2010	*12.5%*	*16.2%*	*18.9%*	29.1%	20.6%	33.9%	58.4%	*-20.6%*	*-32.9%*	*na*

RETAIL BANKING

All the retail banking business units had very strong business performances, driven in part by deposit and loan volume growth. The cost of risk contraction in all the business units enabled Retail Banking to generate a pre-tax income[2] increasing by 22.8% compared to 2010, after allocating one-third of French, Italian and Belgian Private Banking's net income to the Investment Solutions division, which equates to a 23% pre-tax return on equity, a 4pts jump for the period.

French retail banking (FRB)

For the whole of 2011, FRB continued to improve its customer relations organisation: 46 Small Business Centres are now open and the BNP Paribas Mobile service offering got off to a successful start. This organisation, combined with the tremendous dedication of staff in actively supporting customers in financing their projects, helped FRB generate sustained business activity: outstanding loans are up 5.2% compared to 2010, driven by strong growth in loans to individuals (+7.0%), which slowed down at the end of the year in mortgage lending, whilst outstanding corporate loans (+3.1%) marked an acceleration. The successful initiatives rolled out for the benefit of small businesses, VSEs and SMEs, originated EUR 9.2 billion in new loans in 2011.

Deposit growth, the outstandings of which attained EUR 113.6 billion, was vigorous and outpaced loan growth: +8.4% on average compared to 2010. They benefited from a favourable structural effect with strong sight deposit growth (+7.2%) and savings account growth (+10.6%), whist market rate deposits declined at the end of the year.

Thanks to this solid sales and marketing drive, revenues[3] grew to EUR 6,968 million (+1.7% compared to 2010): net interest income (+2,3%) was driven by volume growth and the favourable structural trend in deposits whilst fee growth was limited at 0.9%.

At EUR 4,573 million, operating expenses[3] edged up 1.3%, affected by exceptional profit-sharing and bank levies. Excluding this effect, their growth was contained at 0.4%. This good operating performance helped FRB generate 2.6% gross operating income[3] growth and a further 0.3pt improvement of the cost/income ratio, bringing it to 65.6%. The cost of risk, at 22 bp of outstanding customer loans, was particularly low for the whole year, down 13 bp compared to 2010.

After allocating one-third of French Private Banking's net income to the Investment Solutions division, pre-tax income, which totalled EUR 1,959 million, was up 12.5% compared to 2010.

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[1] Subject to shareholder approval, ex-dividend date 30 May 2012 and payment on 26 June 2012.

[2] Excluding PEL/CEL effects.

[3] Excluding PEL/CEL effects, with 100% of French Private Banking.

BNL BANCA COMMERCIALE (BNL BC)

For the whole of 2011, in a challenging economic environment, BNL bc continued to upgrade its customer relations organisation with the opening of 27 new branches, bringing to 180 the total number of branches opened in four years and 19 Small Business Centres. As a result of the "One bank for corporate in Europe" campaign, the number of accounts opened by Italian companies worldwide in BNP Paribas' global networks grew 41%.

Loan growth (+4.7%) is due to the rise in corporate loans (+6.4%) driven by factoring, whilst the trend in loans to individuals (+2.6%) was affected by a slowdown in mortgage growth (+1.4%). Deposits were down 3.0% for the period due to strong competitive rates on term deposits that BNL bc faces in Italy and households switch, especially in the fourth quarter, to Italian government bonds.

Revenues[1], at EUR 3,140 million, were up 2.6% compared to 2010, with a balanced contribution of net interest revenues (+2.4%) driven by volumes, and fee growth (+2.9%), thanks to the solid business with individuals and corporates, especially flow products (C ash Management, Factoring, Fixed Income).

Even though 27 new branches and 19 Small Business Centres were opened in 2011, operating expenses[1] rose only 1.7%. Excluding bank levies, the growth was contained at +0.9%. This excellent operating performance is reflected in 3.9% gross operating income[1] growth at EUR 1,311 million and a further 0.6pt improvement in the cost/income ratio at 58.2%. Since 2006, when BNL bc was integrated into BNP Paribas, the Italian network has regularly improved its operating efficiency, positioning it now amongst the best comparable banks.

In a challenging economic environment, the cost of risk[1] remained stable throughout the period at a high level (98 bp). As a proportion of outstandings, it was down 9 bp compared to 2010.

BNL bc thereby generated EUR 502 million in pre-tax income, after allocating one-third of Italian Private Banking's net income to the Investment Solutions division, up 16.2% compared to 2010.

Belux retail banking (Belux RB)

For the whole of 2011, thanks to the dedication of the teams actively working with customers to finance their projects, outstanding loans grew 5.5% compared to 2010, driven by the increase in loans to individuals (+7.2%). Corporate loans grew on average by 2.3%, the decline in large corporations' financing needs being more than offset by the rise in loans to SMEs. Deposit outstandings, which totalled EUR 102 billion, grew at a fast pace (+7.5%) with a favourable structural effect, the gathering of sight deposits (+8.9%) and savings accounts (+7.5%) being greater than term deposits gathered (+5.2%).

Through the acquisition of Fortis Commercial Finance, no. 1 in factoring in Belgium, BeLux Retail Banking continued to improve its customer relations organisation.

Revenues[2], which came to EUR 3,555 million, were up 4.9% compared to 2010, driven by net interest income growth as a result of volume growth.

With the hiring of sales and marketing staff, operating expenses[2] were up 3.7% compared to 2010. Thus, BeLux Retail Banking posted gross operating income[2] up 8.1% for the period at EUR 1,046 million, and the cost/income ratio improved a further 0.8 pt to 70.6%. The cost of risk[2], at 19 bp of outstanding customer loans, was maintained at an especially low level throughout 2011, down 7 bp compared to what it was in 2010.

After allocating one-third of Belgian Private Banking's net income to the Investment Solutions division, BeLux Retail Banking's pre-tax income, which totalled EUR 819 million, was up 18.9% for the period.

Europe-Mediterranean

For the whole of 2011, Europe-Mediterranean continued its selective business development as illustrated by the solid deposit growth (+11.6%[3]) achieved in most countries, especially in Turkey, and loan growth (+7.3%[3]). In Turkey, the integration of the two entities is ahead of the schedule announced: the operational merger was successfully achieved and the streamlining of the network has been completed.

Revenues totalled EUR 1,586 million, up slightly (+0.7%[3]) compared to 2010. Excluding Ukraine, it rose 2.1%[3] as growth in the Mediterranean was vigorous (+10.6%[3]).

Operating expenses rose 4.5%[3] to reach EUR 1,277 million after the opening of 46 branches in the Mediterranean, of which 32 in Morocco. Thanks to cost of risk contraction, at 115 bp compared to 146 bp in 2010, operating income was EUR 41 million.

As a result of capital gains (EUR +25 million) from the sale of the Madagascar network in the third quarter of the year, Europe-Mediterranean posted EUR 111 million in pre-tax income, up 66.5%[3] compared to 2010.

[1] With 100% of Italian Private Banking.

[2] With 100% of Belgian Private Banking.

[3] At constant scope and exchange rates.

BANCWEST

For the whole of 2011, BancWest benefited from the gradual improvement of the US economy. It managed to grow its core deposits substantially and on a regular basis, thereby achieving average growth of +10.6%[1] compared to 2010 and bringing the growth of all deposits to +6.6%[1].

Loans were down 0.8%[1] on average compared to 2010 due to lower outstanding mortgages (-6.7%[1]), but up in the second half of the year due to a rebound in corporate loans (+3.3%[1] in the fourth quarter 2011 compared to the previous quarter).

Revenues, which totalled EUR 2,187 million, were down 4.2% compared to 2010. At constant exchange rates, they were up only 0.5%, affected in part by regulatory changes affecting interchange and overdraft fees.

