BASE PROSPECTUS

CETELEM ČR, a.s.

Five-Year Bond Issue Programme
with maximum amount of CZK 10,000,000,000 in outstanding bonds guaranteed by BNP Paribas

This document constitutes a base prospectus (the **Base Prospectus**) for bonds under an offering programme pursuant to Section 36a(1)(a) of the Act No. 256/2004 Coll., on Capital Market Undertakings, as amended (the **Capital Markets Act**). Pursuant to the provisions of Section 11 of the Act No. 190/2004 Coll., on Bonds, as amended (the **Bonds Act**), the bonds will be issued under a bond programme (the **Bond Programme** or the **Programme**) launched by CETELEM ČR, a.s., with its registered office at Prague 5, Karla Engliše 5/3208, Postal Code 150 00, Identification No. 250 85 689, Czech Republic, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, Insert No. 4331 (the **Issuer** or **CETELEM ČR** or the **Company**). Under the Bond Programme, the Issuer may issue series of bonds guaranteed by BNP Paribas in accordance with applicable 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 term of the Bond Programme during which the Issuer may issue the Bonds under the Programme will be five (5) years. The Bond within any Issue under the Bond Programme will be at least in nominal value equal to EUR 100,000.

In respect of each Bond Issue, the Issuer will prepare a special document (the **Issue Supplement**) containing a supplement to the Bond Programme, namely a supplement to the general terms and conditions of the Bond Programme for the Issue in question (in Czech, *doplněk dluhopisového programu*) (the **Bond Programme Supplement**). Each Bond Programme Supplement will, in particular, determine the nominal value and quantity of Bonds within the Issue, the issue date and method of the Issue, proceeds from the Bonds under the given Issue and the issue price, due date, as well as other terms and conditions of the Bonds of the given Issue that are not regulated by the issue terms of the Bond Programme in chapter "*Joint Terms and Conditions*" in this Base Prospectus (the **Joint Terms and Conditions**), or which are to be supplemented for individual Bond Issues in addition to the Joint Terms and Conditions. If the Issuer chooses to apply for admission of any Bond Issue to trading on the regulated market as of the issue date, the Issue Supplement will also contain final terms (in Czech, *konečné podmínky*) (the **Final Terms and Conditions**) so that the Issue Supplement and this Base Prospectus constitute a prospectus of the respective Issue. If the Issuer chooses to apply for admission of any Bond Issue to trading on the regulated market only after such Bond Issue has been issued, the Issuer will extend the respective Issue Supplement published or made accessible to the investors, as applicable, no later than as of the issue date by the Final Terms and Conditions after it adopts a decision regarding such admission of the Bond Issue to trading on the regulated market.

If individual Bond Issues are to be admitted to trading on a regulated market in order for the Bonds within such Issue to become listed securities, the Issuer will apply for their admission to trading on Regulated market (in Czech, *Regulovaný trh*) of the Prague Stock Exchange (in Czech, *Burza cenných papírů Praha, a.s.*) (the **PSE**) or any other regulated market of or organised by the PSE. The relevant market of the PSE where the Bonds may be admitted to trading will be specified in the relevant Issue Supplement issued by the Issuer in respect of that Bond Issue. The Issue Supplement may also contain a note that the Bonds will not be admitted to trading on any market (whether regulated or non-regulated).

The Issuer does not intend to make a public offering of the Bonds issued under the Bond Programme nor does it intend to entrust any third person with public offering of the Bonds. The Bonds will be offered only to qualified investors based on the exceptions set out in Section 35(2)(a) or (b) of the Capital Markets Act. If the information contained in this Base Prospectus significantly changes following approval of this Base Prospectus and prior to the end of the public offer (if any) of the Bonds or their admission to trading on the regulated market, the Issuer will update the Base Prospectus in the form of supplements. Each such supplement will be subject to approval by the Czech National Bank (the **CNB**) and published in a statutory manner.

Payments under the Bonds issued under this offering programme will in all cases be made in accordance with the applicable laws in force at the time of making the relevant payment in the Czech Republic. Where required by the laws of the Czech Republic in force at the time of repayment of the interest and the nominal value (or, as the case may be, Discounted Value to be set in the Bond Programme Supplement as the value to be paid by the Issuer to Bondholders when due), the relevant taxes and charges will be withheld from the payments being made to the Bondholders. The Issuer will not be required to make any additional payments to the Bondholders in compensation for such withholding of taxes or charges. Under certain conditions, the Issuer will pay the tax withheld from the bond proceeds (for details, see the chapter "*Taxation and Foreign Exchange Regulation in Czech Republic*").

This Base Prospectus was approved by a decision of the CNB on 19 June 2013, Ref. 2013/7134/570, Sp. zn. Sp/2013/27/572, which entered into force on 19 June 2013. The Joint Terms and Conditions, as set out in this Base Prospectus, which will be the same for the different Bond Issues issued under the Bond Programme have been made accessible to the investors through their publication on www.cetelem.cz and at the registered office of the Issuer in paper form during regular office hours from 9:00 a.m. to 16:00 p.m. CET.

BNP Paribas, with its registered office at 16, Boulevard des Italiens 75009 Paris, France, ID-No.: 662 042 449, incorporated in the Trade and Company Register (in French, *Registre du Commerce et des Sociétés*) administered by the Commercial Court in Paris (in French, *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. *This Base Prospectus does not constitute any public or other offer of any Bonds. Any potential investors in the Bonds within any Issues that may be issued under the Bond Programme should make their investment decision on the basis of information provided in this Base Prospectus, as well as in any supplement to the Base Prospectus and any Issue Supplement relating to the particular Bond Issue.*

The distribution of this Base Prospectus, as well as any offers, sale or purchase of the Bonds under any Issues issued under the Bond Programme are subject to statutory restrictions in some jurisdictions. Unless where explicitly provided otherwise herein or in the relevant Issue Supplement for the given Bond Issue, the Bonds issued under the Bond Programme will not be listed, registered, authorised, recognised or approved in any jurisdiction *by any administrative or other authority other than the CNB and, accordingly, no placement will be possible outside of the Czech Republic (see also "Important Notice").*

The Base Prospectus was prepared as of 14 June 2013 and the information contained herein is only current as of such date, unless the Base Prospectus is updated by a supplement, in which case the information in the Base Prospectus will be current as of the date specified in such supplement.

The Base Prospectus, any supplements or Issue Supplements, and any annual, semi-annual or other reports of the Issuer published after the date of this Base Prospectus, as well as any other documents referred to in this Base Prospectus will also be available in electronic form on the Issuer's website: www.cetelem.cz.

Programme Arrangers

BNP Paribas	**Česká spořitelna, a.s.**	**Raiffeisenbank a.s.**

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IMPORTANT NOTICE

This document represents the Base Prospectus of the bond programme within the meaning of Article 5(4) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended (the ***Prospectus Directive****), Section 26 of Commission Regulation (EC) No. 809/2004 of April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses, as well as the format, incorporation by reference and publication of such prospectuses and the dissemination of advertisements, as amended (the* ***PD Regulation****) and Section 36a of the Capital Markets Act. The Base Prospectus has been approved by a decision of the CNB on 19 June 2013, Ref. 2013/7134/570, Sp. zn. Sp/2013/27/572, which entered into force on 19 June 2013 and has been published on www.cetelem.cz. The Joint Terms and Conditions within the meaning of Section 8 et seq. of the Bonds Act have been made accessible to the investors through their publication on www.cetelem.cz and at the registered office of the Issuer in paper form during regular office hours from 9:00 a.m. to 16:00 p.m. CET.*

The distribution of this Base Prospectus, as well as any offering, sale or purchase of the Bonds issued under the Bond Programme is subject to statutory restrictions in some jurisdictions. Unless where explicitly provided otherwise herein or in the relevant Issue Supplement for the given Bond Issue, the Bonds issued under the Bond Programme will not be listed, registered, authorised, recognised or approved in any jurisdiction by any administrative or other authority other than the CNB and, accordingly, no placement will be possible outside of the Czech Republic. In particular, the Bonds issued under the Bond Programme will not be registered under the U.S. Securities Act of 1933, as amended and may not be offered, sold, or delivered within the United States or to any U.S. persons other than in reliance on the exemption from the registration requirement of such Act or in a transaction that is not subject to such registration requirement. Persons into whose possession this Base Prospectus comes are responsible for compliance with any restrictions applicable in all such jurisdictions to the offering, purchase, or sale of the Bonds issued under the Bond Programme, or the possession and distribution of any materials relating to the Bonds issued under the Bond Programme.

Neither the Issuer nor any of the Programme Arrangers have authorised any representation or information regarding the Issuer, the Guarantor and/or the Bond Programme other than as contained in this Base Prospectus, its supplements (if any) and the respective Issue Supplement. Any such representation or information should not be relied upon as having been authorised by the Issuer. Unless otherwise indicated, all information in this Base Prospectus is given as of the date of this Base Prospectus. The delivery of this Base Prospectus at any time does not imply that the information contained in it is correct as of any time subsequent to the date of this Base Prospectus. This information may be further amended or completed by means of supplements to the Base Prospectus and further specified or completed by means of the respective Issue Supplement.

Potential investors in the Bonds within any Issue that may be issued under this Bond Programme will adopt their investment decisions in reliance on the information contained in this Base Prospectus, any supplement to the Base Prospectus, and in the relevant Issue Supplement. Any decision concerning the underwriting of the offered Bonds will be based solely on the information contained in these documents as a whole, and on the offering terms, including an independent analysis of the risk factors of an investment in the Bonds by each potential investor.

The information under the headings "Exchange Regulation and Taxation in the Czech Republic" and "Enforcement of Civil Liabilities against the Issuer" is provided as general information only and has been obtained from public sources, which have not been processed or independently verified by the Issuer on the Guarantor. Potential investors in the Bonds issued under the Bond Programme should rely solely on their own analysis of the factors described under these headings, and on their own legal, tax, and other professional advisors. Purchasers of the Bonds issued under the Bond Programme, especially those from foreign countries, are advised to consult with their own legal and other advisors as to the provisions of applicable laws, including, but not limited to, the foreign exchange and tax regulations of the Czech Republic, the countries of which they are residents, and any other relevant jurisdictions, as well as any international treaties and the impact thereof on the particular investment decision.

The Bondholders, including all prospective foreign investors, are required to keep themselves informed of all laws and regulations governing the possession of the Bonds, the sale of the Bonds abroad, the purchase of the Bonds from abroad, and any other transactions with the Bonds, and to comply with these laws and regulations.

To the extent required by applicable laws and regulations and the regulations of the securities market on which the Bonds are admitted to trading (if applicable), the Issuer will publish reports on the results of its operations and its financial position, and comply with the information requirements.

The Base Prospectus, its supplements (if any), Issue Supplements, annual reports and copies of the relevant financial statements and audit reports are available for inspection free of charge during regular office hours from 9.00 a.m. to 4.00 p.m. at the Issuer's registered office at Karla Engliše 5/3208, Prague 5, 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.

The Base Prospectus is also available for inspection at no charge at the registered offices of the Programme Arrangers at BNP Paribas, 16, Boulevard des Italiens 75009 Paris, France, Česká spořitelna, a.s., Praha 4, Olbrachtova 1929/62, Postal Code 140 00 and Raiffeisenbank a.s., Praha 4, Hvězdova 1716/2b, Postal Code 140 78, in all cases during regular office hours from 9:00 a.m. to 16:00 p.m. CET.

Any assumptions and projections concerning the future development of the Issuer or the Guarantor, their financial situation, line of business, or its position on the market may not be construed as representations or promises of the Issuer or the Guarantor regarding future events or performance, as such future events and performance are subject, in whole or in part, to effects and events beyond the direct or full control of the Issuer. Potential investors in the Bonds issued under the Bond Programme should make their own analysis of any trends and projections contained in the Base Prospectus, or if required, conduct their own independent investigation, and base their investment decisions on the results of such independent analysis and investigation.

Accordingly, figures shown for the same item of information presented at different places may vary slightly, and figures shown as sums of certain values may not be an arithmetic aggregate of the figures preceding such totals.

In case of translation of the Base Prospectus into other language(s), the English version will prevail in the event of any interpretation inconsistencies between the English version and any other language version of the Base Prospectus.

***NOTICE CONCERNING THE PUBLIC BOND OFFERING**. The Issuer or its authorised 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 Capital Markets Act on the basis of the exceptions stated in Section 35(2)(a) or (b) of the Capital Markets Act. 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 authorised and does not intend to authorise any of the dealers or other persons to make public offering of the Bonds for 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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RISK FACTORS

The Issuer believes that the following factors may affect its and the Guarantor's ability to fulfil their obligations under the Bonds. In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but its inability to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons. The risks and uncertainties the Issuer describes below are not the only ones the Issuer or the Guarantor face. Additional risks not currently known to the Issuer or that the Issuer now deems immaterial may also harm the Issuer or the Guarantor and affect their businesses, results of operations, financial condition and your investment. Potential investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Risks related to Bonds

General risk factors

Bonds can be complex financial instruments and the investor must carefully consider the suitability of such an investment.

Some Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments - they diversify them. They purchase complex financial instruments as a means of reducing risk or enhancing yield, with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Bonds that are complex financial instruments unless they have the expertise (either alone or with a financial advisor) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds, and the impact this investment will have on the potential investor's overall investment portfolio.

The Issuer is not limited in accepting additional debt financing.

There are no major legal restrictions with respect to the volume and conditions of any future unsubordinated debt financing of the Issuer that would stem from the Joint Terms and Conditions. The acceptance of any additional debt financing could ultimately mean that in the event of an insolvency proceeding, the Bondholders' claims under the Bonds will be satisfied to a lesser extent than in the absence of any such debt financing. Any increase in debt financing of the Issuer also entails a risk that the Issuer may be in default in the performance of its obligations under the Bonds.

Bonds may be less liquid than other bonds.

It is impossible to estimate the nature and scope of any secondary bond market, and potential investors in Bonds should consider the expected liquidity of the Bonds. If the Bonds within any Issue are issued as listed securities, the Issuer intends to apply for their admission to trading on the regulated market of the PSE, with the specific segment of the regulated market of the PSE to be made more precise in the respective Issue Supplement. An Issue Supplement may also determine that the Bonds within such Issue are to be traded on a market other than the regulated securities market or that they are not to be traded on any regulated securities market. Regardless of any listing of Bonds, it cannot be guaranteed that the Bonds will actually be actively traded on such a regulated market, and there is no warranty that a sufficiently liquid secondary market with the Bonds will be formed, or if such market is formed, that such secondary market will last. The fact that the Bonds may be listed on a regulated market does not necessarily have to result in a higher level of liquidity of listed Bonds over unlisted Bonds, whereas in the case of unlisted Bonds, it may be difficult to evaluate them, which may negatively affect their liquidity. Insufficient liquidity of Bonds may prevent the Bondholders from selling the Bonds on the market at all, or selling them only for a price below their original investment.

Bonds denominated in foreign currency are exposed to currency exchange risks.

The holder of a Bond denominated in a foreign currency is exposed to a risk of movements in exchange rates, which may affect the final yield or the amount of the payment to be made upon redemption of such Bonds. For instance, any change in the value of any foreign currency *vis-à-vis* Czech Koruna (CZK) results in the relevant change in the CZK value of the Bond denominated in this foreign currency, and in the relevant change in the value of the principal and interest payments made in this foreign currency in accordance with the terms and conditions of the Bonds. If an initial exchange rate drops and the CZK value increases as a result, the price of a Bond and the value of the principal and the interest payments denominated in CZK will diminish in this particular case.

The value of Bonds may be affected by legislative changes.

The rights and obligations attached to Bonds are based on Czech law as in force and effect as of the Bonds' issue date. After the Bonds' issue date, laws applicable to the rights and obligations attached to the Bonds may change. No representation or warranty can be given by the Issuer as to the impact of such possible changes on the value of the Bonds.

Legal investment considerations may restrict certain investors' investment in Bonds, or even prevent them from investing in Bonds.

Investment activities of certain investors are regulated by laws and orders and/or are subject to inspection or regulation by certain authorities. Each potential investor in Bonds should consult their legal advisors to determine whether and to what extent (i) the Bonds are legal investments for them, and (ii) other restrictions apply to their purchase or pledge or usage as collateral. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Return on investment in Bonds may be affected by various fees.

The overall return on investments in Bonds may be affected by the amount of fees charged by an agent for the sale/purchase of the Bonds and/or charged by the relevant settlement system used by the investor. Any such person or institution may charge fees for the opening and keeping of an investment account, securities transfers, securities safekeeping services, etc. The Issuer recommends that the potential investors in the Bonds familiarise themselves with the materials that will serve as the basis for charging fees related to the Bonds.

Return on investment in Bonds may be affected by tax burden.

Potential investors in or sellers of the Bonds should realise that they may be subject to taxes or other claims or charges imposed by the laws and customs of the country in which the Bonds are being transferred, or in some other country relevant under the circumstances. In certain countries, it may happen that no official position of tax authorities or court decision related to financial instruments such as bonds will be available. When acquiring, selling or redeeming the Bonds, the potential investors should not rely on the brief summary of the tax issues contained in this Base Prospectus or, as the case may be, in the relevant Issue Supplement, but rather act upon the recommendation of their tax advisors in view of their individual taxation issues. Investment considerations in view of the risks specified in this section should be made at least after reading the chapter "Taxation and Foreign Exchange Regulation in the Czech Republic" contained in this Prospectus, as well as any other chapters concerning taxation and contained in the relevant Issue Supplement.

Return on investment in Bonds may be affected by the inflation rate.

Potential investors in or sellers of the Bonds should realise that if the Bonds lack a no-inflation clause, the fair value of an investment in the Bonds may diminish concurrently with inflation, reducing the currency value.

Inflation also reduces real yields on the Bonds. If the inflation rate exceeds the nominal yield on the Bonds, the real value of the yield on the Bonds will be negative.

Bond Programme Supplement may establish the Issuer's right to early redemption of the Bonds within the given Issue, thus exposing the investor to the risk of a lower-than-expected yield.

A Bond Programme Supplement may determine that the Issuer may redeem Bonds of a specific Issue before the final redemption date. If the Issuer redeems any Bonds within any Issue before the final redemption date, a Bondholder is exposed to a risk of a lower-than-expected yield on account of such early redemption. Depending on the wording of the relevant Bond Programme Supplement, the Issuer may, for instance, exercise such right, if the yield on comparable bonds on the capital markets declines, which means that an investor may be able to invest the repaid yields only into lower-yield bonds.

Binding procedures or standards for making adjustments to the Reference Rate may not be available to the Calculation Agent.

In cases where the Calculation Agent is authorised by the Joint Terms and Conditions to ascertain the value of any asset based on currently prevailing market practice, no binding procedures, standards or internal regulations regarding such adjustments may exist on the market or be available to the Calculation Agent. Furthermore, market practice can change significantly from time to time. Such adjustments made to the Reference Rate performed by the Calculation Agent may (negatively) influence the Bond yield as anticipated by an otherwise experienced investor at the time of the investment.

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 (call option).

If the Issuer repays any Bonds issued under this Bond Programme 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 exercise its call option 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.

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Specific risk stemming from the method of determining the yield on Bonds

Fixed rate Bonds

A holder of a fixed rate Bond is exposed to a risk of a decline in the value of such Bond as a result of a change in the market interest rates. While the nominal interest rate determined in the relevant Bond Programme Supplement is fixed for the term of the Bonds, the current interest rate on the capital market (the **Market Interest Rate**) generally changes every day. Every change in the Market Interest Rate also entails a change in the price of fixed rate Bonds, but the other way around. This means that if the Market Interest Rate rises, the price of the fixed rate Bond generally declines to a level when the yield on such Bond approximately equals the Market Interest Rate. If the Market Interest Rate declines, the price of the fixed rate Bond generally rises to a level when the yield on such Bond approximately equals the Market Interest Rate.

Floating rate Bonds

Floating rate Bonds may be considered a volatile investment, because a holder of such Bonds is exposed to the risk of floating interest rates and thus faces uncertainty as to the amount of interest income. If an investor does not create any security in relation to the risk of floating rate Bonds, it may only determine the overall rate of return of its investment in such Bonds with difficulty.

Zero coupon Bonds

There is no right to receive 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. A holder of a zero coupon Bond is exposed to a risk of decrease in the price of such Bond as a result of change in Market Interest Rate.

Subordinated Bonds

In case of (a) Issuer's liquidation or (b) 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.

Risk Factors related to the Business and Operations of the Issuer

Social, economic or political developments in the Czech Republic could adversely affect the Issuer

The Issuer's operations in the Czech Republic are exposed to risks such as regulatory changes, inflation, deflation, economic recession, local market disruption, social unrest, changes in disposable income or gross national product, variations in interest rates and taxation policies, levels of economic growth and other similar factors. The adverse effects of these factors could lead to an increase in defaults by the Issuer's customers resulting in a decrease in the Issuer's earnings. There can be no assurance that political or economic instability will not occur in the Czech Republic or that any such instability will not adversely affect the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation. As substantially all of the Issuer's business is conducted in the Czech Republic, the Issuer is particularly exposed to macroeconomic or other factors that may adversely affect growth in the Czech market and the credit-worthiness of Czech retail customers. A decline in the credit-worthiness of its customers or the number of those customers or sovereign downgrade could have a material adverse effect on the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation.

The Issuer competes against several large consumer credit institutions and may face increased competition from less established competitors

As financial services markets in Central and Eastern Europe (CEE), and the Czech Republic in particular, mature, the Issuer may experience increased competition from both global financial institutions and local competitors, which may lead to reductions in interest rate spreads, pricing of loans and other products, fee and commission income and business volumes, as well as increased costs of capital and other funding. Currently, the Czech financial market is highly concentrated. The Issuer's ability to compete effectively will depend on the ability of its businesses to adapt quickly to new market and industry trends. If the Issuer fails to compete effectively with either local competitors or large international financial institutions, it may have a material adverse effect on the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation.

Credit risk

In the ordinary course of business the Issuer is exposed to the risk of deterioration in the borrowers' credit quality, which may lead to loss of economic value of the Issuer’s receivables on loans. 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.

Declaration of bankruptcy of a client could have a material adverse effect on the recoverability, amount of recoverable debt and period of receivables recovery and insolvency and other laws and regulations governing creditors' rights in the Czech Republic may limit the Issuer's ability to obtain payments on defaulted credits

Insolvency of a client may lead to declaration of bankruptcy in respect of its assets as one of the statutory solutions of insolvency proceedings. The risk of clients' insolvency is regularly monitored within the uniform system for evaluating credit risk.

Insolvency proceedings in the Czech Republic often take several years and the level of the creditors' satisfaction is relatively low. Therefore, the Issuer cannot ensure that its creditors' rights in insolvency proceedings will be adequate to enable the Issuer to successfully collect amounts owed by debtors. Moreover, the Issuer's litigation costs stemming from insolvency proceedings may increase substantially as a result of any newly adopted and untested procedures and potential changes in the regulation. This could have an adverse effect on the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation. Moreover, the Issuer may be unable to enforce in a timely manner, for reasonable costs or at all, loans and other credit extended by the Issuer. This could have a material adverse effect on the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation.

Early repayment of loans by clients may lead to financial loss of the Issuer

The risk of early repayment of granted loans is regularly observed and monitored. In the current period there was no significant deviation from the anticipated development.

As a result of the global financial crisis, the credit crisis in the European Union and the related economic downturn, the Issuer experienced deterioration in credit quality

The immediate effects of the global financial crisis, the credit crisis in the European Union and the related economic downturn in the Czech Republic, such as the decline of gross domestic product, significantly reduced private consumption and corporate investments, increased unemployment rates, increased indebtedness of households, growing number of personal bankruptcies and reduced private and commercial property values, have had a negative effect on the credit quality of the Issuer's loan portfolio.

Lending institutions such as the Issuer are exposed to the risk that borrowers do not repay their loans according to their contractual terms. As the uncertainties relating to the recovery from the economic downturn in the Czech Republic remain, it remains difficult to estimate the extent of any potential deterioration in the Issuer's loan portfolio quality and/or increase in non-performing loans. Such deterioration could have a material adverse effect on the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation. The Issuer has adapted loan approving criteria in order to minimise losses caused by those macroeconomic effects. The Issuer also provides assistance to clients having problems with repayment of their loans. The Issuer registered by 31 December 2012 total receivables overdue less than 90 (ninety) days in the amount of CZK 1,7 billion. Total credits and other obligations overdue amounted to CZK 2,5 billion. The total cost of risk for the period 2012 amounted to CZK 505 million (6,1% y-o-y increase).

Credit risk occurring in connection with other financial assets of the Issuer – investments, receivables, cash and cash equivalents – is in the failure of counterparty to fulfil its financial obligations. This risk 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 losses from the management of assets and liabilities)

Future changes in market conditions may have adverse effect on the value of certain financial instruments.

The risk of losses from the management of assets and liabilities comprises in particular of the interest rate risk, liquidity risk and currency risk. The Issuer uses methods and procedures of the BNP Paribas Group in order to manage those risks. 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 Issuer is exposed to volatility in interest rates

The Issuer earns interest from loans and other assets. An increase in rates charged to customers can negatively impact interest income if it reduces the amount of clients' borrowings. A decrease in the general level of interest rates may affect the Issuer through, among other things, increased pre-payments on its loan portfolio. Interest rates are sensitive to many factors beyond the Issuer's control, including domestic and international economic and political conditions. Overall, large decreases in interest rates can be expected to have an adverse effect on the Issuer's net interest income and continued low interest rates will make it more difficult to achieve growth. Spreads on interest rates are also affected by economic conditions.

Further, 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. Standard agreements on loans used by the Issuer require clients to pay their instalments 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 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.

Risks concerning liquidity

The Issuer's business is subject to liquidity risks which could affect the Issuer's ability to meet its financial obligations as they fall due or to fulfil its commitments to lend. In order to ensure that the Issuer continues to meet its funding obligations and to maintain or grow its business generally, it relies on securing of financial resources for the settlement of its liabilities upon their maturity and on the support of the BNP Paribas Group enhancing the financing flexibility, lowering risk of dependence on other sources and potential effects. The Issuer uses different methods of securing funds. Financing is mainly provided through bank loans from third parties, bank loans within the Issuer's group, through debt securities and Issuer's own funding. Support of the BNP Paribas Group is mainly provided in the form of hedging liabilities of the Issuer. The ability of the Issuer to access funding sources on favourable economic terms is dependent on a variety of factors, including a number of factors outside of its control, such as liquidity constraints, general market conditions and confidence in the Czech lending institutions. The continued concern about sovereign credit risks in the Eurozone has progressively intensified over the last year, resulting in the downgrading of the sovereign debt of several European countries by rating agencies. Should the Issuer be unable to continue to source a sustainable funding profile, the Issuer's ability to fund its financial obligations at a competitive cost, or at all, could be adversely impacted. This could have a material adverse effect on the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation.

In case of a slump of the cash position, the Issuer maintains cash reserves in the form of short term deposits in the amount of CZK 880 million. As at 31 December 2012, the Issuer’s total assets amounted to CZK 16 billion, up by 9.9% year-on-year. The most significant part of the Issuer’s assets (92.6%) comprises customer receivables, mainly arising in relation to lending operations, which rose by 3.8% compared with 2011. As at 31 December 2012, their net value was CZK 14,8 billion.

The Issuer’s equity as at 31 December 2012 was approximately CZK 2,3 billion, a year-on-year increase by 1.6%. The Issuer recorded liabilities of CZK 13,7 billion. Liabilities rose by 11.4% year-on-year. The Issuer’s liabilities mainly comprise bank loans received from entities operating in the Czech Republic and debt security issues, used by the Issuer to finance its business activities. Liabilities related to bank loans received and debt securities issued totalled CZK 13,3 billion, up by 10.9% compared with 2011.

The Issuer is exposed to foreign exchange and currency risks

Although the functional currency of the Issuer is the Czech Koruna (CZK) and the Issuer's activities are predominantly carried out in Czech Koruna, the Issuer’s assets and liabilities can be denominated in different currencies. The Issuer translates such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains and/or losses realised upon the sale of such assets, to Czech Koruna in preparing its financial statements. The principal source of the foreign exchange and currency risk of the Issuer are operational transactions. The overall effect of exchange rate movements on the Issuer's results of operations depends on the rate of depreciation or appreciation of the Czech Koruna against its principal trading and financing currencies (EUR). Although the Issuer sets limits and performs certain other measures aimed at reducing exchange rate risk, including the principle that customer products are financed by loan resources denominated in the same currency, and although such limits are determined for the maximum differences in the value of assets and liabilities according to individual currencies, fluctuations in exchange rates may adversely affect the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation.

Operational risk

Inadequate or failed internal processes, people and systems, or external events including compliance, legal, tax, information, reputational etc. risks, may result in loss for the Issuer.

The Issuer's risk management strategies and procedures may prove insufficient or fail

The Issuer's strategies and procedures for managing credit risk, market risk, liquidity risk and operational risk may prove insufficient or fail. Some of the Issuer's methods for managing risk are based upon observations of historical market behaviour. The Issuer also applies statistical techniques to observations to arrive at quantifications of its risk exposures. However, these methods may not accurately quantify the Issuer's risk exposures. If circumstances arise whereby the Issuer did not identify, anticipate or correctly evaluate certain risks in developing its statistical models, losses could be greater than the maximum losses envisaged under its risk management system. Any material deficiency in the Issuer's risk management or other internal control policies or procedures may expose it to significant credit, liquidity, market or operational risk, which may in turn have a material adverse effect on the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation.

In addition, the issuer uses interest rate swaps to hedge against the relevant interest rate risk. If the instruments and strategies that the Issuer uses to hedge its exposure to this risk is not effective, the Issuer may incur losses. Unexpected market developments may also adversely affect the effectiveness of the Issuer's hedging strategies, and the Issuer may choose not to hedge all of the risk exposures. In addition, the methodology by which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Issuer's reported results of operations. If the measures used to assess and mitigate risk prove insufficient or fail, the Issuer may experience material unanticipated losses, which could have a material adverse effect on its business, results of operations, financial condition, liquidity, capital base, prospects or reputation.

The Issuer is dependent on its licence

The payment services provided by the Issuer via electronic payment instruments (credit cards) that it issues require the Issuer to obtain licence from the CNB according to the Act No. 284/2009 Coll., on Payment System, as amended. A failure to comply with the terms and conditions of this licence may result in the ban on the provision of payment services via electronic payment instruments (credit cards) issued by the Issuer and subsequently to a reduction of the future overall volume of provided funds by the volume corresponding to the revolving loans segment.

Although the Issuer believes that it has the necessary licence for its operations and that it is currently in compliance with its existing material obligations, there is no assurance that it will be able to maintain the necessary licence in the future. The loss of the licence or a breach of the terms of the licence in the future could have a material adverse effect on the Issuer's business, financial condition, operations results, liquidity, capital base, prospects or reputation.

The Issuer is subject to regulatory risks

The Issuer is subject to a number of laws and regulations including, among others, consumer loans regulations, protection of personal data, regulations relating to financial and payment services and other businesses, tax, accounting and financial reporting regulations. Changes in these laws or regulations are not entirely predictable and any changes could have an adverse effect on the Issuer's business, results of operations, financial condition, liquidity, capital base and prospects. Market conditions may be significantly affected by various amendments of laws. 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.

The Issuer fulfilled all requirements under consumer protection laws, in particular the Act No. 145/2010 Coll., on Consumer Credits, as amended (the **Consumer Credit Act**). There is a risk of administrative sanctions in case the Issuer does not comply with certain provisions of the Consumer Credit Act; a fine of up to CZK 20 million may be imposed and the Issuer may face financial losses from 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.

In connection with the legal regulation applicable to the Issuer, there is a risk of a potential breach of the personal data protection rules relating to 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 specified by Act No. 101/2000 Coll., on the Personal Data Protection, as amended (the **Data Protection Act**). Should the Issuer breach the obligations set down by the Data Protection 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 applicable personal data protection rules, which could result in penalty imposed by the Office for the Personal Data Protection. However, this risk cannot be completely ruled out.