Operating expenses were down 0.7% (+3.4% at constant scope and excluding bank levies) compared to a limited base in 2010 after the 2009 cost-cutting programme. They include the cost to bolster the sales and marketing organisation in the corporate segment and to roll out the Private Banking offering; they were also adversely affected by expenses undertaken as a result of the new regulations.

Thus, the cost/income ratio was 56.7%, up 2pts during the period, and remained very competitive. Gross operating income, which came to EUR 946 million, was down -8.5% compared to 2010 (-3.9%[1]).

The cost of risk benefited from the improved economic environment and continued its sharp decline which began in 2010. It was 69 bp compared to 119 bp in 2010. The doubtful loan rate has been down quarter after quarter and was 1.83% in the fourth quarter 2011 compared to 2.96% in the fourth quarter 2010.

So, despite the impact of the new regulations on operating performance, BancWest's pre-tax income soared to EUR 691 million (+26.7%[1] compared to 2010).

Personal Finance

For the whole of 2011, in a business and regulatory environment undergoing radical changes, Personal Finance continued to adapt its business model and pursued its selective growth and industrialisation strategy: PF signed a partnership deal in December with Sberbank, Russia's leading bank, to expand consumer lending at points of sale; developed Cetelem Bank by gathering savings and selling protection insurance products; implemented adaptation plans in mortgage lending.

In addition, as part of its pledge to be a committed socially responsible player, the business unit eased access to credit for persons on short-term employment contracts and developed preventive solutions for customers experiencing temporary hardship.

Revenues, adversely affected by more stringent consumer lending regulations, particularly in France and Italy, was up only 1.4% compared to 2010, at EUR 5,092 million, despite the 5.4% growth in consolidated outstandings.

Operating expenses rose 4.7% (+4.3% excluding bank levies). They were affected by costs (EUR 40 million) associated with the implementation of measures to adapt to the new regulations. Continued massive upgrade and business development investments will make it possible, specifically in connection with the partnership with BPCE, to create a state-of-the-art shared IT platform to manage consumer loans.

Thus, gross operating income, at EUR 2,672 million, was down 1.4% and the cost/income ratio, which came to 47.5%, was up 1.5 pt for the period.

The cost of risk, which totalled EUR 1,639 million (or 183 bp of outstandings), was down 14.3% compared to 2010 (-43 bp). The trend was positive in all the countries, with the exception of Laser Cofinoga.

Operating performance held up well in an environment undergoing radical changes, cost of risk contracted and EUR 63 million in capital gains from the sale of a building helped Personal Finance generate EUR 1,193 million in pre-tax income, up 33.9% compared to 2010.

Equipment solutions

For the whole of 2011, Equipment Solutions' revenues, at EUR 1,571 million, were up 7.2% compared to 2010 thanks to the fact that used vehicle prices and Leasing Solutions' revenues held up well. As a result of the refocusing of the leasing business to comply with Basel 3, by reducing real estate leasing among other things, operating expenses incorporated EUR 15 million in adaptation costs, growing 6.3% during the period (+5.1% excluding bank levies). Thus, Equipment Solutions generated gross operating income up 8.4%. This operating performance combined with the substantial cost of risk contraction (-51.0%), the casein all of Europe, including in associated consolidated companies, helped Equipment Solutions generate EUR 629 million in pre-tax income, up 58.4% compared to 2010.

INVESTMENT SOLUTIONS

As at 31 December 2011, assets under management, which totalled EUR 842 billion, were down 6.5% compared to 31 December 2010 and 1.0% compared to 30 September 2011: the plummeting of equity markets in the second half of the year reduced the value of the portfolio and amplified the effects of the substantial asset outflows in Asset Management (EUR -35.7 billion) in a general context of asset outflows in Continental Europe. In all the other business units, there were asset inflows: EUR +3.5 billion in Private Banking, essentially in domestic markets and in Asia; EUR +1.7 billion at Personal Investors, especially in Germany, and EUR +2.4 billion in Insurance thanks to solid asset inflows in Belgium, Luxembourg and Asia.

For the whole of 2011, in an environment unfavourable for financial savings, the division's revenues, sustained by a diversified business mix, grew 2.8% compared to 2010 to EUR 6,265 million, the decline in revenues in Asset Management (-9.9%) being more than offset by rise in the other business units (+5.9%). Revenues from Wealth and Asset Management, excluding Asset

[1] At constant exchange rates. The average value of the dollar in relation to the euro in 2011 was 4.8% below its average value in 2010.

Management, grew 3.9% thanks to the resilience of Wealth Management, Personal Investors and Real Estate Services. Despite the contraction of the life insurance market in France, revenues from Insurance were up 4.7% driven in part by good growth in the protection insurance business outside France. Revenues from Securities Services jumped 11.0%, as a result of the combined effect of growth in assets under administration (+7.4%) associated with the winning of new mandates, higher transaction volumes (+4.4%) and higher short-term interest rates in the first half of the year.

Operating expenses, which came to EUR 4,554 million, were up 6.0% compared to 2010. They are driven, in Insurance (+9.0%) and Securities Services (+9.3%), by business development investments. Wealth and Asset Management's operating expenses (+3.5%) were adversely affected by the cost of implementing the adaptation plan in Asset Management (EUR 46 million in the fourth quarter). Excluding this effect, their growth was limited to 1.6%.

The Greek sovereign debt provision weighed on Insurance's results to the tune of EUR -80 million for the cost of risk and EUR -213 million for the contribution of associated companies.

So, after receiving one-third of the net income of domestic private banking, the Investment Solutions division generated EUR 1,573 million in pre-tax income, down 20.6% compared to 2010. Excluding the effect of Greek sovereign debt provisions, the decline was limited to 5.8%. Pre-tax return on equity was 22%. Excluding the Greek sovereign debt provisions, it reached 26%.

CORPORATE & INVESTMENT BANKING

For the whole of 2011, CIB's revenues totalled EUR 9,731 million, down 19.8% compared to 2010. Revenues were adversely affected by the eurozone crisis since the summer, to which were added one-off losses from sales of sovereign bonds in the treasury portfolio (EUR -872 million) and from loan sales by the financing businesses (EUR -152 million) as part of the adaptation plan. Excluding these one-off losses, CIB's revenues were down only 11.4% compared to 2010.

The division's operating expenses, at EUR 6,126 million, were down 5.8% compared to 2010, and even 10.0%, excluding bank levies (EUR 93 million) and the costs of the adaptation plan (EUR 184 million), thanks to the cost flexibility of capital market activities. The workforce adaptation plan is under way and over 40% already completed. The cost/income ratio was thus 63%, still one of the best in the sector.

The division's cost of risk was EUR 75 million, down considerably compared to 2010 (EUR 350 million). CIB's pre-tax income was thus EUR 3,610 million, down 32.9% compared to last year in a particularly unfavourable market environment in the second half of the year.

This performance illustrates again this year the quality of the CIB franchise, its robust client activity and its operating effi ciency maintained at the highest level. The division has continued to rapidly adapt to the new regulation by downsizing its business. Funding needs in US dollars were reduced by USD 57 billion in the second half of the year, way ahead of the target to reduce funding needs by USD 60 billion by the end of 2012; the target has now been raised to USD 65 billion. Risk-weighted assets have been reduced by EUR 22 billion and allocated equity by EUR 1.3 billion, which equates to an 8.9% reduction compared to 2010. Thus, pre-tax return on equity came to 27%.

Advisory and Capital Markets

Revenues from Capital Markets, at EUR 5,598 million, were down 26.7% for the year. Excluding losses from sovereign bond sales, the decline is 15.3%, illustrating the resilience of client activity in very unfavourable markets in the second half of the year. Fixed Income's revenues were down 18.8%, excluding losses from sovereign bond sales, due in part to the reduced level of activity and high volatility in the markets because of concerns over the eurozone in the second half of the year. Against this backdrop, the business unit is pursuing its strategy to service its client in the markets, confirming its leading position in bond issues in euros and becoming no. 4 for international bonds in all currencies.