Recodification of Czech private law which is planned to take effect on 1 January 2014 is a possible source of regulatory risk. The Act No. 89/2012 Coll., the Civil Code (the **New Civil Code**) introduces a number of changes which might influence Issuer's business activities. Moreover, due to the missing legislation related to the New Civil Code, which is very likely to be adopted in the latter half of 2013, the Issuer could be forced to adapt its client documentation and internal processes in a very short period of time.

The Issuer faced reputational risk because of its use of arbitration in disputes on consumer credits. In case the Issuer may not use this alternative method of resolving disputes on non-performing loans, this would increase 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 Issuer complies with new statutory requirements on arbitration agreements in consumer relationships.

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

As of the date of this Base Prospectus, the Issuer is not aware of any risk resulting from potential administrative proceedings conducted by a supervisory body.

Insurance programme represents an important instrument for mitigating losses due to operational risks.

The Issuer may have difficulty detecting or deterring employee misconduct

The Issuer further faces the risk of loss due to its employees' lack of knowledge, employee error, including clerical or record keeping errors, wilful or negligent violation of laws, rules, regulations and internal policies and procedures or other misconduct. Misconduct by employees occurs in the financial services industry and could involve, among other things, improper use or disclosure of confidential information, violation of laws and regulations concerning financial abuse and fraud, any of which could result in regulatory sanctions and fines as well as serious reputational and financial harm. It is not always possible to deter employee misconduct and the precautions the Issuer takes to detect such activity may not be effective. Given the Issuer's high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. In addition, a number of transactions are not fully automated, which may further increase the risk that human error or employee tampering will result in losses that may be difficult to detect quickly or at all. The direct and indirect costs of employee misconduct and reputational harm could be substantial.

Risk Factors related to the Guarantor

Find below the business and operation risks, to which the Guarantor and its industry are 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 experienced significant disruptions in recent years as a result of concerns regarding the ability of certain countries in the Euro-zone to refinance their debt obligations 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 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 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 crisis in recent years. The Guarantor also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis 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 impairment charges on its sovereign debt holdings or record 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 have been enacted or proposed in recent periods 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 recent 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 temporary or permanent 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 or prohibitions on certain types of financial products or activities, increased internal control and transparency requirements with respect to certain activities, more stringent conduct of business rules, increased regulation of certain types of financial products including mandatory reporting of derivative transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions, and the creation of new and strengthened regulatory bodies.

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 ability to extend credit or to hold certain assets, particularly those with longer maturities. The Guarantor implemented an adaptation plan in response to these requirements, including reducing its balance sheet and bolstering its capital base. Ensuring and maintaining compliance with further requirements of this type that may be adopted in the future may lead the Guarantor to take additional measures that could weigh on its profitability and adversely affect its financial condition and results of operations.

New measures such as the proposed French banking law or, at the EU level, the Liikanen proposal (if adopted) could require the Guarantor to ring-fence certain of its activities within a subsidiary that will be required to comply with prudential ratios and raise financing on a stand-alone basis. The Federal Reserve's proposed framework for the regulation of foreign banks may also require the Guarantor to create a new intermediate holding company for its U.S. activities, which would be required to comply with specific capital and liquidity requirements on a stand-alone basis. In addition, the proposed French banking law, as well as the proposed EU framework for a single supervisory mechanism and the proposed EU framework for the recovery and resolution of financial institutions, will grant increased powers to regulators (including the French banking regulator, the Financial Stability Board, the French deposit guarantee fund and, potentially, the European Central Bank) to prevent and/or resolve banks' financial difficulties, such as the power to require banks to adopt structural changes, issue new securities, cancel existing equity or subordinated debt securities, convert subordinated debt into equity, and, more generally, ensure that any losses are borne by banks' shareholders and creditors. These measures, if adopted, may restrict the Guarantor's ability to allocate and apply capital and funding resources, limit its ability to diversify risk and increase its funding costs, which could, in turn, have an adverse effect on its business, financial condition, and results of operations.

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 legislators and/or regulators. It is therefore impossible to accurately predict which measures will be adopted or to determine the exact content of such measures and their ultimate impact 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.

The Guarantor's access to and cost of funding could be adversely affected by a resurgence of the Euro-zone sovereign debt crisis, worsening economic conditions, further rating downgrades or other factors.

The Euro-zone sovereign debt crisis as well as the general macroeconomic environment has at times adversely affected the availability and cost of funding for European banks. 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, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank increased substantially. Were such adverse credit market conditions to reappear due to factors relating to the economy or the financial industry in general or to the Guarantor in particular, the effect on the liquidity of the European financial sector in general and the Guarantor in particular could be materially adverse.

The Guarantor's cost of funding may also be influenced by the credit rating on its long-term debt, which was downgraded by two of the principal rating agencies in 2012. Further downgrades in the Guarantor's credit ratings by any of the three rating agencies may increase the Guarantor's borrowing costs.

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 recent 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 gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the 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 unfavourable 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 recent market downturns (and particularly during the 2008/2009 period), 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 certain derivative contracts between financial institutions, 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 rumors 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. An increasing number of companies have recently experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage information systems change frequently and often are not recognized until launched against a target, the Guarantor may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. The occurrence of any failures of or interruptions in the Guarantor's information systems resulting from such intrusions or from other causes could have an adverse effect on the Guarantor's reputation, 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. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging legal or regulatory requirements. Besides damage to the Guarantor's reputation and private rights of action, non-compliance could lead to significant fines, public reprimand, enforced suspension of operations or, in extreme cases, withdrawal of operating licenses. This risk is further 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. regulators and other government authorities have in recent years strengthened economic sanctions administered by the Office of Foreign Assets Control of the U.S. Department of Treasury ("OFAC") as well as the related legal and regulatory requirements (see "note 8 – Contingent Liabilities: Legal Proceedings and Arbitration" in the Guarantor's financial statements for more information in this respect).

More generally, 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, liquidity, interest rate and other policies of central banks and regulatory authorities;

- general changes in government or regulatory policy that may significantly influence investor decisions, in particular 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;
- general changes in securities regulations, including financial reporting and market abuse regulations;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls; 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 and 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 in recent years, the models and approaches it uses become less predictive of future behavior, 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 modeling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

The 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 realize 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 realization. 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 or the imposition of more stringent requirements (particularly capital requirements and activity restrictions) on larger or systematically significant financial institutions could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Guarantor.

INFORMATION INCORPORATED BY REFERENCE

Issuer

Information	**Document**	**Page**
IFRS financial statements as of 31 December 2011, including the auditor's opinion	2011 Annual Report	pages 59 to 106

IFRS financial statements as of 31 December 2012, including the auditor's opinion	2012 Annual Report	pages 82 to 137

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

Guarantor

Information	**Document**	**Page**
Financial statements and notes as of 31 December 2011, including the auditor's report	2011 *document de référence et rapport financier annuel* in English (the **2011 Registration Document** and Annual Financial Report**)**	pages 99 to 207
Financial statements and notes as of 31 December 2012, including the auditor's report	2012 *document de référence et rapport financier annuel* in English (the **2012 Registration Document** and Annual Financial Report)	pages 101 to 215
Information on the scope of consolidation of the BNP Paribas Group as of 31 December 2012	2012 Registration Document and Annual Financial Report	pages 187 to 194
Unaudited financial results as of 31 March 2013	First update to the **2012** Registration Document and Annual Financial Report	pages 4 to 59
Risks and Capital Adequacy	2012 *document de référence et rapport financier annuel* in English (the **2012 Registration Document** and Annual Financial Report)	pages 217 to 331

Web link to documents (in English):

2011 and 2012 Registration Document and Annual Financial Report, including all updates:

http://invest.bnpparibas.com/en/pid748/registration-document.html

JOINT TERMS AND CONDITIONS

Bonds issued under this Programme (the **Bonds**) will be issued in accordance with the Act No. 190/2004 Coll., on Bonds, as amended (the **Bonds Act**) by CETELEM ČR, a.s., with its registered office at Praha 5, Karla Engliše 5/3208, Postal Code 150 00, Identification No. 250 85 689, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 4331 (the **Issuer**). The Bonds will be governed by these Joint Terms and Conditions of the Bond Programme and by the relevant Bond Programme Supplement (as defined below).

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

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

These Joint Terms and Conditions, which will be identical for each individual Bond Issue to be issued under the Bond Programme, were published as a part of the Base Prospectus in accordance with the Bonds Act and the Act No. 256/2004 Coll., on Capital Market Undertakings, as amended (the **Capital Markets Act**). If, in case of any Bond Issue, the Issuer so decides or if so required by applicable laws, the Bonds and the Coupons will be allocated a separate ISIN codes by the central securities depository, *i.e.* Centrální depozitář cenných papírů, a.s., with its registered office at Rybná 14, Prague 1, Postal Code 110 00, Identification No. 25 08 14 89, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 4308 (the **CDCP**), or by another entity authorised to allocate ISIN codes. Information on allocated ISIN codes, or if applicable, on any other identification detail in relation to the Bonds and Coupons will be specified in the relevant Bond Programme Supplement. In addition, the Bond Programme Supplement will also specify whether the Issuer intends to apply for listing of the respective Bond Issue on a regulated market, *i.e.* whether the Issuer intends to take any and all steps necessary for the Bonds of such Bond Issue to be listed securities. Further, the Bond Programme Supplement will specify the method for offering of the Bonds, with the Issuer not intending to offer the Bonds in a public offering. For the avoidance of any doubts, the terms “regulated market”, “listed Bond”, and “public offering” will have the meaning as ascribed to them in the Capital Markets Act.

These Joint Terms and Conditions will be made more specific for each Bond Issue issued under the Bond Programme in a Bond Programme Supplement (as defined in Section 12.9 of these Joint Terms and Conditions), which will be published or made accessible to the investors, as applicable, in accordance with applicable laws. The terms and conditions of each Bond Issue issued under the Bond Programme will be constituted by the provisions of these Joint Terms and Conditions and the provisions of the respective Bond Programme Supplement and will be published or made otherwise accessible to the investors, as applicable, in accordance with the applicable laws.

To the extent permitted by the Commission Regulation (EC) No. 809/2004, implementing Directive No. 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the **PD Regulation**) and subject to the Issuer’s consent, these Joint Terms and Conditions may be supplemented by a Bond Programme Supplement in respect of any Bond Issue issued under the Bond Programme. However, this will not be prejudicial to the wording of these Joint Terms and Conditions in respect of any other Bond Issue issued under the Bond Programme.

The individual Bond Issues have been arranged by Komerční banka, a.s., with its registered office at Praha 1, Na Příkopě 33/969, Postal Code 114 07, Identification No. 453 17 054 (**KB**) but starting from 31 May 2013, and unless otherwise provided in the respective Bond Programme Supplement, the Bond Issues will be arranged by Raiffeisenbank a.s., with its registered office at Praha 4, Hvězdova 1716/2b, Postal Code 140 78, Identification No. 492 40 901, BNP Paribas, with its registered office at 16, Boulevard des Italiens 75009 Paris, France and Česká spořitelna, a.s., with its registered office at Praha 4, Olbrachtova 1929/62, Postal Code 140 00, Identification No. 452 44 782 or any other entity, as may be authorised to perform the same by the Issuer (the **Lead Manager**).

Unless otherwise provided in the relevant Bond Programme Supplement or unless a change in accordance with Section 11.2(b) of these Joint Terms and Conditions occurs, KB will act as a fiscal and paying agent in charge of the settlement and administration of payments in connection with the Bonds under the programme fiscal and paying agency agreement (the **Programme Fiscal and Paying Agency Agreement**). In respect of any Bond Issue, the Issuer may delegate the performance of the services of the fiscal and paying agent related to the settlement and administration of payments in connection with the Bonds to any other person having a license for the conduct of such activities, which person will be specified in the respective Bond Programme Supplement (KB or any such other person also as the **Fiscal and Paying Agent**) under an issue fiscal and paying agency agreement (the **Issue Fiscal and Paying Agency Agreement** and together with the Programme Fiscal and Paying Agency Agreement also as the **Fiscal and Paying Agency Agreement**). The Bondholders are advised to make themselves familiar with the Fiscal and Paying Agency Agreement, as it is important, *inter alia*, for the actual making of payments to the Bondholders. A counterpart of the Fiscal and Paying Agency Agreement will be available for inspection to Bondholders and Couponholders during normal working hours at the Fiscal and Paying Agent's Office (the **Specified Office**) specified in Section 11.1(a) of these Joint Terms and Conditions.

Unless otherwise provided in the relevant Bond Programme Supplement and unless a change under Section 11.2(b) of these Joint Terms and Conditions occurs, KB will perform the services of the calculation agent related to calculations in connection with the Bonds under the Programme Fiscal and Paying Agency Agreement. In respect of any specific Bond Issue, the Issuer may delegate the performance of the services of the Calculation Agent related to calculations in connection with the Bonds to any other person having license for the conduct of such activities (KB or such other person as the **Calculation Agent**) under the Fiscal and Paying Agency Agreement.

Unless otherwise provided in the relevant Bond Programme Supplement and unless a change under Section 11.3(b) of these Joint Terms and Conditions occurs, KB will act as the listing agent in respect of the Bond Issue of Bonds to be admitted to trading at the regulated market, *i.e.* it will ensure such admission of Bonds for trading at the regulated market. In respect of any Bond Issue, the Issuer may delegate the performance of the services of the Listing Agent consisting of admission of such Bonds for trading at the regulated market to any other person having a license for the conduct of such activity (the respective Lead Manager or such other person also as the **Listing Agent**) under a listing agency agreement (the **Listing Agency Agreement**).

Certain terms used in these Joint Terms and Conditions are defined in Section 12.9.

1. GENERAL CHARACTERISTICS OF THE BONDS

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

The Bonds issued under this Bond Programme will be (i) book-entry registered or bearer or (ii) certificated registered securities. The Bonds will be issued each having the nominal value and with the aggregate anticipated nominal value, in the quantity and numbering (if applicable), as specified in the relevant Bond Programme Supplement. The nominal value of each Bond of any Issue issued under the Bond Programme will equal to the amount of no less than EUR 100,000.

The Bond Programme Supplement will also specify the currency of the Bonds, or if applicable, rating of the Bonds, and if applicable, the Issuer’s right to increase the volume of the Bond Issue, including the terms and conditions of such increase. No pre-emptive or conversion rights will be attached to the Bonds. The name of each Bond Issue issued under the Bond Programme will be specified in the respective Bond Programme Supplement.

1.2 Bondholders and Couponholders, transfers of Bonds and Coupons

(a) Separation of rights to interest on the Bonds

Unless otherwise provided in the relevant Bond Programme Supplement, there will be no separation of the right to receive interest payable on the Bonds issued under the Bond Programme through issuing coupons (the **Coupons**) as separate bearer securities carrying the right to receive an interest payment. If issued, the Coupons will be issued in the same form as the Bonds within the relevant Issue.

(b) Transferability of Bonds and Coupons

The transferability of Bonds and Coupons (if any) is not restricted.

(c) Holders and transfers of book-entry Bonds and Coupons

(i) Unless the contrary is proved, a holder of the Bond or the Coupon (the **Bondholder** and the **Couponholder**) is any person, on whose holder's account as defined in the Capital Markets Act (in Czech, *účet vlastníka*), the Bond or Coupon is registered in (i) the central registry of book-entry securities maintained by the central securities depository, *i.e.* the CDCP; (ii) the registry maintained by any other entity authorised to maintain the registry of book-entry securities or its part in accordance with the laws of the Czech Republic or (iii) such other registry of owners of book-entry securities which would replace registries under (i) and (ii) (the CDCP, its legal successor or other entity authorised or entitled to maintain the central registry or its part of book-entry securities in accordance with the laws of the Czech Republic, together as the **Central Depositary**). Unless (i) the Issuer is conclusively notified of facts evidencing that a Bondholder or Couponholder is not the owner of the Bond, (ii) laws of the Czech Republic or effective court order delivered to the Issuer on the address of the Fiscal and Paying Agent's Specified Office state otherwise, the Issuer and the Fiscal and Paying Agent will consider as the Bondholder or the Couponholder in accordance with these Joint Terms and Conditions and the respective Bond Programme Supplement authorised to receive the payments in connection with the Bonds a person stated in the extract from the issue registry (in Czech, *evidence emise*) of the Bonds or the Coupons (the **Issue Registry**) provided by the Central Depositary or generated by the Fiscal and Paying Agent independently (the **Extract from the Issue Registry of Bonds** or the **Extract from the Issue Registry of Coupons**).