Revenues from the Equities and Advisory business unit, at EUR 2,067 million, were down 7.0% compared to 2010 and the client activity held up well despite falling equity markets. Serving its clients in the markets, the Bank ranked no. 2 in the Europe, Middle East and Africa (EMEA) region in equity-linked product issues. In a difficult year for mergers and acquisitions, BNP Paribas ranked no. 9 in Europe for completed deals.

Financing businesses

Revenues from the Financing Businesses were EUR 4,133 million, down 8.1% compared to 2010. Excluding the impact of loan sales, the decline was 4.7% in the context of an average 4.8% depreciation of the dollar during the period and a reduction of the origination business to adapt to the new regulations.

CORPORATE CENTRE

For the whole of 2011, Corporate Centre revenues were EUR 2,725 million compared to EUR 2,309 million in 2010. They factor in fair value changes of the Group's own debt (EUR +1,190 millions compared to EUR +95 million in 2010), the impairment of the equity investment in AXA (EUR -299 million compared to EUR -534 million in 2010), a one-off amortisation of purchase price accounting at Fortis due to disposals and early redemptions (EUR +168 million compared to EUR +630 million in 2010) and they also include a regular amortisation of the purchase price accounting in the Fortis banking book of EUR +658 million (compared to +666 million in 2010).

Operating expenses dropped to EUR -965 million compared to EUR -1,537 million in 2010, due to lower restructuring costs (EUR -603 million compared to EUR -780 million) and the reversal of provision due to the favourable outcome of litigation (EUR +253 million in the fourth quarter 2011). The cost of risk reflects the provision to cover the Greek sovereign debt (EUR -3 161 million) and came to EUR -3,093 million compared to write-back of EUR +26 million in 2010.

After EUR 152 million in goodwill impairments in the fourth quarter of the year, Corporate Centre's pre-tax income came to EUR -1,419 million compared to EUR +874 million in 2010.

10.4 FIRST QUARTER 2012 RESULTS

Against a backdrop of economic slowdown in the euro zone, the BNP Paribas Group achieved good performance whilst rapidly implementing its adaptation plan. Eighty percent of the target of improving the common equity Tier 1 ratio by 100 basis points is achieved.

Revenues totalled 9,886 million euros, down 15.4% compared to the first quarter 2011. Three exceptional items had an adverse impact on revenues this quarter for a total of -1,059 million euros: own debt revaluation (-843 million euros), losses from sales of sovereign bonds (-142 million euros) and losses from sales of loans (-74 million euros). Excluding these items, revenues came to 10,945 million euros, a decline of only 6.3% compared to the first quarter 2011, which was marked by very good business activity.

Operating expenses, which were 6,847 million euros, edged up 1.8%. Excluding one-off adaptation costs at CIB and Personal Finance which totalled 84 million euros, they inched up 0.5%, confirming good cost control.

Gross operating income was down 38.7% for the period at 3,039 million euros. Excluding exceptional items, the decline was 15.6%.

The Group's cost of risk, which was 945 million euros or 55 basis points of outstanding customer loans, edged up only 2.8% compared to the first quarter 2011 and still remains low, illustrating the good risk controls.

Non-operating items totalled 1,844 million euros due to 1,790 million euros of exceptional income booked after the Group's sale of a 28.7% stake in Klépierre SA. This sale was part of the plan to adapt BNP Paribas' balance sheet in preparation for Basel 3.

BNP Paribas posted 2,867 million euros in net income (attributable to equity holders), up 9.6% compared to the first quarter 2011. The average corporate income tax rate was thus 24% due to a lower tax rate on the capital gain from the sale of the stake in Klépierre. Excluding this effect, the average rate was 30.9%.

Adjusted for the exceptional items, net income amounted to 2,038 million euros, down 22.1% compared to the first quarter 2011.

This good performance and the Group's rapid implementation of its adaptation plan helped further strengthen solvency with a common equity Tier 1 ratio under Basel 2.5 (CRD 3) of 10.4% (+80bp compared to 31 December 2011).

RETAIL BANKING

DOMESTIC MARKETS

The strong dedication of Domestic Markets in supporting customers is reflected in the good commercial business this quarter. Deposits were up 3.6% compared to the first quarter 2011, sustained by a continued growth drive, and, despite a trend towards decelerating demand, loans grew 2.9% compared to the first quarter 2011 with actions to support VSEs and SMEs in each of the domestic markets.

Revenues[1], at 4,023 million euros, were up 0.8% compared to the first quarter 2011 at constant scope and exchange rates. Operating expenses[1] fell 0.7% at constant scope and exchange rates, totalling 2,441 million euros, generating a positive 1.5 point jaws effect thanks to the good cost control across the board.

After allocating one-third of Private Banking's net income from Domestic Markets to the Investment Solutions division, pre-tax income[2] remained high at 1,175 million euros, up 0.5% at constant scope and exchange rates.

French Retail Banking (FRB)

FRB continued to actively finance the economy. Thanks to the strong dedication of the French network in supporting their customers in their financing needs, outstanding loans rose 5.0% compared to the first quarter 2011, driven by good growth in corporate loans. FRB has given special support to VSEs & SMEs through the successful rollout of Small Business Centres.

Deposits grew 3.5% thanks in particular to strong growth in savings accounts (+9.8%). The internet mobile service has enjoyed growing success with over 500,000 users a month, a 73% increase compared to March 2011.

Revenues[3] were 1,813 million euros, up 0.3% compared to the first quarter 2011, the rise in net interest income (+3.0%), due in part to the rise in the volume of savings, was greater than the drop in fees (-3.6%) in connection with lower financial markets.

The decline in operating expenses[3] compared to the first quarter 2011 (-0.8%), thanks to the continued streamlining of the support functions, helped FRB generate gross operating income[3] up 2.0% and improve its cost/income ratio[3] 0.7 point for the period, to 60.1%.

The cost of risk[3] was up 4 million euros compared to the first quarter 2011 but, at 22 basis points of outstanding customer loans, it remained at a moderate level.

Thus, after allocating one-third of French Private Banking's net income to the Investment Solutions division, FRB's 605 million euros in pre-tax income[2] increased 1.5% compared to the first quarter a year earlier.

BNL banca commerciale (BNL bc)

BNL bc performed well in a challenging environment. Loans grew 0.2% compared to the first quarter 2011, in line with the market, with a trend towards decelerating demand, in particular for mortgages.

Deposits rose 1.6%, driven by corporate clients and local authorities (compared to a low base in the first quarter 2011) with

[1] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg

[2] Excluding PEL/CEL effects

[3] Excluding PEL/CEL effects, with 100% of French Private Banking

contraction of individual current accounts more moderate than the market.

Revenues[1] grew 2.3% compared to the first quarter 2011, to 816 million euros. The rise in net interest income (+4.5%), due in particular to the growth of corporate and small business loans as well as to margins holding up well, was greater than the fall in fees observed (-1.9%), due to a decline in new loans to individual clients.

The fall in operating expenses[1] compared to the first quarter 2011 (-0.5%), thanks to good cost control, helped BNL bc generate gross operating income[1] up 5.6% and improve its cost/income ratio[1] by 1.4 point during the period, to 54.2%−one of the best in the market.

The cost of risk[1] rose, to a limited extent, to 106 basis points of outstanding customer loans (+21 million euros compared to the first quarter 2011). After allocating one-third of Italian Private Banking's net income to the Investment Solutions division, BNL bc posted 150 million euros in pre-tax income, down 1.3% compared to the same quarter a year earlier.

Belgian Retail Banking

BRB continued to play an active role in financing the economy. Loans grew 6.4% compared to the first quarter 2011 (+5.0% excluding the effect of the acquisition of Fortis Commercial Finance in the fourth quarter 2011) due to a good growth of mortgages and small business loans to individual customers and growth in loans to corporate customers driven by SMEs. Deposits showed good growth (+3.3% compared to the first quarter 2011) driven in particular by current accounts and term deposits.