(ii) The transfer of book-entry bearer or registered Bonds and Coupons will occur upon the registration of such transfer on a holder's account in accordance with applicable laws and Central Depositary's regulations. In case of Bonds and Coupons registered in the Central Depositary on a client's account as defined in the Capital Markets Act (in Czech, *účet zákazníka*), the transfer of such book-entry bearer or registered Bonds and Coupons will occur upon a registration of the transfer on the client's account in accordance with applicable laws and the Central Depositary's regulations, with the owner of the client's account being obligated to promptly register such transfer on the holder's account as of the time of registration on the client's account.

(d) Holders and transfers of certificated Bonds and Coupons

(i) Unless provided otherwise in the Bond Programme Supplement, any certificated Bonds will be initially represented by a global certificate without any Coupons (the **Global Bond**). The Global Bond will be placed into the custody of and recorded by the Fiscal and Paying Agent (or of such other person with the relevant licence for such activity that may be specified in the relevant Bond Programme Supplement). 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 aggregate nominal value of the Global Bond are redeemed early or issued additionally in accordance with Section 2.1 of these Joint Terms and Conditions, the aggregate nominal value of the Global Bond will be reduced or increased accordingly.

Holders of shares on the Global Bond are holders of such number of the individual Bonds that corresponds to their share on the Global Bond and have all rights of the Bondholders (including the right to interest payments).

(ii) Unless the contrary is proved, a holder of the Bond (the **Bondholder**) is deemed any person who (i) in case of a certificated registered Bond, will present such certificated registered Bond and will be stated on the list of respective certificated Bondholders and (ii) in case of the Global Bond, will be stated in the records of the Fiscal and Paying Agent as person having a share on the Global Bond represented by a certain number of Bonds. Unless the contrary is proved, as a holder of the Coupon (the **Couponholder**) is deemed any person who will present such Coupon.

(iii) Transfers of shares on the Global Bond will occur by a registration of such transfer in the records of the Fiscal and Paying Agent. Any change in the records of the Fiscal and Paying Agent is deemed to be a change made only in the course of the relevant day, *i.e.* a change in the records of the Bondholders kept by the Fiscal and Paying Agent cannot be done with the effect as of the beginning of the day when such change happens.

(iv) Transfers of certificated registered Bonds will occur upon their endorsement in favour of the transferee, *i.e.* a new Bondholder, and delivery to such new Bondholder. The endorsement will contain information essential to identification of the new Bondholder and the effective day of the transfer. Such transfer will become effective *vis-à-vis* the Issuer after the registration of the new Bondholder in the Bondholders List. Any change of the Bondholders List will be deemed occurred only in the course of the relevant day, *i.e.* a change in the Bondholders List cannot occur with the effect as of the beginning of the day when such change happens.

(v) Transfers of certificated Coupons (if any) will occur upon delivery to a new Couponholder.

(vi) Unless the Issuer is conclusively notified of facts evidencing that a Bondholder or Couponholder is not the holder of the certificated Bonds in question, the Issuer and the Fiscal and Paying Agent will consider the Bondholder or Couponholder to be the authorised owner of the Bonds and Coupons in all respects, and make payments to such Bondholder or Couponholder in accordance with these Joint Terms and Conditions and the respective Bond Programme Supplement. Persons who are holders of registered certificated Bonds and who are not registered for any reason in the Bondholders List will promptly notify the Issuer of such fact and of their acquisition title to the Bonds.

2. Issue Date and Issue method, Issue Price

2.1 Issue Date; Issue Period; Additional Issue Period

The Issue Date of each Bond Issue will be specified in the relevant Bond Programme Supplement. If the Issuer does not issue all Bonds forming the relevant Bond Issue on the Issue Date, the remaining balance of Bonds may be issued from time to time during the entire Issue Period. The Issuer is entitled to issue the Bonds during the Issue Period in a volume higher than the anticipated Bond Issue volume, unless such right of the Issuer is excluded by the respective Bond Programme 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 Bond Issue and/or (ii) in a larger Issue volume than the anticipated total nominal value of the relevant Bond Issue, unless any such right of the Issuer is excluded by the Bond Programme Supplement. The decision on the determination of the Additional Issue Period would be announced by the Issuer in the same manner in which the respective Bond Programme Supplement was published. If the Issuer decides on the Bond Issue in a volume higher than the anticipated Bond Issue volume, the volume of such increase may not exceed 25% of the anticipated Bond Issue volume, unless another scope of increase of the Bond Issue volume (if any) is determined by the Issuer in the Bond Programme Supplement.

Provided that the aggregate nominal value of all Bonds issued within the relevant Bond Issue is lower or higher than the original aggregate anticipated nominal value of the relevant Bond Issue, the Issuer, without undue delay after the expiry of the Issue Period or the Additional Issue Period, will notify the Bondholders in the same manner as the manner used with respect to the publication of the Bond Programme Supplement of the relevant Bond Issue, of the aggregate nominal value of all issued Bonds forming the relevant Bond Issue.

2.2 Issue Price

The Issue Price of all Bonds issued on the Issue Date or the method for its determination will be specified in the Bond Programme Supplement. The Issue Price of any Bonds issued within the Issue Period or the Additional Issue Period after the Issue Date will be determined by the Issuer in all cases so as to reflect prevailing up-to-date market conditions. Where relevant, the Issue Price of any Bonds issued after the Issue Date will be further increased by corresponding proportional accrued interest or proportional part of the difference between the nominal value of the Bond and the Issue Price as of the Issue Date.

2.3 Method and place of underwriting the Bonds

The method and place of underwriting the Bonds of each Bond Issue, including information on persons involved in the arrangement of the Bond Issue, will be specified in the relevant Bond Programme Supplement.

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

3.1 Status of the Bonds

Subject to the provisions of Section 3.3 of these Joint Terms and Conditions, the Bonds (and any and all payment liabilities of the Issuer to the Bondholders or Couponholders arising under the Bonds or Coupons) constitute direct, general, unsecured otherwise than by the Guarantor's guarantee, unconditional and unsubordinated obligations of the Issuer which, as to the order of their satisfaction, 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 where mandatory provisions of Czech law stipulate otherwise. The Issuer undertakes to treat equally on the same terms and conditions all Bondholders and all Couponholders (if any) in the same Bond Issue.

3.2 Issuer's representations and undertakings concerning the Bonds

The Issuer represents that it owes the nominal value of each Bond to the Bondholder and the proportional interest accruing to the Bonds (except for Zero Coupon Bonds) to the Bondholder or to the Couponholder, and undertakes to pay the interest (except for Zero Coupon Bonds) and to repay the nominal value of the Bond in accordance with these Joint Terms and Conditions, as amended by the Bond Programme 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, as to the order of their satisfaction, rank and will rank *pari passu* among themselves.

In case (i) the Issuer enters into liquidation or (ii) the Issuer is declared bankrupt by a final decision of a relevant court, all receivables corresponding to the rights attached to the subordinated Bonds will be satisfied only after the satisfaction of all other receivables, except for receivables which are bound by the same or by a similar subordination condition. Receivables from all subordinated Bonds and all other receivables, which are bound by the same or a similar subordination condition, will be satisfied in accordance with their rank order.

4. Negative pledge

So long as any payment obligations from the Bonds remain outstanding, the Issuer will not create any Lien (as defined in Section 12.9 of these Joint Terms and Conditions) upon any of its assets or revenues, present or future, to secure any Relevant Debt (as defined in Section 12.9 of these Joint Terms and Conditions) incurred by the Issuer or any guarantee or indemnity assumed or granted by the Issuer in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are (a) equally and rateably secured therewith, or (b) otherwise as approved by the meeting of Bondholders in accordance with Section 12 of these Joint Terms and Conditions.

5. Interest

5.1 Bonds with fixed interest rate

(a) Bonds designated in the relevant Bond Programme Supplement as fixed rate Bonds will bear fixed interest determined in the Bond Programme Supplement.

(b) Interest will accrue evenly from the first day of each Interest Period until the last day included in such Interest Period at the interest rate pursuant to paragraph (a) above.

(i) Interest for each Interest Period will be payable in arrears on the Interest Payment Date.

(ii) The Bonds will cease to bear interest on the Final Maturity Date, unless, following the satisfaction of all conditions and requirements, the Issuer wrongfully retains the amount due or declines to pay the same. In such case, the interest will continue to accrue at the interest rate specified in paragraphs (a) to (b) above, until the earlier of (A) the day when any and all amounts due as of that day are paid to Bondholders, or (B) the day when the Fiscal and Paying Agent notifies the Bondholders that it received all amounts due in connection with the Bonds unless a further wrongful retention or refusal of payment occurs following such notification.

(iii) The amount of interest accrued per Bond over the period of 1 (one) year will be calculated as the multiple of the nominal value of the Bond (or its unredeemed portion, if the nominal value is not redeemed as a one-off payment) and the applicable interest rate (expressed as a decimal number). The amount of interest accrued per Bond over a period shorter than 1 (one) year will be calculated as the multiple of the nominal value of the Bond (or its unredeemed portion, if the nominal value is not redeemed as a one-off payment), the relevant interest rate (expressed as a decimal number) and the applicable Day Count Fraction.

5.2 Bonds with floating interest rate

(a) Interest on Bonds with floating interest rate

(i) Bonds designated in the relevant Bond Programme Supplement as floating interest rate Bonds will bear a floating interest during the individual consecutive Interest Periods equal to the relevant Reference Rate increased or reduced by the applicable Margin (where applicable).

(ii) Interest will accrue from the first day of each Interest Period until the last day included in such Interest Period at the interest rate applicable to such Interest Period. It applies with respect to the Bonds that are to be admitted to trading at the 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 attached 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 attached 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.

(iii) The Calculation Agent will round-up the interest rate for each Interest Period in accordance with mathematical rules to two decimal points according to the third decimal point. The Calculation Agent will notify the interest rate applicable to each Interest Period to the Fiscal and Paying Agent of promptly upon its determination and the Fiscal and Paying Agent will communicate the same to the Bondholders without undue delay in accordance with Section 12.7 of these Joint Terms and Conditions.

(iv) Interest for each Interest Period will be payable in arrears on the Interest Payment Date.

(v) The Bonds will cease to bear interest on the Final Maturity Date unless, following the satisfaction of all conditions and requirements, the Issuer wrongfully retains the amount due or declines to pay the same. In such case, interest will continue to accrue at the interest rate provided in paragraphs (i) to (iii) above until the earlier of (I) the day when any and all amounts due as of that day are paid to the Bondholders or (II) the day when the Fiscal and Paying Agent notifies the Bondholders that it received all amounts due in connection with the Bonds, unless a further wrongful retention or refusal of payment occurs following such notification.

(vi) The amount of interest accrued per Bond over the period of 1 (one) year will be calculated as the multiple of the nominal value of the Bond (or its unredeemed portion if the nominal value is not redeemed in one-off payment) and the applicable interest rate (expressed as a decimal number). The amount of interest accrued per Bond over a period shorter than 1 (one) year will be calculated as the multiple of the nominal value of the Bond (or its unredeemed portion if the nominal value is not redeemed in one-off payment), the applicable interest rate (expressed as a decimal number) and the applicable 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 (or its unredeemed portion if the nominal value is not redeemed in one-off payment), the applicable adjusted interest rate (expressed as a decimal number) and the applicable Day Count Fraction, and such Day Count Fraction will only be calculated for the number of days during which the interest has accrued. The previous provision of this clause (vi) 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 Section 5.2(c) to 5.2(e) of these Joint Terms and

Conditions. The interest amount accruing per Bond for one Interest Period (notwithstanding its length) will be calculated as the multiple of the nominal value of the Bond (or its unredeemed portion if the nominal value is not redeemed in one go) and the applicable interest rate (expressed as a decimal number).

(b) 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 obtained by the Calculation Agent from the Reference Rate source on the relevant day and at the time customary for the relevant Financial Centre.

(c) 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 applicable 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 obtained 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 otherwise provided in the Bond Programme Supplement or in these Joint 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, at the Calculation Agent's sole discretion, no other reasonably acceptable Index replacing the Index, which has ceased to exist, in all material respects is available), the Calculation Agent will determine the Index value at its 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 adjustment.

While exercising its sole discretion and opinion in all of the foregoing cases, the Calculation Agent will be obliged to act with due diligence of a securities trader in accordance with practice customary at the time on capital markets.

(d) 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.

The Basket value will be determined by the Calculation Agent as weighted average of the values of individual components forming the Basket, where each component carries the weight specified in the Bond Programme Supplement; if no weight for individual components is specified in the Bond Programme Supplement, they are deemed to be of equal weight. The values of individual components forming the Basket will be obtained by the Calculation Agent from the relevant Reference Rate source specified in the Bond Programme 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 Bond Programme Supplement or in these Joint 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 diligence of a securities trader in accordance with practice customary at the time on capital markets.

(e) 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 time and on the relevant day from the relevant Reference Rate source.

(f) Minimum interest rate applying to the Bonds

If the relevant Bond Programme Supplement specifies the minimum interest rate applicable to the Bonds or the minimum Reference Rate and if the interest rate applicable to 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 specified in the Bond Programme 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 otherwise provided in the relevant Bond Programme Supplement, the minimum interest rate on Bonds or the minimum Reference Rate (whichever is relevant) will apply to all Interest Periods.

(g) Maximum interest rate applying to the Bonds

If the relevant Bond Programme Supplement specifies the maximum interest rate applicable to the Bonds or the maximum Reference Rate and if the interest rate applicable to 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 specified in such Bond Programme 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 Bond Programme 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 Bond Programme Supplement as Zero Coupon Bonds will bear no interest. Yield from such Bonds will be represented by the difference between the nominal 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 (A) the day when all amounts payable as of that day are paid to the Bondholders or (B) the day when the Fiscal and Paying Agent notifies the Bondholders that it received any and all amounts due in connection with the Bonds unless any further wrongful retention or refusal occurs following such notification. Where interest for a period shorter than one year is being calculated, such calculation will be made on the basis of the applicable Day Count Fraction specified in the relevant Bond Programme Supplement.

5.4 Amortised Bonds

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

(b) Unless otherwise provided in the relevant Bond Programme 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 otherwise provided in the relevant Bond Programme 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.

6. Redemption of the Bonds

6.1 Final redemption

Unless early redeemed by the Issuer for reasons specified in these Joint Terms and Conditions, the nominal value of the Bonds (or at any such other value that may be specified in the Bond Programme Supplement as the value that the Issuer should pay to the Bondholders at redemption of the Bonds) will be repaid at their nominal value on the Final Maturity Date in accordance with Section 7 of these Joint Terms and Conditions. The entire nominal value of the Bonds will be repaid on the Final Maturity Date in a single payment.

6.2 Early redemption at the option of the Issuer

(a) Admissibility of early redemption at the option of the Issuer

Unless otherwise provided in the relevant Bond Programme Supplement, the Issuer may not, at its option, redeem the Bonds prior to the Final Maturity Date of the relevant Bond Issue, with the exception of early redemption of any Bonds held by the Issuer in accordance with Section 6.4 of these Joint Terms and Conditions.

(b) Notification of early redemption

If the relevant Bond Programme Supplement enables the early redemption of the Bonds at the option of the Issuer, then the Issuer may have 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 Section 6.2 of these Joint Terms and Conditions not earlier than 60 (sixty) and not later than 45 (forty five) days prior to such date of early redemption, or in any other or further period that may be specified in the Bond Programme Supplement of such Bond Issue (the **Early Redemption Date**).

(c) Early redemption

The notice on early redemption at the option of the Issuer in accordance with Section 6.2(b) 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 Section 6.2 and the relevant Bond Programme Supplement. In such cases, all unredeemed Bonds of the relevant Issue will be redeemed by the Issuer at such value as is specified in the relevant Bond Programme Supplement together with accrued and unpaid interest (if relevant). If any Coupons have been issued to the Bonds of the relevant Issue, all Coupons attached 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 attached 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

(a) Admissibility of early redemption at the option of the Bondholders

Unless otherwise provided in the relevant Bond Programme Supplement, the Bondholders may not, at its option, request a repayment of the Bonds prior to the Final Maturity Date with the exception of early redemption in accordance with Section 9, 12.4(a) and 12.4(b) of these Joint Terms and Conditions.

(b) Notice on early redemption

If the relevant Bond Programme supplement enables the early redemption of the Bonds at the option of the Bondholders, 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**).

(c) Early redemption

The notice of early redemption at the option of the Bondholders in accordance with Section 6.3(b) of these Joint 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 Section 6.3(b) above in accordance with this Section 6.3 and the relevant Bond Programme 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 specified in the relevant Bond Programme Supplement together with accrued and unpaid interest (if relevant). If any

Coupons have been issued to the Bonds of the relevant Issue, all Coupons attached 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.

(d) Purchase of Bonds

Unless provided otherwise in the relevant Bond Programme Supplement, the Issuer will be entitled to purchase the Bonds in the market or otherwise at any price.

6.4 Cancellation of Bonds

The Bonds purchased in accordance with Section 6.3(d) of these Joint Terms and Conditions will not be cancelled, and the Issuer will have discretion in deciding whether to hold, and, if applicable, to resell or whether to declare such Bonds cancelled before maturity by notice to the Fiscal and Paying Agent. In such event, the Bonds will automatically terminate by virtue of a merger of the rights and obligations in a single person (for the avoidance of doubt, the provision of Section 7.3 of these Joint Terms and Conditions will not be applied).

6.5 Deemed payment

In the event the Issuer deposits with the Fiscal and Paying Agent the full payment 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 specified in the Bond Programme 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 applicable) due in connection with the redemption of the Bonds in accordance with Sections 5, 6, 9, 12.4(a) and 12.4(b) of these Joint Terms and Conditions and in accordance with the relevant Bond Programme Supplement, all liabilities of the Issuer under the Bonds, for purposes of Section 4 of these Joint 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. Payment terms

7.1 Currency

The Issuer undertakes to pay the interest (if applicable) 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 specified in the Bond Programme 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 Bond Programme Supplement, unless the relevant Bond Programme Supplement allows for payment of interest or the nominal value (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be specified in the Bond Programme 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 applicable) will be paid to the Bondholders or the Couponholders 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 specified in the Bond Programme 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 Joint Terms and Conditions, as amended by the relevant Bond Programme 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 or in which the payments relating to the Bonds should be made in accordance with the relevant Bond Programme 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 the sums payable under such Bonds will and without further notice to the Bondholders be payable in EUR, with the official rate (*i.e.* the fixed conversion rate) in accordance with applicable laws being used as the exchange rate between the respective currency or national currency unit and EUR. Such replacement of the relevant currency or national currency unit (A) will not, in any respect, affect the existence or enforceability of the Issuer's obligations arising under the Bonds, and (B) for the avoidance of doubts, should not be deemed to constitute, any change to these Joint Terms and Conditions or the Bond Programme Supplement or an Event of Default under these Joint Terms and Conditions.

7.2 Date of payment

Payment of interest (if applicable) 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 specified in the Bond Programme 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 specified in these Joint Terms and Conditions and in the relevant Bond Programme 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 Bond Programme 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 specified in the Bond Programme Supplement; or

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

(c) the nearest preceding Business Day, if a **Preceding** Business Day Convention is specified in the Bond Programme Supplement; and

(d) 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

(a) Book-entry Bonds

(i) Unless these Joint Terms and Conditions provide otherwise, the authorised persons to whom the Issuer will pay interest on book-entry Bonds will be (I) those persons stated in the Extract from the Issue Registry of Bonds if the right to receive interest payments has not been detached from the Bonds in accordance with Section 1.2(a) of these Joint Terms and Conditions (the **Authorised Persons**), and (II) those persons stated in the Extract from the Issue Registry of Coupons as the Couponholders 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 Section 1.2(a) of these Joint 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 made on and after the Ex-coupon Date relating to such payment, including the Ex-coupon Date.

(ii) Unless these Joint Terms and Conditions provide otherwise, the authorised persons to whom the Issuer will repay the nominal value of book-entry Bonds (or the Discounted Value in case of early redemption of Zero Coupon Bonds or such other value as may be specified in the Bond Programme 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 stated in the Extract from the Issue Registry of Bonds 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 specified in the Bond Programme 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 Final Maturity Date.

(iii) In case of Bonds with gradual redemption of their nominal value (the amortised Bonds, the authorised persons to whom the Issuer will redeem the relevant part of the nominal value of the book-entry Bonds will be (unless set provided otherwise in these Joint Terms and Conditions) those persons that are stated in the Extract from the Issue Registry of Bonds 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.

(b) Certificated Bonds

(i) 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 Section 1.2(d) of these Joint Terms and Conditions, neither the Issuer nor the Fiscal and Paying Agent will take into account any transfers of Bonds made in the course of the relevant Interest Payment Date. If Coupons are issued, the authorised persons to whom the Issuer will pay interest on registered certificated Bonds will be those persons that deliver relevant Coupons (the **Authorised Persons**).

(ii) 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 specified in the Bond Programme 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 Final Maturity Date (the **Authorised Persons**). In accordance with Section 1.2(d) of these Joint 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 Final Maturity Date.

(iii) In case of Bonds with gradual redemption of their nominal value (the amortised 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 provided otherwise in these Joint Terms and Conditions) those persons that are the Bondholders as of the beginning of the relevant Interest Payment Date (the

Authorised Persons). In accordance with Section 1.2(d) of these Joint 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.

7.4 Payments

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

(a) Wire transfers

(i) 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 will 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 will 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 Convention Abolishing the Requirement of Legalisation for Foreign Public Documents of 5 October 1961 (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 will 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 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 Section, is delivered to the Fiscal and Paying Agent in accordance with this Section and complies with the requirements of this Section in all other respects.

(ii) The Instruction concerning book-entry Bonds or book-entry Coupons will be deemed filed on 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 or certificated Coupons will be deemed filed on 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 delivery of a certificated Bond or a certificated Coupon, or (II) in all other cases on the relevant Date of Payment.

(iii) The Instruction will become effective, as of the relevant Date of Payment at the earliest, in case of registered certificated Bonds, and certificated Bonds represented by a Global Bond.

In case of Coupons, the Instruction will become effective on the day of delivery of relevant Coupons at the earliest.

(iv) The Issuer's liability to pay any amount due in connection with book-entry Bonds or book-entry 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 (i) of this Section and if it is (I) credited to the account of the Authorised Person's bank in the clearing centre of the CNB 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 currency than the 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 (i) of this Section and if it is (a) credited to the account of the Authorised Person's bank in the clearing centre of the CNB if the payment is in the Czech currency, or (b) debited from the Fiscal and Paying Agent's account if the payment is in any other currency than the Czech currency, on the 5th (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 Section 7.4(a) of these Joint 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 Section 7.4(a) of these Joint 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 unless this Authorised Person’s claim has become prescribed (in Czech, *promlčený*).

(v) Neither the Issuer nor the Fiscal and Paying Agent will be liable for any delay in a 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 a late presentation or delivery of a certificated Bond or 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 timely manner the Instruction or any other documents or information required under this Section 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.

(b) Cash payments

(i) If provided in the Bond Programme Supplement, the Fiscal and Paying Agent will make payments to the Authorised Person in connection with the Bonds, provided that it is 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 will 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 will 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 Section, is delivered to the Fiscal and Paying Agent in accordance with this Section and complies with the requirements of this Section in all other respects.

(ii) 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 is paid to the Authorised Person in cash pursuant to paragraph (i) of this Section 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 (i) of this Condition, 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.

(iii) If any payments are subject to the delivery or presentation of any specific Bond certificates or Coupons, the effecting of the payment on its due date in accordance with paragraph (ii) of this Section 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 Section 7.3(b) of these Joint Terms and Conditions on the relevant Date of Payment. All other terms and conditions of this Section 7.4(b) relating to a delivery in a timely manner of the required documents to the Fiscal and Paying Agent will remain unaffected.

(iv) 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 Section 7.4(b), (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. The Bondholders or the Couponholders will be notified of such modification in accordance with Section 12.7 of these Joint 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 specified in the Bond Programme 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 any additional amounts to compensate for such deduction of taxes.

9. Early Redemption of the Bonds following Events of Default

9.1 Events of Default

If any of the following events occurs and is continuing (each of such events the **Event of Default**):

(a) Payment default

Any payment in connection with the Bonds is not made in accordance with these Joint 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 Joint Terms and Conditions and the Guarantee 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 judgment of the relevant court or other authority that ordered the Issuer to pay; or

(d) Insolvency

The Issuer or (if relevant) the Guarantor (i) becomes insolvent, (ii) an administrator or liquidator of the Issuer is appointed, (iii) issues any decision on readjustment or deferment of its obligations generally or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness, (iv) is declared bankrupt by any court or (v) an application for a declaration of bankruptcy in relation to the Issuer or (if relevant) the Guarantor is refused by any court and the court on the sole ground that the Issuer or (if relevant) the Guarantor has insufficient assets out of which to meet the costs and expenses of any bankruptcy proceedings; or

(e) Winding-up

A legally effective and non-appealable order is issued by the relevant Czech or French court or a legally effective and non-appealable resolution is passed for the winding up, liquidation or dissolution of the Issuer or (if relevant) of the Guarantor; or

(f) Cessation of business activities

The Issuer or (if relevant) the Guarantor ceases to conduct or to be authorised to conduct its core business activities (in respect of the Issuer, 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;

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 specified in the Bond Programme 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 Sections 5.1(b)(iii) or 5.2(f) of these Joint 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 Section 9.2 of these Joint 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 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 specified in the Issue Supplement as the value that the Issuer will pay to the Bondholders on early redemption) as of the Early Redemption Date and the Issuer will redeem such Bonds in accordance with Section 9.2 of these Joint 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 Section 9.1 of these Joint 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 Section 9.2 of these Joint Terms and Conditions. Such revocation will not affect any Acceleration Notice of any other Bondholders.

9.4 Other early redemption terms

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

10. PRESCRIPTION

Any claim arising under the Bonds and Coupons will be prescribed (in Czech, *promlčený*) and become unenforceable unless made within 10 (ten) years from the day on which such claim could be exercised for the first time.

11. FISCAL AND PAYING AGENT, CALCULATION AGENT AND LISTING AGENT

11.1 Fiscal and Paying Agent

(a) Fiscal and Paying Agent and Specified Office

Unless otherwise provided in the relevant Bond Programme Supplement and unless changed in accordance with Section 11.1(b) of these Joint Terms and Conditions, KB will be the Fiscal and Paying Agent. Unless provided otherwise in the relevant Bond Programme Supplement and unless changed in accordance with Section 11.1(b) of the Joint Terms and Conditions, the Specified Office will be at the following address:

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

(b) 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 specified in the relevant Bond Programme 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 the existing 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 specified in Section 12.7 of these Joint Terms and Conditions and any such change will become effective within 15 (fifteen) calendar days following such notice unless a later effective date is specified in such notice. In any event, any such change that would otherwise become effective less than 30 (thirty) calendar days before or after a Date of Payment of any amount under the Bonds or the Coupons will become effective on the 30th (thirtieth) day after such Date of Payment.

(c) Relationship between Fiscal and Paying Agent and Bondholders

In connection with the discharge of obligations arising under the Fiscal and Paying Agent Agreement concluded between the Issuer and the Fiscal and Paying Agent (other than the Issuer), the Fiscal and Paying Agent will act as the Issuer's agent and will not be in any legal relationship with the Bondholders.

11.2 Calculation Agent

(a) Calculation Agent

Unless otherwise provided in the relevant Bond Programme Supplement and unless changed in accordance with Section 11.2(b) of these Joint Terms and Conditions, KB will be the Calculation Agent.

(b) 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 specified in the relevant Bond Programme Supplement prior to any specific Bond Issue. If a change of the Calculation Agent occurs with respect to the existing Bond Issue, the Issuer will notify the Bondholders of such change of the Calculation Agent in the manner specified in Section 12.7 of these Joint Terms and Conditions and any such change will become effective on the expiration of 15 (fifteen) calendar days following the day of such notice unless a later effective date is specified in such notice. In any case, any change that would otherwise become effective less than 15 (fifteen) 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 15^{th} (fifteenth) calendar day of such date when the Calculation Agent was required to make such calculation.

(c) Relationship between Calculation Agent and Bondholders

In connection with the discharge of obligations arising under the Calculation Agent Agreement executed between the Issuer and the Calculation Agent (other than the Issuer), the Calculation Agent will act as the Issuer's agent and will not be in any legal relationship with the Bondholders.

11.3 Listing Agent

(a) Listing Agent

Unless provided otherwise in the relevant Bond Programme Supplement and unless changed in accordance with Section 11.3(b) of these Joint Terms and Conditions, KB will be the Listing Agent.

(b) Other and additional Listing Agent

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

(c) Relationship between the Listing Agent and the Bondholders

In connection with the discharge of obligations arising under the Listing Agent Agreement executed between the Issuer and the Listing Agent (other than the Issuer), the Listing Agent will act as the Issuer's agent and will not be in any legal relationship with the Bondholders.

12. Bondholders' Meeting and changes to the Terms and Conditions

12.1 Bondholders' Meeting: authority and convocation

(a) Right to convene the Bondholders' Meeting

The Issuer or any Bondholder or Bondholders may convene the Bondholders' Meeting if so required to decide on the common interests of the Bondholders, in accordance with these Joint Terms and Conditions and the relevant Bond Programme Supplement and applicable laws. The costs of organising and convening the Bondholders' Meeting will be borne by the convening person, unless otherwise stipulated by the applicable laws. The costs of 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, no later than the day on which the notice of the Bondholders' Meeting is made public (see Section 12.1(c) of these Joint Terms and Conditions) (A) to deliver to the Fiscal and Paying Agent a request for a 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-entry Bonds or certificated Bonds represented by a Global Bond or certificated registered Bonds, and (B) 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 (A) above and the payment of the advance under (B) above will be the conditions for validly convening the Bondholders' Meeting.

(b) Bondholders' Meeting convened by the Issuer

The Issuer will be obliged to convene the Bondholders' Meeting or a common Bondholders' Meeting without undue delay and to request an opinion of the Bondholders of any Bonds issued within one Bond Issue in such cases as specified below and in other cases determined by the applicable laws (each of them the **Material Change**):

(i) a proposed change or changes to the terms and conditions of the respective Bond Issue, which are formed by these Joint Terms and Conditions and the respective Bond Programme Supplement, except where no consent of the Bondholders to such change is required under applicable laws; or

(ii) a proposal for a transformation of the Issuer; or

(iii) a proposal for entering into a controlling agreement or a profit transfer agreement, irrespective of which party the Issuer is; or

(iv) a proposal for entering into an agreement on the disposition of all or any part of a business or an agreement on the lease of all or any part of a business, irrespective of which party the Issuer is, to the extent that the due and timely repayment of receivables under the respective Bond Issue may be jeopardized; or

(v) the Issuer's default in the satisfaction of any rights attached to the respective Bond Issue for more than 7 (seven) calendar days of the day, on which the right could be exercised; or

(vi) a proposal for the filing of an application for withdrawal of the respective Bond Issue from trading on an EU regulated market or foreign market similar to such regulated market or in the multilateral trading facility of an operator seated in an EU member state or another country in the European Economic Area, to which the Bonds of the respective Bond Issue have been admitted for trading; or

(vii) any other changes that may significantly impair the Issuer's ability to discharge its obligations under the respective Bond Issue.