Revenues[2] rose 3.4%, compared to the first quarter 2011, to 841 million euros due to the rise in net interest income driven by good volume growth and the acquisition of Fortis Commercial Finance and despite the contraction in financial fees from individual customers against a backdrop of an unfavourable market.

As a result of the positive impact from actions to enhance operating efficiency, operating expenses[2] rose only 0.7%, compared to the first quarter 2011, to 594 million euros, helping BRB generate 10.8% gross operating income growth[2]. The cost/income ratio[2] improved 2 points, compared to the same quarter a year earlier, to 70.6%.

The cost of risk[2], at 18 basis points of outstanding customer loans, remained still moderate even though it was up 15 million euros compared to the first quarter 2011 when it was exceptionally low.

Thus, after allocating one-third of Belgian Private Banking's net income to the Investment Solutions division, BRB posted 201 million euros in pre-tax income, up 9.2% compared to the same quarter a year earlier.

Luxembourg Retail Banking: outstanding loans slowed down slightly (-0.5%) compared to the first quarter 2011. Growth of deposits (+4.3%) was strong, driven by current accounts. The commercial offering was bolstered with the launch of domestic Private Banking and Multi-Channel Banking.

Personal Investors: the growth of assets under management was 3.2% compared to the first quarter 2011, due to net asset inflows. The online brokerage business activity was down compared to the first quarter of the preceding year when business was exceptional.

Arval: the business unit continued its business development in northern Europe with the opening of a subsidiary in Finland and saw strong growth of the automobile fleet in Brazil, India and Turkey. On balance, the financed fleet grew 2.8%, compared to the first quarter 2011, to 686,000 vehicles. Arval's revenues were affected this quarter by the sale of the fuel card business in the UK in December 2011 and the decline in used vehicle prices.

Leasing Solutions: outstandings declined 9.6% compared to the first quarter 2011 as a result of the adaptation plan. The decline in outstandings had a limited impact on Leasing Solutions' revenues, due to a selective policy in terms of the profitability of transactions.

In total, after allocating one-third of Luxembourger Private Banking's net income to the Investment Solutions division, these four business units contributed 219 million euros (-8.8% compared to the first quarter 2011) to Domestic Markets' pre-tax income.

Europe-Mediterranean

Europe-Mediterranean had a good sales and marketing drive. Deposits rose 12.8%[3] and growth was very good in most countries, especially in Turkey. Loans grew 7.5%[3] with good performance in Turkey and continued decline in the Ukraine (-27.7%[3]).

Revenues grew 0.2%[3] due in particular to the decline of revenues in the Ukraine in line with outstandings, offset by 8.4%[3] growth in Turkey. Excluding the Ukraine, revenue growth was 6.5%[3].

Operating expenses moved up 4.1%[3] due in part to the continued opening of branches in the Mediterranean, in particular in Morocco (12 new branches this quarter). They were down 0.7%[3] in Turkey thanks to the streamlining of the network (95 branches closed in 2011).

[1] With 100% of Italian Private Banking

[2] With 100% of Belgian Private Banking

[3] At constant scope and exchange rates

At 90 million euros, the cost of risk was 150 basis points of outstanding customer loans−a level that was still significant but down 13 million euros compared to the first quarter 2011.

Europe-Mediterranean thus posted 26 million euros in pre-tax income this quarter, a significant increase (+62.5%) compared to last year.

BancWest

With the economy improving in the United States, BancWest reported good results. Loans grew 1.9%[1] due to a pick-up in corporate loans (+11.4%[1]) and despite the continued contraction in mortgages against a backdrop of households reducing their debt and the sale of conforming loans to Fannie Mae.

Deposits rose 12.0%[1], driven by strong growth in current accounts.

Revenues grew, however, only 0.3%[1] compared to the first quarter 2011, regulatory changes having an adverse impact on fees.

Operating expenses grew 4.3%[1] due to the strengthening of the Private Banking as well as the bolstering of sales and marketing staff for corporate and small business customers.

The cost of risk continued to fall and came to 46 basis points of outstanding customer loans (-29 million euros compared to the first quarter 2011).

BancWest thus generated 206 million euros in pre-tax income, up 10.8%[1] compared to the first quarter 2011.

Personal Finance

In an unfavourable environment, Personal Finance maintained good profit-generation capacity.

Consumer loan outstandings grew 1.3% compared to the first quarter 2011 due to the successful partnership with Commerzbank in Germany, good growth in Belgium driven by cross-selling with BNP Paribas Fortis and good business development in Russia, but were affected by new regulations in France where outstandings fell 4.0%. With respect to mortgage lending, the implementation of the adaptation plan resulted in halting the growth of outstandings which fell 0.7% compared to the last quarter 2011. These combined effects and the impact of new regulations on margins was reflected in a 6.0% drop in revenues, compared to the first quarter 2011, to 1,231 million euros.

Operating expenses rose 8.6% to 642 million euros, due in particular to adaptation costs (30 million euros) and to business development in Russia.

The cost of risk was kept under control and decreased to 327 million euros (104 million euros less than in the first quarter 2011), or 145 basis points of outstanding consumer loans compared to 196 basis points in the first quarter 2011 (-26%).

Thus, Personal Finance’s pre-tax income came to 286 million euros, down only -7.7% compared to the first quarter 2011.

INVESTMENT SOLUTIONS

This quarter, the net asset inflows of Investment Solutions totalled 12.6 billion euros[2]. All the business units made a positive contribution: Asset Management (+7.8 billion euros) thanks to strong asset inflows into money market funds from institutional investors; Private Banking (+2.7 billion euros), especially in the domestic markets and in Asia; Insurance (+1.1 billion euros) thanks to good asset inflows in France, Luxembourg and Asia; Personal Investors (+0.4 billion euros) and Real Estate Services (+0.4 billion euros). Despite the unfavourable foreign exchange impact due to the appreciation of the euro this quarter, the asset inflows and the rise in stock markets drove assets under management[3] up +4.6%, compared to their level as at 31 December 2011, to 881 billion euros.

Investment Solutions’ revenues, which totalled 1,521 million euros, were stable compared to the first quarter 2011. Revenues from Wealth and Asset Management were down 9.1% due to the decline in outstandings in Asset Management in 2011. Insurance’s revenues moved up 11.8% (+5.6% excluding the effects of the consolidation of BNL Vita in Italy) due to the growth of managed assets as well as protection insurance outside France. The good development of Securities Services’ business in all countries with +4.2% growth in assets under custody and +12.7% in assets under administration pushed the business unit’s revenues up +6.6% compared to the first quarter 2011.

Investment Solutions’ operating expenses, which totalled 1,043 million euros, edged up only 0.1% compared to the first quarter 2011 due to the effects of the implementation of the adaptation plan in Asset Management and despite continued business development investments in particular in Asia. The division’s gross operating income, at 478 million euros, slipped 0.2% compared to the same period a year earlier.

With the -16 million euros impact of the Greek debt, most of which was in associated companies, pre-tax income, after allocating one-third of the net income from Private Banking in Domestic Markets, was down 9.2%, compared to the first quarter 2011, to 483 million euros, reflecting the good performance of Investment Solutions in a still challenging environment.

[1] At constant scope and exchange rates

[2] Including Personal Investors

[3] Including assets under advisory on behalf of external clients, including Personal Investors

CORPORATE AND INVESTMENT BANKING (CIB)

CIB's revenues, which totalled 3,121 million euros, were down 11.0% compared to the first quarter 2011.

Excluding losses from sales of loans by the financing businesses in connection with the continued adaptation plan (74 million euros for 2 billion euros sold[1], or an average discount of 3.7%), revenues dropped only -8.8%.

Revenues from Advisory and Capital Markets significantly rebounded compared to the fourth quarter 2011 and were down only 4.0% compared to the first quarter 2011 where business was sustained.