(c) Notice of Bondholders' Meeting

The convening person will be obliged to publish a notice of the Bondholders' Meeting in the same way as specified in Section 12.7 of these Joint Terms and Conditions, no later than 15 (fifteen) calendar days prior to the Bondholders Meeting, unless otherwise provided by the applicable laws.

If the Bondholders' Meeting is convened by any Bondholder or the Bondholders, such Bondholder(s) will deliver a notice of the Bondholders' Meeting to the Issuer at the address of the Specified Office within the same time limit.

The notice of the Bondholders’ Meeting will contain at least (i) the business name, the business identification number and the registered office of the Issuer, (ii) the designation of the Bonds, in respect of which the Bondholders’ Meeting is held, at least: name of the Bond, Issue Date, and ISIN code, (iii) the venue, date, and hour of the Bondholders’ Meeting, (iv) the agenda of the Bondholders’ Meeting, including full proposals for resolutions relating to individual items of the agenda, and, in case of a proposed change or changes to the terms and conditions of the respective

Bond Issue, the proposal of such change or changes and the reasoning of such change or changes, and (v) Regulated Record Date for Attendance at the Meeting. The Bondholders' Meeting will be authorised to decide on the proposed resolutions that have not been contained in the notice of the Bondholders' Meeting only in presence and upon consent of all Bondholders.

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

(a) Authorised Attendees

The person entitled to attend and vote at a Bondholders' Meeting (the **Authorised Attendee**) will only be the Bondholder of the respective Bond Issue which

(i) was registered as the Bondholder in the respective register at the close of the day that is 7 (seven) days prior to the date of the relevant Bondholders' Meeting (the **Regulated Record Date for Attendance at the Meeting**) in respect of the Bonds admitted to trading on a foreign market similar to the regulated market or on the multilateral trading facility of an operator seated in an EU member state or another country in the European Economic Area,

(ii) was registered as the Bondholder in the respective register at the close of the day that is determined in the Bond Programme Supplement and is no more than 30 (thirty) days prior to the date of the relevant Meeting (the **Non-Regulated Record Date for Attendance at the Meeting**; and together with the Regulated Record Date for Attendance at the Meeting, the **Regulated Record Date for Attendance at the Meeting**) or which produces a certificate of the person in whose client account kept with the respective registrar the relevant number of Bonds was recorded on the Regulated Record Date for Attendance at the Meeting certifying that it is the holder of the Bonds and that such Bonds are registered in the account of the former for the purposes of their administration thereby, in each case in respect of the Bonds other than listed above under (i). The certificate pursuant to the preceding sentence must be satisfactory in form and substance to the Fiscal and Paying Agent.

No transfers made after the Regulated Record Date for Attendance at the Meeting will be taken into account.

(b) Voting right

Authorised Attendee will have a number of votes of the total number of votes as corresponds to the ratio of the nominal value of the Bonds held by such Bondholder on the Regulated Record Date for Attendance at the Meeting to the aggregate outstanding nominal value of the Bond Issue on the Regulated Record Date for Attendance at the Meeting. No voting rights will be attached to any Bonds that were held by the Issuer on the Regulated Record Date for Attendance at the Meeting and that did not terminate at the option of the Issuer within the meaning Section 6.4 of these Joint Terms and Conditions. If the Bondholders' Meeting decides on recalling a common proxy, the common proxy may not exercise his voting right related to the Bonds held by it and its voting rights will not be included in the total number of votes required for the Bondholders' Meeting to constitute a quorum.

(c) Attendance of other persons at the Bondholders' Meeting

The Issuer will be obligated to attend the Bondholders' Meeting, either in person or by a proxy. Other persons entitled to attend the Bondholders' Meeting, without having a right to vote, are: the Couponholders, representatives of the Fiscal and Paying Agent, common proxy of the Bondholders within the meaning of Section 12.3(c) of these Joint Terms and Conditions (unless he is an Authorised Attendee) and any guests invited by the Issuer and/or the Fiscal and Paying Agent.

12.3 Proceedings of the Meeting; Decision-making

(a) Quorum

Subject to Clause 12.2(c), a Bondholders' Meeting will constitute a quorum if attended by Authorised Attendees, which on the Regulated Record Date for Attendance at the Meeting held Bonds, the nominal value of which represents more than 30% (thirty per cent) of the aggregate nominal value of the issued and outstanding Bonds of the respective Bond Issue as of the Regulated Record Date for Attendance at the Meeting. In case of a common meeting of Bondholders, the Bondholders' Meeting will constitute a quorum if attended by Authorised Attendees, which on the Regulated Record Date for Attendance at the Meeting held Bonds, the nominal value of which represents more than 30% (thirty per cent) of the aggregate nominal value of the outstanding part of each Issue so far made as of the Regulated Record Date for Attendance at the Meeting; unless the Meeting addresses matters common to all issues under the Bond Programme, it is required to be attended by holders of 30% (thirty per cent) of the nominal value of outstanding part of such Bond Issue, to which the matters relate. Prior to opening of the Bondholders' Meeting, the convening person will present information on the number of all Bonds with respect to which the Authorised Attendees are entitled, in accordance with these Joint Terms and Conditions and the relevant Bond Programme Supplement, to attend and vote at the Bondholders' Meeting.

(b) Chairman of the Bondholders' Meeting

Bondholders' Meetings convened by the Issuer will be chaired by a chairman appointed by the Issuer. Bondholders' Meetings convened by a Bondholder or the Bondholders will be chaired by a chairman elected by a majority of the attending Authorised Attendees. Until the chairman is elected, the Bondholders' Meeting will be chaired by a person appointed by the convening Bondholder(s). The election of the chairman must be the first item on the agenda of any Bondholders' Meeting not convened by the Issuer.

(c) Common proxy

A Bondholders' Meeting may elect, by resolution, a natural or a legal person to act as the common proxy and authorise such common proxy in accordance with laws with the joint assertion of rights of the Bondholders before a court or any other body or with monitoring of the compliance with these Joint Terms and Conditions and the relevant Bond Programme Supplement. Bondholders' Meetings may recall the common proxy in the same way, in which the common proxy was elected, or may replace the same with another common proxy.

(d) Decision/making at the Bondholders' Meeting

The Bondholders' Meeting will decide on any matters in the form of a resolution. To be adopted, any resolution that approves changes to these joint Terms and Conditions or the Bond Programme Supplement, which changes are, under Section 12.1(b)(i) of these Joint Terms and Conditions, subject to approval by the Bondholders' Meeting, and any resolution that appoints or recalls a common proxy of the Bondholders will require the affirmative vote of at least ¾ (three-quarters) of the votes of the Authorised Attendees present. Any other resolutions by the Bondholders' Meeting will be adopted upon receiving the affirmative vote of a majority of the Authorised Attendees present.

(e) Adjourned Bondholders' Meeting

(i) Subject to paragraph (ii) below, if within 1 (one) hour from a scheduled opening of a Bondholders' Meeting a quorum is not present then (i) if the Bondholders' Meeting was convened at the request of a Bondholder or the Bondholders, such Meeting will be automatically dissolved, and (ii) if the Bondholders' Meeting was convened by the Issuer, it will be adjourned for such time and to such place as determined by the chairman of the Bondholders' Meeting. The provisions applicable to the holding of a regular Bondholders' Meeting will apply, mutatis mutandis, to the holding of an adjourned Bondholders' Meeting.

(ii) If within 1 (one) hour from the time appointed for the Bondholders' Meeting, agenda of which is to decide on the change of these Joint Terms and Conditions, a quorum is not present, then, if still necessary, a convenor will convene a substitute Meeting (the **Substitute Meeting**) which will take place within 6 (six) weeks from the date on which the original Bondholders' Meeting was planned to take place. A time and place of the Substitute Meeting with unchanged agenda will be notified to the Bondholders no later than 15 (fifteen) days from the date on which the original Bondholders' Meeting was to take place. A Substitute Meeting will constitute quorum regardless of the conditions referred to in Section 12.3(a) of these Joint Terms and Conditions.

(f) Cancellation of the Bondholders' Meeting

If the reason for convocation of a Bondholders' Meeting ceases to exist, the person convening such Bondholders' Meeting will cancel such Bondholders' Meeting in the same manner as it has been convened.

12.4 Certain additional rights of Bondholders

(a) Consequence of voting against certain resolutions of the Bondholders' Meeting

(b) If the Bondholders' Meeting approved a Material Change, the Authorised Attendees, who according to the minutes of the Bondholders' Meeting, voted against a resolution or failed to attend the Bondholders' Meeting (the **Applicant**) may, within 30 (thirty) days of the respective Bondholders' Meeting, request the repayment of the nominal value of the Bonds including accrued interest (or, if applicable, the Discounted Value), held by the Applicant as of the Regulated Record Date for Attendance at the Meeting. Such right must be exercised by the Applicant within 30 (thirty) days of publication of the resolution of the Bondholders' Meeting by written notice (also referred to as the **Application**) intended for the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office, otherwise the said right terminates. The amounts referred to above will become due and payable within 30 (thirty) days following the delivery of the Application to the Fiscal and Paying Agent (also referred to as the **Early Redemption Date**).

(c) Resolution on early redemption of the Bonds upon Bondholders' application

If the agenda of Bondholders' Meeting includes a Material Change under Sections 12.1(b)(ii) through 12.1(b)(vii) of these Joint Terms and Conditions and the Bondholders' Meeting does not consent to such Material Changes, then the Bondholders' Meeting may decide, above and beyond the agenda of the discussed items, that the Issuer, if it were to proceed in conflict with such resolution by the Bondholders' Meeting, must provide early repayment 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 specified in the Bond Programme Supplement as the value that the Issuer should pay to the Bondholders at redemption or early redemption of the Bonds) including accrued interest to any Bondholder who thus requests (the **Applicant**). Such right must be exercised by the Applicant within 30 (thirty) days of publication of the resolution of the Bondholders' Meeting by written notice (also referred to as the **Application**) intended for the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office, otherwise the said right terminates. The above amounts will become due and payable within 30 (thirty) following the delivery date of the Application (the **Early Redemption Date**).

(d) Required content of the Application

The Application must specify the number of Bonds which repayment is sought in line with this Section. The Application must be in writing and signed by the Applicant's authorised signatories, the signatures must be verified. Within the same time period the Applicant must deliver all documents required for payout under Section 7 of these Joint Terms and Conditions to the Fiscal and Paying Agent at the address of its Specified Office.

(e) Return of Bonds and Coupons

In case there were Coupons issued with the Bonds within a particular Bond Issue, all Coupons attached to a Bond that are not due yet 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 out to the Couponholder only upon a delivery of the relevant Coupon. All Coupons attached to a Bond subject to early redemption as specified in Section 6.2 or 6.3 of these Joint 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 Bondholders’ Meeting will be recorded in minutes by the convening person (either by itself or through an authorised agent) within 30 (thirty) days from the day on which the Bondholders' Meeting took place; the minutes will contain the conclusions reached by the Bondholders' Meeting, in particular resolutions adopted by the Bondholders' Meeting. If the Bondholders' Meeting was convened by a Bondholder or the Bondholders, then the minutes of the Bondholders' Meeting must also be delivered to the Issuer at the Specified Office address within 30 (thirty) days from the day on which the Bondholders' Meeting took place. The Issuer must archive the minutes of the Bondholders' Meeting until the rights vested in the Bonds become prescribed (in Czech, *promlčený*). The minutes of the Bondholders' Meeting will be available for inspection by the Bondholders during the usual business hours at the Specified Office. The Issuer (either by itself or through an authorised agent, e.g. the Fiscal and Paying Agent) will publish or make accessible, as applicable, all resolutions of the Bondholders' Meeting in the same manner in which it published or made accessible, as applicable these Joint Terms and Conditions and the relevant Bond Programme Supplement. If the Bondholders' Meeting discussed any of the Material Changes, a notarial record must be made with respect to the attendance at the Bondholders' Meeting and with respect to the decisions made by the Bondholders’ Meeting. If the Bondholders' Meeting adopts any of those changes, the notarial record will name the Authorised Attendees who voted in favour of those changes and the numbers of Bonds of the given Issue which each of these Bondholders holds as at the Regulated Record Date for Attendance at the Meeting.

12.6 Joint Bondholders' Meeting

The Issuer may convene a joint meeting of Bondholders of all issued and unpaid Bonds to discuss Material Changes under Sections 12.1(b)(ii) through 12.1(b)(vii), in case the Issuer issued more than one Bond Issue within the Programme. Provisions applicable to a regular Bondholders' Meeting will apply *mutatis mutandis* to such joint Bondholders' Meeting. However, a quorum and number of Authorised Attendees will be determined separately for each Bond Issue. The notarial record made with respect to a joint Bondholders' Meeting that has adopted resolutions regarding Material

Changes will specify the numbers of Bonds held by each Authorised Attendee according to individual Bond Issue.

12.7 Notices

Unless provided otherwise by applicable laws, any notice to the Bondholders will be valid and effective upon its publication in English or in Czech as specified in the Bond Programme Supplement on the Issuer's website www.cetelem.cz, or as the case may be, another website whose address will be announced beforehand by way of a notice given in accordance with this Section (the **Issuer's Website**). The date of such a notice will be the date on which it was first published on the Issuer's website. If the mandatory provisions of applicable laws require a different method of publication of any notice hereunder, such notice will be valid upon having been published in the manner prescribed by law.

Notices to Couponholders will be valid and effective upon publication in accordance with this Section.

Changes to these Joint Terms and Conditions, together with amended and restated version of the Joint Terms and Conditions, and any Bond Program Supplements shall be made public or accessible, as applicable, in the same manner as the present Joint Terms and Conditions.

12.8 Governing law, language

Any rights and obligations arising from the Bonds (with the exception of the Guarantee) will be governed by, construed and interpreted in accordance with the laws of the Czech Republic. Any rights and obligations arising from the Guarantee will be governed by, construed and interpreted in accordance with the laws of France. The Municipal Court in Prague will have jurisdiction over any disputes between the Issuer and the Bondholders or the Couponholders (if any) in relation to the Bonds, these Joint Terms and Conditions and any Bond Programme Supplement. The Paris Court of Appeals (in French, *Cour d'Appel de Paris*) will have jurisdiction over any disputes between the Guarantor and the Bondholders or the Couponholders (if any) in relation to the Guarantee. These Joint Terms and Conditions and the Bond Programme Supplements may be translated into other languages. In such case, in the event of any discrepancies, the English version will prevail.

12.9 Definitions

In these Joint Terms and Conditions, the following terms will have the following meaning:

Acceleration Notice has the meaning specified in Sections 9.1(g)(i) and 9.1(g)(ii) of these Joint Terms and Conditions.

Additional Issue Period means the additional period specified by the Issuer after the expiry of the Issue Period in which the Bonds of the relevant Bond Issue may be issued, even beyond the formerly envisaged issue volume. With respect to book-entry 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.

Applicant has the meaning specified in Section 12.4(b) of these Joint Terms and Conditions.

Application has the meaning specified in Section 12.4(b) of these Joint Terms and Conditions.

Authorised Attendee has the meaning specified in Section 12.2(a) of these Joint Terms and Conditions.

Authorised Persons has the meaning specified in Section 7.3 of these Joint Terms and Conditions, unless otherwise provided by law.

Basket means the value of a portfolio of securities, other assets, interest rates or other items stated in the Bond Programme 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 specified in the Issue Supplement.

Bond Issue or **Issue** means an individual bond issue issued under the Bond Programme.

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

Bond Programme Supplement (in Czech, *doplněk dluhopisového programu*) means a supplement to the general terms and conditions of the Bond Programme prepared for each individual Bond Issue in accordance with Section 11 of the Bonds Act.

Bondholder has the meaning specified in Sections 1.2(c)(i) and 1.2(d)(ii) of these Joint 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 specified in the relevant Bond Programme Supplement, who is authorised 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 authorised to do so and specified in the relevant Bond Programme Supplement).

Bondholders' Meeting means the meeting of holders of all Bonds issued in a single Bond Issue.

Bonds has the meaning specified in the introductory section of these Joint Terms and Conditions.

Bonds Act means the Act No. 190/2004 Coll., the Bonds Act, as amended.