Fixed Income's revenues, at 1,757 million euros, grew 6.6% compared to the first quarter 2011, driven by good performance in rates and forex in particular on flows and by very sustained primary bond issue business. The business unit confirmed again this quarter its number 1 position in all bonds in Euros and maintained market share gains achieved in 2011 on all international bonds in USD where it is number 10. Separately, the energy and commodity derivatives businesses enjoyed strong client business, in particular in oil and gas.

Revenues from the Equities and Advisory business unit fell -29.2% compared to the first quarter 2011 but were up 21.2% compared to last quarter 2011 with resilient flow business in low volume equity markets. The share of structured products was lower than in 2011 due to weak client demand.

Revenues from the Financing businesses, now called Corporate Banking as part of a new approach to the business, fell -25.0% to 872 million euros compared to the first quarter 2011. Excluding the nonrecurring impact of sales of loans, revenues dropped 18.6% due to the reduction of financing outstandings. The business unit continued to develop advisory and structuring, and focused on distribution being factored in as part of origination with greater coordination with Fixed Income. In connection with this new approach, an ambitious plan was also launched to grow the deposit base with a proactive and targeted client approach. In particular, the global platform in Cash Management, where BNP Paribas ranks number 5 worldwide, will be developed via a combined CIB and Retail Banking offering.

CIB's operating expenses, which totalled 1,892 million euros, were up 3.7% compared to the first quarter 2011. Excluding adaptation costs (54 million euros), they were down -1.7% at constant scope and exchange rates. The cost/income ratio, at 60.6% (57.5% excluding the adaptation plan) was maintained at the best level.

The division's cost of risk remained low, at 78 million euros, up 62 million euros compared to the first quarter 2011 when it was exceptionally low. For Corporate Banking, it was 33 basis points of outstanding customer loans.

CIB generated 1,167 million euros in pre-tax income, down 30.5% compared to the first quarter 2011.

Excluding the impact of the adaptation plan, it was 1,295 million euros, down 22.8% compared to the first quarter 2011, reflecting good performance despite the impact of deleveraging, which illustrates the diversity and the quality of the CIB franchise.

CORPORATE CENTRE

The Corporate Centre reported losses of -883 million euros compared to 471 million euros in revenues in the first quarter 2011. The losses reflect a -843 million euros own debt revaluation (negligible effect in the first quarter 2011), a +184 million euros amortisation of the PPA in the banking book (compared to +203 million euros in the first quarter 2011), -142 million euros in losses from the sale of sovereign bonds and the -68 million euros impact of the exchange of Convertible & Subordinated Hybrid Equitylinked Securities ("CASHES").

Operating expenses totalled 222 million euros compared to 241 million euros in the first quarter 2011 and include 65 million euros in restructuring costs (compared to 124 million euros in the first quarter 2011).

The cost of risk includes a 54 million euros residual effect of the Greek debt given provisions previously booked.

Non operating items totalled 1,752 million euros, primarily due to the 1,790 million euros exceptional income booked in connection with the Group's sale of a 28.7% stake in Klépierre S.A.

Pre-tax income was 618 million euros compared to 225 million euros during the same period a year earlier.

LIQUIDITY AND FINANCING

The Group's liquidity situation was extremely favourable.

The Group's cash balance sheet, prepared based on the prudential banking scope and after netting amounts for derivatives, repos, securities lending/borrowing and payables/receivables, totalled 985 billion euros as at 31 March 2012. The total of equity, client deposits and medium/long-term funding came to a 51 billion euros surplus of stable funding compared to the financing needs of the customer activity and to tangible and intangible assets. This surplus was 20 billion euros higher than what it was on 31 December 2011.

At the end of April, with the closing on the sale of Reserve-Based Lending, the programme to reduce CIB's funding needs in dollars (-65 billion dollars) was completed.

The Group's immediately available liquidity reserves totalled 201 billion euros, up 41 billion euros compared to their level on 31 December 2011. They amount to close to 100% of short-term funding.

Seventy-five percent of the Group's 20 billion euros 2012 medium/long-term funding programme has already been completed. From November 2011 to mid-April 2012, 15 billion euros were raised with an average spread of 111 basis points above mid-swap and an average maturity of 6.1 years.

[1] Excluding the disposal of Reserve-Based Lending in April

SOLVENCY

As at 31 March 2012, the Basel 2.5 common equity Tier 1 ratio, which includes the European Capital Requirements Directive 3 (CRD3) regulatory regime that came into force at the end of 2011, was 10.4%.

The target of 9% solvency by the end of June 2012 set by the European Banking Authority (EBA), which, beyond CRD3, mandates an additional deduction for unrealised capital losses from European sovereign bonds held (40 basis points for BNP Paribas), was largely surpassed.

This improvement of solvency by 80 basis points compared to 31 December 2011 is primarily the result of reduced risk-weighted assets and organic generation of capital this quarter. The effect of the sale of Klépierre under Basel 2.5 is negligible due to the corresponding decline in minority interests. Under Basel 3, the sale will contribute +32 basis points to the ratio.

The common equity Tier 1 totalled 60.1 billion euros as at 31 March 2012, up 1.2 billion euros compared to 31 December 2011. Risk-weighted assets[1] were 576 billion euros, down 38 billion euros compared to 31 December 2011, due primarily to the plan to adjust the balance sheet, which led to a reduction in riskweighted assets by 16 billion euros, and an additional 16 billion euros reduction due in particular to the low level of market risks.

Given the Basel 2.5 common equity Tier 1 ratio of 10.4% as at 31 March 2012, the 9% target, as of January 1st 2013, taking into account all the CRD4 rules without transitional arrangements (Basel 3 fully loaded), should be attained by combining the conventional -40bp deduction, as an extension of the EBA rule, for European sovereign debt held; the impact of the other CRD4 rules currently anticipated by BNPParibas to be -180bp[2]; the impending effect of signed sales agreements (sale of Reserve-Based Leasing in the United States and the sale of a 28.7% stake in Klépierre) for +37 basis points; the remaining deleveraging plan producing an additional +20 basis points; the payment of the dividend in shares bringing in an additional +20 basis points[3] and, lastly, the balance to be made up through organic generation of capital of no more than +3 basis points[4] given the aforementioned assumptions.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	1Q12	2011	4Q11	3Q11	2Q11	1Q11
GROUP						
Revenues	**9 886**	**42 384**	**9 686**	**10 032**	**10 981**	**11 685**
Operating Expenses and Dep.	-6 847	-26 116	-6 678	-6 108	-6 602	-6 728
Gross Operating Income	**3 039**	**16 268**	**3 008**	**3 924**	**4 379**	**4 957**
Cost of Risk	-945	-6 797	-1 518	-3 010	-1 350	-919
Operating Income	**2 094**	**9 471**	**1 490**	**914**	**3 029**	**4 038**
Share of Earnings of Associates	154	80	-37	-20	42	95
Other Non Operating Items	1 690	100	-127	54	197	-24
Pre-Tax Income	**3 938**	**9 651**	**1 326**	**948**	**3 268**	**4 109**
Corporate Income Tax	-927	-2 757	-386	-240	-956	-1 175
Net Income Attributable to Minority Interests	-144	-844	-175	-167	-184	-318
Net Income Attributable to Equity Holders	**2 867**	**6 050**	**765**	**541**	**2 128**	**2 616**
Cost/Income	**69.3%**	**61.6%**	**68.9%**	**60.9%**	**60.1%**	**57.6%**

[1] Basel 2.5

[2] Since CRD4 is still being debated in the European Parliament, its directives remain subject to interpretation and can still be amended

[3] Assumption that, on average, 50% of the dividend is paid in shares for both 2011 and 2012

[4] Given the 25% payout rate

10.5 LEGAL AND ARBITRATION PROCEEDINGS

Legal action has been taken against several Algerian and international banks, including BNP Paribas El Djazair, a BNP Paribas SA subsidiary, for administrative errors in processing international trade financing applications. BNP Paribas El Djazair has been accused of non-compliance with foreign exchange regulations in seven cases before Algerian courts.