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 trades in CZK are cleared, (b) with respect to Bonds denominated in EUR, any day on which banks are open for business in the Czech Republic and on which interbank trades are cleared, and on which the TARGET clearing system is open for business, and (c) with respect to Bonds denominated in currencies other than the CZK or EUR any day on which banks are open for business and foreign exchange trades are cleared in the Czech Republic and in the main Financial Centre for that currency in which the Bonds are denominated.

Business Day Convention means the Following Business Day Convention and/or the Modified Following Business Day Convention and/or the Preceding Business Day Convention specified in Section 7.2 of these Joint Terms and Conditions.

Calculation Agent has the meaning specified in the introductory section of these Joint Terms and Conditions.

Calculation Agent Agreement has the meaning specified in Section 11.3(c) of these Joint Terms and Conditions.

Capital Markets Act means Act No. 256/2004 Coll., on Capital Market Undertakings, as amended.

CDCP means has the meaning specified in the introductory section of these Joint Terms and Conditions.

Central Depositary has the meaning specified in Section 1.2(c)(i) of these Joint Terms and Conditions.

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

Couponholder has the meaning specified in Sections 1.2(c)(i) and 1.2(d)(ii) of these Joint Terms and Conditions.

Coupons has the meaning specified in Section 1.2(a) above.

CZK means Czech Koruna, the lawful currency of the Czech Republic.

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

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

(a) if the relevant Bond Programme 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 Bond Programme 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 Bond Programme 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 Bond Programme 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 30th or 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);

Discount Rate means the interest rate specified as such in the relevant Bond Programme Supplement with respect to Zero Coupon Bonds. If no Discount Rate is specified in the relevant Bond Programme 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 CNB 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.

Early Redemption Date has the meaning specified in Sections 6.2(b), 6.3(b), 7.2, 9.2 and 12.4(b) of these Joint Terms and Conditions, and it further means any other day designated as such in the Bond Programme Supplement.

EUR means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

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 specified 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.

Event of Default has the meaning specified in Section 9.1 of these Joint Terms and Conditions.

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

Ex-coupon Date means, with respect to book-entry 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.

Ex-principal Date means, with respect to book-entry 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.

Extract from the Issue Registry of Bonds has the meaning specified in Section 1.2(c)(i) of these Joint Terms and Conditions.

Extract from the Issue Registry of Coupons has the meaning specified in Section 1.2(c)(i) of these Joint Terms and Conditions.

Final Maturity Date means any day designated as such in the Bond Programme Supplement, as specified in Section 7.2 of these Joint Terms and Conditions.

Final Terms and Conditions (in Czech, *konečné podmínky*) means the terms and conditions prepared for an individual Bond Issue in accordance with Section 36a of the Capital Markets Act, PD Regulation and Prospectus Directive.

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.

Fiscal and Paying Agent has the meaning specified in the introductory section of these Joint Terms and Conditions.

Fiscal and Paying Agent Agreement has the meaning specified in the introductory section of these Joint Terms and Conditions.

Following Business Day Convention has the meaning specified in Section 7.2(a) of these Joint Terms and Conditions.

Global Bond has the meaning specified in Section 1.2(d)(i) of these Joint Terms and Conditions.

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 Joint Terms and Conditions.

Guarantor has the meaning specified in the introductory section of these Joint Terms and Conditions.

Hague Convention has the meaning specified in Section 7.4(a)(i) of these Joint Terms and Conditions.

Index means the index specified 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 specified in Section 7.4(a)(i) above these Joint Terms and Conditions.

Interest Payment Date means any day designated as such in the relevant Bond Programme Supplement, as specified in Section 7.2 of these Joint 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 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.

Issue Date means the first day when the Bonds of any particular Bond Issue may be issued to the first bondholder as specified in the relevant Bond Programme Supplement.

Issue Fiscal and Paying Agency Agreement has the meaning specified in the introductory section of these Joint Terms and Conditions.

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 Bond Programme Supplement.

Issue Price has the meaning specified in Section 2.2 of these Joint Terms and Conditions.

Issue Registry has the meaning specified in Section 1.2(c)(i) of these Joint Terms and Conditions.

Issue Supplement means a document prepared for each individual Bond Issue which is to contain the Bond Programme Supplement and, if the Issuer chooses to apply for admission of the Bond Issue to trading on the regulated market, the Final Terms and Conditions in respect of the Bond Issue.

Issuer has the meaning specified in the introductory section of these Joint Terms and Conditions.

Issuer's Website has the meaning specified in Section 12.7 of these Joint Terms and Conditions.

Joint Terms and Conditions means the terms and conditions of the Bond Programme.

Lead Manager has the meaning specified in the introductory section of these Joint Terms and Conditions.

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 specified 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.

Lien means any mortgage, pledge, lien, security interest, charge or other encumbrance (including any conditional sale or other title retention agreement or lease in the nature thereof other than a title retention agreement in connection with the purchase of goods in the ordinary course of business).

Listing Agency Agreement has the meaning specified in the introductory section of these Joint Terms and Conditions.

Listing Agent has the meaning specified in the introductory section of these Joint Terms and Conditions.

Margin means the margin over the Reference Rate expressed in per cent p.a. specified in the relevant Issue Supplement.

Material Change has the meaning specified in Section 12.1(b) of these Joint Terms and Conditions.

Modified Following Business Day Convention has the meaning specified in Section 7.2(b) of these Joint Terms and Conditions.

Non-Regulated Record Date for Attendance at the Meeting has the meaning specified in Section 12.2(a)(ii) of these Joint Terms and Conditions.

Payment Office has the meaning specified in Section 7.4 of these Joint Terms and Conditions.

PD Regulation has the meaning specified in the introductory section of these Joint Terms and Conditions.

Prague Stock Exchange or **PSE** means Burza cenných papírů Praha, a.s., with its registered office at Rybná 14/682, Prague 1, Postal Code 110 00, Czech Republic, Identification No. 471 15 629, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 1773.

Preceding Business Day Convention has the meaning specified in Section 7.2(c) of these Joint Terms and Conditions.

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 CNB, 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 specified 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.

Programme Fiscal and Paying Agency Agreement has the meaning specified in the introductory section of these Joint Terms and Conditions.

Prospectus Directive means the Directive No. 2003/71/EC of the European Parliament and of the Council of 4 November 2003, on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended.

Reference Rate means the interest rate specified as such in the relevant Issue Supplement (including the specification of the source of its identification or determination). If the Reference Rate is not specified in the relevant Issue Supplement, then PRIBOR will be the Reference Rate for the Bonds with a floating interest rate denominated in CZK, 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.

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 Joint Terms and Conditions, the Reference Rate Determination Date for the relevant Interest Period will be the second (2nd) 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 (2nd) Business Day before the end of such Interest Period.

Regulated Record Date for Attendance at the Meeting has the meaning specified in Section 12.2(a)(i) and 12.2(a)(ii) of these Joint 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.

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 specified 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.

Specified Office has the meaning specified in the introductory section of these Joint Terms and Conditions.

Substitute Meeting has the meaning specified in Section 12.3(e)(ii) of these Joint Terms and Conditions.

Zero Coupon Bonds has the meaning specified in Section 5.3 of these Joint 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 svojí 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 ~~com~~petent 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

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

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FORM OF ISSUE SUPPLEMENT – FINAL TERMS AND CONDITIONS

This section contains an Issue Supplement form. The Issue Supplement is prepared for each individual Bond Issue and is to contain the Bond Programme Supplement and, if the Issuer chooses to apply for admission of the Bond Issue to trading on the regulated market, the Final Terms and Conditions in respect of the Bond Issue. If a publication of the prospectus is not required for the particular Bond Issue, the Issuer may prepare, and, pursuant to the Bonds Act, will make public or accessible to investors, as applicable, a Bond Programme Supplement only in the same manner as the Joint Terms and Conditions.

Important Notice: *The following text serves as an Issue Supplement form (without cover page, which is to be attached to each Issue Supplement) containing the final terms of the particular Bond Issue, i.e. the terms and conditions specific for that particular Issue. Only the arrangement contained in the particular Issue Supplement will be of relevance.*

ISSUE SUPPLEMENT -- FINAL TERMS AND CONDITIONS OF BOND ISSUE

The terms and conditions (the **Joint Terms and Conditions**) of the bond programme of CETELEM ČR, a.s., with its registered office at Prague 5, Karla Engliše 5/3208, Postal Code 150 00, Identification No. 250 85 689, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 4331 (the **Issuer**), in the maximum volume of outstanding bonds of CZK 10,000,000,000, the programme term being five (5) years, with the minimum nominal value per bond within any Issue under the Bond Programme equivalent to at least EUR 100,000 (the **Bond Programme**) and the base prospectus (the **Base Prospectus**) have been published in accordance with the Bonds Act and the Capital Markets Act. The Joint Terms and Conditions have been made accessible to the investors through their publication on www.cetelem.cz and at the registered office of the Issuer in paper form during regular office hours from 9:00 a.m. to 16:00 p.m. CET. The Base Prospectus was approved by the decision of the Czech National Bank, ref. no 2013/7134/570, Sp. zn. Sp/2013/27/572 of 19 June 2013, which became final and effective on 19 June 2013. [The [*serial number of the supplement*] supplement of the Base Prospectus was approved by the decision of the Czech National Bank ref. no [●] of [●] 2013, which became final and effective on [●] 2013.] The Base Prospectus was prepared, approved by the Czech National Bank and published in English.

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

This issue supplement (the **Issue Supplement**) of the [●] Bond Issue (the **Bond Issue**) and the Base Prospectus constitute the full prospectus of the Bonds specified below. This Issue Supplement comprises of [(i)] the bond programme supplement (in Czech, *doplněk dluhopisového* programu) which is a supplement to the Joint Terms and Conditions and was made [public / accessible] to the investors on [●] 2013 (the **Bond Programme Supplement**)[, and (ii) the final terms (in Czech, *konečné podmínky*) in respect of the Bond Issue including information required under PD Regulation which are not contained in the Base Prospectus (the **Final Terms and Conditions**)].

This Issue Supplement has been notified to the Czech National Bank on [●] 2013.

The terms not defined here will have the meaning ascribed to them in the Joint Terms and Conditions, unless the context of their use here requires otherwise. This Issue Supplement, including the Final Terms and Conditions of the Bonds, has been prepared for the purpose of Article 5(4) of the Prospectus Directive and will be read in conjunction with the Base Prospectus, including any supplements thereto, in order to get the full information. The Base Prospectus (including any supplements thereto) is available for download at the Issuer's website: www.cetelem.cz.

RESPONSIBLE PERSONS

The Issuer, *i.e.* CETELEM ČR, a.s., with its registered office in Prague 5, Karla Engliše 5/3208, Postal Code 150 00, Identification No. 250 85 689, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 4331 is a person responsible for the accuracy and completeness of the information contained in this Issue Supplement.

The Issuer hereby declares that, with all reasonable care and to the best of its knowledge, the information provided in this Issue Supplement is accurate and no facts have been omitted which could render the information inaccurate or misleading.

For **CETELEM ČR, a.s.**

___________________________	___________________________
Name *Title*	*Name* *Title*

For **BNP Paribas** (to the extent declared in the Base Prospectus as amended)

___________________________	___________________________
Name *Title*	*Name* *Title*

BOND PROGRAMME SUPPLEMENT

This Bond Programme Supplement together with the Joint Terms and Conditions form the issue terms and conditions of the bonds specified below (the **Bonds**), which are issued under the Bond Programme. The Joint Terms and Conditions for the Bond Programme are available for download at the Issuer's website: www.cetelem.cz.

The Bonds are being issued pursuant to the Act No. 190/2004 Coll., the Bonds Act, as amended.

The capitalised terms will have the same meanings as those ascribed to them in the Joint Terms and Conditions. The below-stated parameters of the Bonds are specific to the previously [published / made accessible] Joint Terms and Conditions and are a supplement thereto in connection with this Bond Issue. In case of any discrepancy between the Joint Terms and Conditions and this Bond Programme Supplement, the provisions of this Bond Programme Supplement prevail; however, this does not affect the Joint Terms and Conditions as set out in the Base Prospectus in relation to any other Bond Issue under the Bond Programme.

1. Bonds ISIN:	[●]
2. Bonds Listing / Relevant Regulated Market/ Public Offer:	[Yes/No.] / [Regulated market of PSE / other regulated market of PSE. The Bonds will not be publicly offered. The Bonds will be offered for underwriting mainly in the Czech Republic under Section 35(2)(a) or (b) of the Capital Markets Act.]
3. The earliest date on which the Bonds will be admitted to trading:	[● / Not applicable]

4. Estimated expenses related to the admission to trading:	[Not applicable / The costs of listing of the Bonds on the PSE Regulated market amount to [●] CZK / The costs of listing of the Bonds on other regulated market of the PSE amount to [●] CZK]
5. Form of Bonds:	[bearer / registered]
6. Type of Bonds:	[book-entry / certificated]
7. Status of Bonds:	[subordinated / not subordinated]
8. Nominal value of Bond:	[CZK [●]] *(no less than EUR 100,000)*
9. Aggregate anticipated nominal value of the Bond Issue:	[● / CZK / EUR]
10. Quantity of Bonds:	[●] Bonds
11. Numbering of Bonds:	[● / not numbered until represented by the Global Bond.]
12. Currency of Bonds:	[● / CZK / EUR]
13. Issuer's right to increase quantity of the Bonds / Terms of such increase:	[Not applicable / As per Section 2.1 of the Joint Terms and Conditions [whereas the volume of such increase will not exceed [●]% of the anticipated Bond Issue volume]]
14. Title of Bonds:	[●]
15. Issue Date:	[●]
16. Time limit of Bond Issue (Issue Period):	[● / As per Section 12.9 of the Joint Terms and Conditions, i.e. 24 months following the Issue Date]
17. Method and place of Bond Issue/ Information on Lead Manager:	[●]
18. Issue Price of Bonds as of the Issue Date or the method for determining the issue price:	[●]
19. Interest / Yield:	[Fixed / Floating / Zero Coupon / Amortised]
20. Day Count Fraction:	["Act/Act" / "Act/365" / "Act/360" / "30/360" / "30E/360", or "BCK Standard 30E/360"]
21. Separation of the right to receive interest (Coupons):	[Yes / No]
22. In case of Bonds with floating interest rate	[Applicable / Not applicable]

		(If not applicable, delete the remaining subparagraphs of this paragraph)
22.1	Determination of floating interest rate	[Reference Rate plus Margin / Reference Rate minus Margin / Reference Rate]
22.2	Type of Reference Rate:	[Interest rate / Index / Basket / Exchange rate]
22.3	Reference Rate:	[●]
22.4	Description of the underlying assets:	[● / Not applicable]
22.5	Reference rate source:	[●]
22.6	Market disruption event:	[As per the Joint Terms and Conditions / ●]
22.7	Adjustment rules with relation to events concerning the reference rate:	[As per the Joint Terms and Conditions / ●]
22.8	Margin:	[●/ Not applicable]
22.9	Reference rate date:	[●]
22.10	Interest redemption:	[Annually in arrears / Semi-annually in arrears / Quarterly in arrears]
22.11	Interest Redemption Date(s)	[●]
22.12	Minimum interest rate:	[●/ Not applicable]
22.13	Maximum interest rate:	[●/ Not applicable]
23.	In case of Bonds with fixed interest rate:	[Applicable / Not applicable]
		(If not applicable, delete the remaining subparagraphs of this paragraph)
23.1	Interest rate:	[●]
23.2	Interest redemption:	[Annually in arrears / Semi-annually in arrears / Quarterly in arrears]
23.3	Interest Payment Date:	[●]
24.	In case of discounted Bonds:	[Applicable / Not applicable]
		(If not applicable, delete the remaining subparagraph of this paragraph)
24.1	Discount rate:	[●]
25.	Final Maturity Date:	[●]
26.	Early redemption of Bonds upon Issuer's	[Yes, as per Section 6.2(a) of the Joint Terms and

decision:	Conditions / Not applicable]
27. Early redemption of Bonds upon bondholders' decision:	[Yes, as per Section 6.3(a) of the Joint Terms and Conditions / Not applicable]
28. Currency in which Interest and/or Nominal Value or Discounted Value will be redeemed (if different from the currency in which the Bonds are denominated):	[●]
29. Business day convention to determine redemption date:	[Following / Adjusted Following / Preceding]
30. Form of Payments:	[Wire transfer / Cash payment (subject to limitations arising from relevant laws)]
31. Fiscal and Paying Agent:	[●]
32. Listing Agent:	[●]
33. Calculation Agent:	[●]
34. Specified Office of the Fiscal and Paying Agent:	[●]
35. Payment Office (for cash payments):	[● / Not applicable]
36. Language of Notices to Bondholders:	[English / Czech / ● (*in case another language is required by applicable laws)*]
37. Financial Centre:	[●]
38. Rating of the Bonds:	[Not applicable / The Bonds to be issued [have been / are expected to be] rated: [●] by Standard & Poor's Credit Market Services Europe Limited [●] by Moody's Investors Services Ltd [●] by Fitch Ratings Limited [●] by [other rating agency]. [Credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. /[Credit rating agency] is established in the European Union domiciled in [country] and is included in the list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011, which is available

	on the ESMA website ([insert link to ESMA web page]) (last updated on [date]) / [Credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011. / [Credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011. However, the application for registration under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011, of [the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [credit rating agency]. / [Credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011. The ratings have bee/are expected to be endorsed by [name of the relevant EU-registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011. [The relevant EU-registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011. / [Credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011, but it is certified in accordance with such Regulation.]
39. Resolutions, authorisations and approvals relating to the Bonds:	[● / Not applicable]
40. Capacity in which advisors on the Issue acted:	[● / Not applicable]

OTHER INFORMATION:

KEY INFORMATION

Interest of persons involved in issuance/offering of Bonds relevant for the Issue (other than mentioned in the Base Prospectus):	[● / Not applicable]
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 the purposes stated above.]