BNP Paribas El Djazair was ordered by a lower court to pay fines of approximately EUR 200 million. Three of these cases were subsequently overturned on appeal, including the case involving the most significant amount (EUR 150 million). Two other appeals rulings have upheld fines totalling EUR 52 million. All of these rulings have been appealed before the Cassation Court, and execution has been suspended pending the outcome of these appeals pursuant to Algerian law. BNP Paribas El Djazair will continue to vigorously defend itself before the Algerian courts with a view to obtaining recognition of its good faith towards the authorities, which suffered no actual damage.

On 27 June 2008, the Republic of Iraq filed a lawsuit in New York against approximately 90 international companies that participated in the oilfor-food ("**OFF**") programme and against BNP Paribas as holder of the OFF account on behalf of the United Nations. The complaint alleges, notably, that the defendants conspired to defraud the OFF programme, thereby depriving the Iraqi people of more than USD 10 billion in food, medicine and other humanitarian goods. The complaint also contends that BNP Paribas breached purported fiduciary duties and contractual obligations created by the banking services agreement binding BNP Paribas and the United Nations. The complaint is pleaded under the US Racketeer Influenced and Corrupt Organisations Act ("RICO") which allows treble damages if damages are awarded. The complaint has been served and the defendants, including BNP Paribas, moved to dismiss the action in its entirety on a number of different legal grounds. Pleadings on the merits are expected to be made in 2012.

Following discussions with the U.S. Department of Justice and the New York County District Attorney's Office, the Bank is conducting an internal review of certain U.S. dollar payments involving countries, persons and entities that could be subject to U.S. sanctions, in order to determine whether the Bank has in the conduct of its business complied with sanction regulations including those of the Office of Foreign Assets Control. It should be noted that similar reviews conducted by numerous financial institutions relating to actual or purported violations of Office of Foreign Assets Control regulations have resulted in settlements involving the payment of fines and penalties, some of which have been significant depending on the circumstances of each matter.

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L.Madoff Investment Securities LLC ("**BLMIS**"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amounts sought to be recovered in these actions approximates $1.2 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.

Various legal disputes and enquiries are ongoing relating to the restructuring of the Fortis Group, now Ageas, of which Fortis Bank is no longer part. Whether Fortis Bank (now BNP Paribas Fortis) is party or not to the proceedings, the possibility cannot be ruled out that legal action already taken or which may result from current legal disputes or enquiries may seek to obtain money from BNP Paribas Fortis, and hence from the BNP Paribas Group. BNP Paribas will oppose firmly any attempts of this kind.

There are no other government, legal or arbitration proceedings of which the Company is aware that are likely to have or have had within the last 12 months a significant impact on the financial position or profitability of the Company and/or Group.

10.6 SIGNIFICANT CHANGE IN GUARANTOR'S FINANCIAL OR TRADING POSITION

There has been no significant change in the financial or trading position of BNP Paribas or its group since December, 31st 2011 for which audited financial statements have been published.

11. MATERIAL CONTRACTS

The Guarantor has not concluded any such contracts, which could lead to liabilities or claims of any group member, which would be material to the Guarantor's ability to fulfill its obligations to Bondholders on the basis of issued Bonds.

VII. TAXATION AND FOREIGN EXCHANGE REGULATION IN THE CZECH REPUBLIC

Prospective purchasers of the Bonds issued under this Bond Programme are advised to consult their own legal and tax advisers as to all tax and foreign exchange aspects of the purchase, sale and holding of the Bonds as well as receipt of payments of interest relating to the Bonds in compliance with the tax and foreign exchange legislation effective in the Czech Republic and in the country of which they are residents as well as in countries where the proceeds of holding and the sale of the Bonds may be subject to taxation.

*The following general summary of the taxation of bonds and foreign exchange regulations in the Czech Republic draws mainly upon the Income Tax Act No. 586/1992 Coll., as amended (the "**Income Tax Act**") and the Foreign Exchange Act No. 219/1995 Coll., as amended (the "**Foreign Exchange Act**") and any applicable rules and regulations in force as of the date of the Base Prospectus, as well as arising out of the general interpretation of those acts and other legislation enforced by the Czech authorities and other public administration bodies and known to the Issuer as of the date of the Base Prospectus. All information below is a subject to a change based on changes in the applicable legislation that may take place after that date or changes in the interpretation of the applicable legislation that could be applied after the date of the Base Prospectus.*

Interest

Interest payable to a physical entity (including any yield determined as the difference between the face value of a bond at maturity and its lower issue price) is generally subject to withholding tax collected at source (withheld by the Issuer upon the payment of such interest). The rate of such withholding tax for Czech tax residents as well as for Czech tax non-residents not having a permanent establishment in the Czech Republic is 15% (for 2012). This withholding tax on interest generally represents the final tax on interest in the Czech Republic. Non-resident taxpayers who are tax residents in other EU/EEA states are generally entitled to file a tax return for the taxable period during which they have earned the interest subject to withholding tax and claim relevant expenses against this income if more advantageous. Should the tax withheld at the source be higher that the final income tax liability, as declared in the tax return, a refundable tax overpayment will arise to a foreign company.

Interest payable to a legal entity (including any yield determined as the difference between the face value of a bond at maturity and its lower issue price) is a component part of general tax base for Czech tax residents as well as for the permanent establishments of Czech tax non-residents in the Czech Republic and is subject to the respective corporate income tax rate at the amount of 19% (for 2012). In this case the tax is not withheld at source. Interest payable to a legal entity which is a Czech tax non-resident not having a permanent establishment in the Czech Republic is subject to 15% withholding tax (for 2012) collected at source (withheld by the Issuer upon the payment of such interest).

A double taxation treaty between the Czech Republic and the country where the interest payee is resident may eliminate or reduce the rate of withholding tax in the Czech Republic. Any application of such regime set out by a double taxation treaty may be conditional upon a proof that the relevant double taxation treaty applies to the interest payee and further conditions as stipulated by the double taxation treaty are met. Furthermore, the interest paid to a related foreign legal entity may be fully exempt from Czech corporate income tax (including any withholding tax) under the EU Interest and Royalties Directive, if specific conditions stipulated by this Directive (as incorporated in Czech income tax legislation) will be met.

Certain categories of tax payers (e.g., foundations, the Investment Firms Guarantee Fund, etc.) may under certain circumstances claim income tax exemption in respect of such yields. Such exemption is subject to proving such claim at source prior to its withholding.

Profit/loss on sale

Gains realised by a physical entity on the sale of bonds are subject to taxation in the Czech Republic if such bonds are sold by (i) a Czech tax resident or (ii) a Czech tax non-resident having a permanent establishment in the Czech Republic (if gains are attributable to that permanent establishment) or (iii) a Czech tax non-resident if the gains are realised on the sale to a purchaser, who is a Czech tax resident or a Czech tax non-resident having a permanent establishment in the Czech Republic (if attributable to that permanent establishment). The same are included in the general income tax base for physical entities and are subject to taxation of the income tax rate at the amount of 15% (for 2012). Losses realised on the sale of bonds are generally ineffective for taxation at this category of entities (but may be offset against gains from the sale of other securities realised within the same taxation period).

Gains realised by a legal entity on the sale of bonds are subject to taxation in the Czech Republic if such bonds are sold by (i) a Czech tax resident or (ii) a Czech tax non-resident having a permanent establishment in the Czech Republic (if gains are attributable to that permanent establishment) or (iii) a Czech tax non-resident if the gains are realised on the sale to a purchaser, who is a Czech tax resident or a Czech tax non-resident having a permanent establishment in the Czech Republic (if gains are attributable to that permanent establishment). The same are included in the general income tax base for legal entities and are subject to taxation of the income tax rate at the amount of 19% (for 2012). Losses realised on the sale of bonds are effective for taxation at this category of entities.

Profits from sale of bonds realized by physical entities can be exempt from income tax under certain circumstances; provided that the bonds are not included in the bondholder's business assets and the bondholder’s overall share of the company’s registered capital and voting right did not exceed 5% during the period of 24 months before the securities sale and provided that between the purchase and the sale of bonds is a time period of at least 6 calendar months.

If the bonds are sold by a Czech tax non-resident bondholder, who is not at the same time an EU or EEA tax resident, to a Czech resident purchaser or to a Czech tax non-resident purchaser having either a permanent establishment in the Czech Republic or employees located in the Czech Republic for more than 183 days, such purchasers shall be generally obliged to withhold 1% of such income as securing tax when paying the purchase price for the bonds. The tax administrator may, if the non-resident bondholder (seller) does not file its tax return within the statutory deadline, deem the income tax liability of the non-resident bondholder (seller) secured by means of securing tax withheld as discharged and paid.

A double taxation treaty between the Czech Republic and a country where the bondholder is resident may eliminate the taxation of gains from the disposition of bonds in the Czech Republic. Any application of such regime set out in a double taxation treaty may be conditional upon a proof that the relevant double taxation agreement applies to the boldholder.

Foreign exchange regulation

The bonds do not constitute foreign securities in the meaning of the Foreign Exchange Act. Their issue or acquisition is not subject to foreign exchange regulation in the Czech Republic. Unless the applicable international agreements on the protection and support of investment between the Czech Republic and the country of residence of any such beneficiary provide otherwise and/or a more favourable treatment of the beneficiary, a non-resident bondholder may under certain conditions purchase foreign currency for the Czech currency without any foreign exchange permit and thus transfer the yields from the bonds, any amounts paid by the Issuer on early redemption of the Bonds claimed by the bondholders or the repayment of the face value of the bonds from the Czech Republic in a foreign currency.

VIII. ENFORCEMENT OF CIVIL LIABILITIES AGAINST THE ISSUER

The information included in this chapter is presented as general information for analysis of legal situation and was obtained from publicly available sources. The Issuer or its advisers make no representation as to the accuracy or completeness of the information included herein. Any prospective purchasers of the Bonds issued under this Bond Programme should therefore not rely upon the information included herein and are recommended to contact their legal advisers for consultation about the enforcement of claims in respect of the Issuer's private law liabilities within any relevant jurisdiction.

The Issuer has not given any consent as to the exclusive jurisdiction of any international court in connection with any legal action in connection with the purchase of any Bonds issued under this Bond Programme, or named an agent for process in any jurisdiction. As a result, it may not be possible for the purchasers of the Bonds issued under this Bond Programme to bring a claim or to effect any process against the Issuer abroad or to enforce judgements against the Issuer before any foreign courts or to enforce judgements obtained in such courts based upon foreign laws.

Where the Czech Republic and the relevant state are parties to an international treaty on the recognition and execution of court judgements, the execution of court judgements given in any such state is provided in compliance with the provisions of that particular international treaty. In the absence of such treaty, judgements issued by foreign courts may be recognised and executed in the Czech Republic subject to the provisions of the International Private Law and Rules of Procedure Act No. 97/1963 Coll., as amended. Under this Act no rulings of any foreign courts in cases described in Section 1 of the above-described International Private Law and Rules of Procedure Act, conciliations before foreign courts, and foreign notary deeds (jointly "**Foreign Rulings**"), may be recognised and enforced if: (i) the relevant case falls within the exclusive jurisdiction of Czech courts or the proceedings could not have been conducted before a foreign court if the provisions regarding the competence of Czech courts were applied when considering the competence of such foreign court; (ii) a final judgement has been rendered in the same matter by a court in the Czech Republic, or a final judgement of a foreign court has been recognised; (iii) a foreign judicial body deprived the party against whom the judgement was rendered of the right to take part in the proceedings, especially if such person had not been duly served process; (iv) recognition of a foreign judgement would be contrary to public order in the Czech Republic; and (v) no reciprocity is guaranteed (reciprocity will not be required if the Foreign Ruling does not concern a Czech person). The Ministry of Justice of the Czech Republic may, upon consultation with the Ministry of Foreign Affairs of the Czech Republic or any other applicable ministries of the Czech Republic, make a declaration of reciprocity in respect of a foreign country. Such reciprocity declaration will be binding on the courts and other government authorities in the Czech Republic. If no such reciprocity declaration has been issued with respect to any country, it does not necessarily mean that no reciprocity with respect to such country exists. Recognition of reciprocity in such cases will depend on the practice of recognition of Czech court judgements in such country.

In connection with adhesion of the Czech Republic to the European Union, the Council Regulation (ES) No. 44/2001 from December 22 2000 on competence, recognition and execution of court rulings in civil and trade matters is applicable directly in the Czech Republic. Upon this regulation court rulings in civil and trade matters issued by judicial authorities in EU member countries are executable in the Czech Republic.

Czech courts, however, will not accept on merits an action brought in the Czech Republic on the basis of any breach of any public law statute of any jurisdiction other than the Czech Republic on the part of the Issuer, including any actions for violation of any foreign securities legislation.

IX. GUARANTEE AND ENFORCEMENT OF CIVIL LIABILITIES AGAINST THE GUARANTOR

The payment by the Issuer of principal of, interest on, and all other amounts due under the Bonds is unconditionally and irrevocably guaranteed by BNP Paribas S.A. pursuant to a French law governed joint and several guarantee (Caution Solidaire) as provided for by Article 2288 of the French Civil Code (the "**French Civil Code**").

The Guarantee constitutes an unconditional and unsecured obligation of the Guarantor and ranks (save for statutorily preferred exceptions) *pari passu* with any other existing or future unsecured and unsubordinated obligations of the Guarantor.

Has permitted by Article 2298 of the French Civil Code and has specifically provided for in paragraph 2 of the Guarantee, the payment obligations of the Guarantor under the Guarantee are not conditional upon prior execution proceedings being brought against the Issuer.

Payment by the Guarantor pursuant to the Guarantee requires that (i) an Event of Default has occurred and an Acceleration Notice has been served on the Issuer as described in Condition 9 of the Terms and Conditions of the Bonds; and that (ii) a written demand be addressed to the Guarantor and five (5) Paris Business Day elapses thereafter as provided for in paragraph 9 of the Guarantee.

Enforcement of the Guarantee may be limited by the provisions of any applicable bankruptcy, liquidation, insolvency and reorganisation or other laws, relating to or affecting, generally the enforcement of creditors' rights.

As provided for in paragraph 10 of the Guarantee, the Guarantor has acknowledged that the competent courts within the jurisdiction of the Paris Court of Appeal will be competent to settle any litigation or proceedings relating to the Guarantee. This acknowledgement is for the exclusive benefit of the Bondholders and accordingly nothing limits the rights of such Bondholders to take proceeding before any other court of competent jurisdiction, including the courts of the Czech Republic.

Any judgement obtained in the courts of the Czech Republic will be recognised and enforced in France subject to and in accordance with the provisions of the Council Regulation (EC) n°.44/2001 on jurisdiction and the recognition and enforcement of judgements in civil matters dated 22 December 2000.

X. SUBCRIPTION AND SALE

The Issuer is entitled to issue the individual Bond Issues under the Programme provided that the aggregate nominal value of all outstanding Bonds issued under the Programme may not at any time exceed CZK 10,000,000,000. The specific Bonds Issues issued under the Programme will be offered to investors in compliance with the subscription and purchase agreement concluded for the respective Bond Issue between the Issuer and the subscribers, if not provided otherwise in an Issue Supplement concerning the respective Bond Issue.

The Czech National Bank (CNB) has approved the general terms and conditions of the Programme, set forth in chapter "The General Terms and Conditions of the Programme", which will apply to all Bond Issues under the Programme, and this Base Prospectus. This Base Prospectus was approved by the CNB. These approvals, together with approvals of the specific Issue Supplements prepared by the Issuer in connection with each Bond Issue (if required by the applicable laws) and relevant supplements of this Base Prospectus and together with duly anounced Final Terms and Conditions of each Bond Issue (should it be relevant), will authorise the Issuer to place such Bonds in the Czech Republic subject to compliance with all relevant legislation in effect in the Czech Republic as of the date of any such placement. These approvals, together with approvals of the individual Issue Supplements and together with duly anounced Final Terms and Conditions of each Bond Issue, also constitute one of the conditions for the listing of the Bonds issued under the Programme on any public market in the Czech Republic. If an Issue Supplement indicates that the Issuer has requested or will request the Bonds to be listed on a certain market of Prague Stock Exchange, or on any other public securities market and if such Bonds are in fact listed on such public market after having complied with all legal prerequisites, such Bonds will become listed securities, i.e., securities admitted for trading on a regulated market.

The distribution of this Base Prospectus as well as any offers, sale or purchase of the Bonds of the individual Bond Issues are restricted by law in some jurisdictions. Unless expressly provided otherwise in the relevant Issue Supplement, the Issuer will not ask for approval or recognition of the Base Prospectus (including its supplements, if any) and the respective Issue Supplement in other jurisdiction, the Bonds will not be registered, permitted or approved by any administrative or other authority in any jurisdiction with the exception of the CNB and, accordingly, no placement will be possible outside of the Czech Republic (eventually other countries which would without other conditions recognize the Base Prospectus approved by the CNB and the Final Terms and Conditions as a prospectus allowing Bond offering in such country). All persons in possession of this Base Prospectus will be responsible for observing any restrictions relating to offers, purchase and sale of the Bonds and the possession and distribution of any documents relating to the Bonds in all relevant jurisdictions.

In addition to the above, the Issuer asks the subscribers of each Bond Issue and the Bond acquirers to observe all relevant restrictions in each country (including the Czech Republic) where they would purchase, offer, sell or otherwise transfer the Bonds issued under the Programme or where they would distribute, make accessible or otherwise circulate this Base Prospectus including its supplements, if any, individual Issue Supplements or any other offering or promotional material or information in connection with the Bonds, in each case at their own expense and irrespective of whether the Base Prospectus or its supplements, individual Issue Supplements or any other offering or promotional material or information in connection with the Bonds is recorded in the printed form or in the electronic or any other intangible form.

The Issuer also asks all subscribers and Bond acquirers not to offer publicly any Bonds in accordance with the respective legal prescriptions. In other jurisdictions Bond offer may be limited by legal prescriptions of such jurisdictions and may require approval, recognition or translation of the Base Prospectus or of its part or other documents by a competent authority.

Any offer of any Bonds issued under the Programme made by the Issuer (including the distribution of this Base Prospectus and the relevant Issue Supplement to selected investors on a confidential basis) in the Czech Republic prior to the approval of this Base Prospectus or its supplements and the relevant Issue Supplement by the CNB and prior to the disclosure of the Final Terms and Conditions and prior to their publication, will be made pursuant to Section 35 (2) lett. a), c) or d) of the ACMU. Such offer does not require prior publication of a prospectus of the offered security. Accordingly, the Issuer notifies all potential investors and other persons of the fact that any Bonds issued under this Programme and offered prior to the approval and disclosure of this Base Prospectus or its supplements and relevant Issue Supplement and to due disclosure and publication of the Final Terms and Conditions of a specific Bond Issue, may only be acquired by qualified investors for an aggregate issue price equal to or in excess of the equivalent of EUR 100,000 per one investor. The Issuer will not be bound by any order of any potential investor for subscription or purchase of any Bonds if the aggregate issue price for the ordered Bonds is less than the equivalent of EUR 100,000.

Any person that acquires any Bonds issued under the Programme will be deemed to have represented and agreed that (i) such person acknowledges all relevant restrictions on the offer and sale of the Bonds, in particular in the Czech Republic, relating to such person and the relevant method of offer or sale, (ii) such person will not further offer for sale or sell the Bonds without complying with all relevant restrictions applicable to such person and to the relevant method of offer and sale and (iii) before further offering for sale or further selling the Bonds, such person will inform the potential buyers that in certain jurisdictions, further offer or sale of the Bonds may be subject to legal restrictions, which must be observed.

The Issuer would like to draw the attention of potential investors to the fact that unless expressly set forth otherwise in the Issue Supplement relating to a particular Bond Issue, the Bonds have not been and will not be registered under the U.S. 1933 Securities Act, as amended (the "**U.S. Securities Act**") or by any securities commission or any other authority of any State of the United States and therefore will not be offered, sold or transferred within the United States or to U.S. residents (as defined in Regulation S implementing the U.S. Securities Act) except pursuant to an exemption from the registration duty under the U.S. Securities Act or in transactions not subjected to registration under the U.S. Securities Act.

The Issuer further wishes to point out that (unless expressly provided otherwise in the Issue Supplement relating to a particular Bond Issue) the Bonds will not be offered or sold in the United Kingdom of Great Britain and Northern Ireland (the "**United Kingdom**") by way of distributing any documents or notices except for offers to persons authorised to trade with securities on their own or on someone else's account in the United Kingdom or under such circumstances that do not constitute a public offer of securities under the 1985 Companies Act, as amended. All legal acts pertaining to the Bonds made in the United Kingdom, from the United Kingdom or otherwise associated with the United Kingdom in any manner whatsoever will also be performed in compliance with the 2000 (FSMA 2000) legislation governing financial services, including the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, and with the Prospectus Regulations 2005, as amended.

XI. GENERAL INFORMATION

1. The Programme was approved by the resolution of the Board of Directors of the Issuer dated 17 June 2010 and by the resolution of the sole shareholder of the Issuer of 22 June 2010.

2. This Programme and any Bonds issued under this Programme will be governed by the relevant legislation, specifically the Bonds Act, ACMU and by the respective relevant regulations of the public securities markets where the relevant Bond Issues are to be listed.

3. The Terms and Conditions of the Programme stated in this Base Prospectus, which are and will be the common for all issues under this Bond Programme, were approved by the decision of the CNB ref. no. 2010/11456/570 sp. zn. Sp/2010/153/572 of 29 December 2010, which became final and effective on 29 December 2010.

4. No material negative changes in the financial situation of the Issuer or its group occurred between 31 December 2011 and the date of this Base Prospectus in connection with the Programme or any Bonds issued under the Programme.

5. This Base Prospectus was completed as of 12 June 2012.

6. The final accounts of CETELEM CR, a.s., were verified by auditing company Mazars Audit s.r.o., with its registered office in Prague 8, Pobřežní 620/3, Postal Code 186 00, Identification Number: 63 98 68 84; namely by Mr. Milan Prokopius, verification number 2022, residing in Prague 7, Sádky 785/2, Postal Code 171 00, Czech Republic.

7. As of the date of this Base Prospectus, the Issuer is not involved in any legal, administrative or arbitration proceedings in the Czech Republic and out of it, in connection with Bonds issue which could have negative impact on its financial situation or on the financial situation of its group.

8. The Bond liabilities have been fully, unconditionally and irrevocably guaranteed by BNP Paribas S.A.

9. The full versions of the Issuer’s audited financial statements, including enclosures and auditor’s reports are enclosed in this Base Prospectus by references and, together with all other documents referred to in this Base Prospectus, as long as the Bonds issued under this Programme have been outstanding, are available for inspection upon request at the Issuer’s registered office during regular working hours and on the Issuer’s web page www.cetelem.cz (in the case of the Issuer’s statements) or on the Guarantor's web page www.bnpparibas.com (in the case of the Guarantor’s statements). The full version of the Issuer’s most current final accounts and audited annual account statements will be available for inspection upon request at the Issuer’s registered office during regular working hours, as long as any Bonds issued under this Programme have been outstanding. All other documents and materials mentioned in the Base Prospectus concerning the Issuer or the Guarantor are available for inspection in Issuer's registered office.

ADDRESSES

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