TERMS AND CONDITIONS OF THE OFFER

Conditions, offer statistics, expected timetable and action required to apply for the offer:	[●/ Not applicable]
Plan of distribution and allotment, pricing:	[●/ Not applicable]
Placing and underwriting:	[●]

THE ISSUER

Responsible Persons

This Base Prospectus was prepared and drawn out by CETELEM ČR, a.s., which is responsible for the data stated herein. 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 accurate and no facts have been omitted which could render the information inaccurate or misleading.

As of the date of the Base Prospectus, in Prague

For **CETELEM ČR, a.s.**

Name VÁCLAV HORÁK
Title VICE-CHAIRMAN BOARD OF DIRECTORS

Name MILAN BUSEK
Title VICE-CHAIRMAN BOARD OF DIRECTORS

Further, BNP Paribas as the Guarantor of the Programme is jointly and severally responsible for the data contained in Section "*Guarantor*" and Section "*Risk factors related to the Guarantor*" of the Base Prospectus, which contain information about BNP Paribas and hereby declares that, with all reasonable care and to the best of its knowledge, the information provided in Section "*Guarantor*" and Section "*Risk factors related to the Guarantor*" herein is accurate and no facts have been omitted which could render the information inaccurate or misleading.

As of the date of the Base Prospectus, in France

For **BNP Paribas** (to the extent declared in the Base Prospectus as amended)

Name PHilippe BORDENAVE
Title Chief Operating Officer

Statutory Auditors

The financial statements of the Issuer for the years of 2011 and 2012 were audited by:

Audit firm:	Mazars Audit s.r.o.
Licence no.:	158
Registered office:	Prague 8, Pobřežní 620/3, Post Code 186 00, Czech Republic
Membership in a professional organisation:	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

Risk Factors

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

Information about the Issuer

History and development of the issuer

The company CETELEM ČR, a.s., was founded upon the registration in the Commercial Register administered by the Municipal Court in Prague on 23 October 1996. It has been operating in the Czech market since June 1997 when it commenced its business activities. The registered capital of the Company amounts to CZK 180,000,000.

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

BNP Paribas Personal Finance has been providing financial services since 1953 (under the trade name Cetelem until 2008). CETELEM is currently one of its most valuable brands, as is Findomestic in Italy or AlphaCredit in Belgium. During the 60 years of its operation, BNP Paribas Personal Finance Group has expanded to more than twenty countries on four continents. BNP Paribas Personal Finance has been part of the leading international financial group BNP Paribas since 1999. Within the BNP Paribas Group, BNP Paribas Personal Finance has the role of a personal loans specialist providing in particular consumer credits and mortgage lending. With over 16,000 employees throughout more than 25 countries over 4 continents, BNP Paribas Personal Finance is the market leader in France as well as in Europe.

Group BNP Paribas Personal Finance provides also consultant, adviser and professional guarantor services. Support of its sole shareholder makes the Issuer a leading provider of a diverse range of financial products and helps it with a continuous development of its business.

BNP Paribas Personal Finance is present in Algeria, Argentine, Belgium, Brazil, Bulgaria, Czech Republic, China, Egypt, France, Germany, Hungary, Italy, Luxemburg, Mexico, Morocco, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Spain, Tunisia, Turkey and Ukraine.

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.).

Issuer's history:

1996	CETELEM ČR, a.s. was established on 23 October 1996
1997	CETELEM ČR, a.s. started its business activities and provided first consumer loan in a business partner's outlet
1998	Launch of the AURA card on the Czech market
1999	CETELEM ČR, a.s. co-founded Solus, the non-banking register of client information
2000	Launch of the Personal Loans Cetelem
2002	CETELEM ČR, a.s. became a member of the MasterCard International association (as the first non-banking financial institution on the Czech market)
2003	Launch of the Aura MasterCard Electronic cards
2004	Introduction of motor vehicles financing products Autoúvěr and Motoúvěr
2005	Introduction of ONLINE Cetelem loan
2005	Launch of internationally valid Aura MasterCard card
2006	Launch 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 focused on loan consolidation
2009	Launch of the first credit card equipped with a chip
2010	CETELEM ČR, a.s. joined the Non-Banking Client Information Register (*Nebankovní registr klientských informací*, **NRKI**)
2011	CETELEM ČR, a.s. obtained the Payment Institution Licence
2012	Launch of vehicle financing for business entities and/or companies
2012	Launch of the Client Zone for mobile telephones

Trade name:	CETELEM ČR, a.s
Registered office:	Prague 5, Karla Engliše 5/3208, Postal Code 150 00, Czech Republic
Identification no.:	25 08 56 89
Commercial Register:	Registered 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 (a joint-stock company)
Website:	**www.cetelem.cz**
Email:	investor@cetelem.cz
Telephone:	+420 257 080 111
Fax:	+420 257 080 128

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

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, it is necessary for potential investors to evaluate any and all obligations, which might result for the Issue from its outstanding loans. The Issuer hereby provides an overview of loan commitments, which were shown in the Issuer’s most recent ordinary financial statements, prepared as of 31 December 2012 and as of 31 December 2011, or which arose for the Issuer thereafter.

Liabilities to financial institutions (in CZK ‘000)	**31 December 2012**	**31 December 2011**
Bank accounts (overdraft)	97,282	108,459
Bank loans	12,189,362	10,874,723
TOTAL LIABILITIES TO BANKS AND OTHER FINANCIAL INSTITUTIONS	**12,286,644**	**10,983,182**

Liabilities to banks (in CZK million) **Type of liability**	**Interest rate**	**Security**	**31 December 2012** **audited**	**31 December 2011** **Audited**	**Validity**
Uncommitted line of credit (including overdraft) of CZK 260 million	Fixed	Guarantee by BNP Paribas	62,843	93,380	indefinite period
Uncommitted line of credit of CZK 700 million	Fixed	Guarantee by BNP Paribas	41,171	93,266	indefinite period
Uncommitted line of credit (including overdraft) of CZK 1,100 million	Fixed	Guarantee by BNP Paribas	546,688	322,188	indefinite period
Uncommitted line of credit of CZK 2,000 million	Fixed	Guarantee by BNP Paribas	1,927,800	1,618,611	indefinite period
Uncommitted line of credit of CZK 3,000 million	Fixed	Guarantee by BNP Paribas	285,791	724,632	indefinite period
Uncommitted line of credit (including overdraft) of CZK 3,000 million (merged overdraft)	Fixed	Guarantee by BNP Paribas	2,253,469	2,098,737	indefinite period
Uncommitted line of credit (including overdraft) of CZK 5,420 million	Fixed	Guarantee by BNP Paribas	4,287,129	3,031,548	indefinite period
Other liabilities to banks	Fixed	Guarantee by BNP Paribas	107,236	350,322	indefinite period
TOTAL BANK LOANS			**9,512,127**	**8,332,682**	

Bank loans from related parties	Fixed	Unsecured	2,774,517	2,650,499	indefinite period
TOTAL BANK LOANS			**12,286,644**	**10,983,181**	

The Issuer mainly uses bank loans provided by unrelated third parties to finance consumer loans and loans intended for preliminary financing of assets acquisitions provided to its business partners. The Issuer's loans are secured by bank guarantees provided by BNP Paribas

The data as of 31 December 2012 and as of 31 December 2011 are based on the Issuer's 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 2012**	**31 December 2011**
Income tax – current period	285,395	240,765
Income tax advance payment	258,254	262,532
TAXASSETS		**21,767**
TAX LIABILITY	27,141	

Accruals and other liabilities (in CZK '000)	**31 December 2012**	**31 December 2011**
Accrued income	2,778	4,695
Prepaid expenses	125,324	53,026
Trade payables and other liabilities	203,793	198,722
Interest Rate SWAP	7,047	9,440
ACCRUALS AND OTHER LIABILITIES	338,942	**265,883**

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 not issued any debt securities with a right of exchange for shares or with a right of subscription of shares.

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

Investments

Financial Investments

In 2003 the Issuer purchased a 26% share in the registered capital of Společnost pro informační databáze, a.s. (**SID, a.s.**). SID, a.s. is not included in the CETELEM ČR, a.s. consolidation unit, because CETELEM ČR, a.s. does not have a status of its controlling or managing company, and the balance sheet amount, net turnover and equity of, SID, a.s. are not significant for CETELEM ČR, a.s. The registered scope of business activities of SID, a.s. is manufacturing, trade, and services not specified in Appendices 1 through 3 of the Act No. 455/1991 Coll., the Trade Licencing Act, as amended. SID, a.s. provides to CETELEM ČR, a.s. data processing services related to the administration of the client information register system Solus, which is used for credit risk management.

Non-Financial Investments

The Issuer pays attention to the development of the technical support for services offered by implementing the latest information and communication technologies. In 2011, the Company focused 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 introduced by new laws. In 2012 new investments consisted, in particular, of investment in the development of information systems, hardware and software. The focus was on the implementation of tools to optimize the offering to customers in respect of personal loans, to improve communication with customers and, ultimately, to create the GOLD card, including the possibility of contactless payments. The company also launched a project to create dematerialized contract documentation. A number of applications were put into operation to improve and streamline internal processes (such as the migration to the latest version of the personnel management system) in the electronic circulation and record-keeping of documents, the circulation of accounting documents and contracts, the record-keeping system to track internal controls and the automation of customer complaint registration and processing. 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, the Issuer has invested in the technical improvement of leased office space and car fleet renewal.

In 2012, the Issuer invested CZK 16,048 thousand in tangible operational assets (2011: CZK 21,557 thousand) and CZK 31,220 thousand in intangible operational assets (2011: CZK 30,673 thousand).

Similarly as during the past periods, the investment plans of the Issuer for the following periods mainly involve the development of technical and software equipment of the Company so as to maintain its 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 Issuer did not realise 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.

Business overview

Principal activities

CETELEM ČR, a.s. is one of the largest and most important non-banking providers of loan products and services offered through its branches and business partners' networks.

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

(i) Standard consumer loans provided within the business partners' outlets;

(ii) Specific-purpose/general personal loans;

(iii) Credit cards;

(iv) Products intended for financing of motor vehicles;

(v) Insurance products and

(vi) 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, licences, industrial, trade or financial agreements, or new production processes to such extent that it would have material importance for the operation or profitability of the Issuer.

Products and Services of CETELEM ČR, a.s.

Responsible financial service provider

A responsible approach to lending, reflecting the clients' needs and means, is a fundamental principle of the Company applied in the client's relationship. When providing loans, CETELEM ČR, a.s. assesses responsibly each client's repayment capability to avoid over-indebtedness of the client. Further, CETELEM ČR, a.s. helps clients find solutions if they are unable to meet their obligations towards the Company in full when they become due.

The Company's credibility is built on respect for laws, the rules of the BNP Paribas Group, and the professional and ethical codes of organisations 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 goods in instalments spread over an extended period of time. Issuers's customers mostly make use of this product to finance purchases of consumer electronics and household appliances, household furnishings, ICT equipment and home improvement tools in a network of retail partners all over the Czech Republic. The continuing trend of online shopping is reflected in the rising share of consumer credit provided at online shops, which increased by 9% in 2012.

Credit cards

Credit cards are the simplest and fastest means of payment and can be used to draw on funds up to an approved credit limit. All credit cards are valid internationally. When making non-cash purchases, customers can enjoy numerous benefits, such as a 55-day grace period, card payment bonuses amounting to 1.5% of the purchases made, and other discounts and advantages resulting, in particular, from the loyalty programme – the Cetelem Club.

A significant proportion of credit card use takes place over the internet. This upward trend is borne out by the 31.5% year-on-year increase in the volume of card transactions carried out in the Client Zone on the Issuer website. In this secure part of the website, customers can make e-shop payments via Virtual Cards (Virtuální karty), 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 Personal Loans are intended to facilitate more expensive purchases and investments, and also to consolidate conventional and revolving loans in the form of special-purpose or any-purpose consumer credit.

In 2012, 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 paperwork associated with the loans. Last year, there was a 19% increase in the volume of online lending, offering customers the quick processing of applications via the internet from the comfort of home.

AutoCredit/MotoCredit

Clients may purchase selected automobiles or motorcycles by way of loans provided by CETELEM ČR, a.s. in partnership with a 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. In 2012, the partnership network expanded by a further 10%. AutoCredit/MotoCredit is intended for new or used vehicles purchases financing by both, consumers and businesses. The advantage for clients is that the loan is not secured by the item financed, so clients' ownership rights to financed vehicles are not restricted. In 2011, the Company 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 Issuer´s customers 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 as due. Damage or loss resulting from stolen credit cards, with or without the customer's personal documents, can also be insured. New expense insurance is designed to cover customers' regular outgoings in the case of any unforeseen events. Issuer also offers personal injury insurance in the case customers find their income reduced due to hospitalization, permanent disability or death due to accident. Issuer can also arrange comprehensive car insurance and the insurance of certain items financed using consumer credit – cars and motorcycles.

Distribution channels

The broad affordability of financial services for consumers is one of the company's key priorities. Financial services are available at points of sale in cooperation with more than 4,300 trade partners (merchants selling consumer goods and services and car dealerships), points of sale that accept Cetelem MasterCard credit cards, a network of ATMs, and via the internet.

Revolving loans offered via MasterCard credit cards provide customers with a high level of flexibility and convenience as they seek credit financing. Since 2005, the company has been issuing MasterCard credit cards with international validity, which also makes Cetelem's financial services available outside the Czech Republic. The card is accepted as a means of payment in a network of more than 60,000 retail outlets in the Czech Republic; it can also be used to withdraw cash from more than 4,200 ATMs or to make payments at over 3,700 online shops.

Electronic services have become a common means of purchasing goods and services. In addition to the purchase of goods on instalment, the internet can also be used to arrange credit services directly, 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 customers easy communication with the company, self-service arrangements for revolving credit financing, 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 customers as they seek to meet their needs and requirements. The annual increase in the Client Zone's unique visitors by 10% in 2012 shows, that this is the right way forward.

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

Key Markets

Macroeconomic environment

The slowdown in economic growth reported in 2011 continued in 2012, when the economy found itself in recession from the beginning of the year. Demand for non-bank financial products continued to be influenced in particular by stagnant investment and a drop in households' expenditure on final consumption, triggered by adverse developments in their disposable income and the continuing trend of a rising savings rate. Gross domestic product in 2012 slipped by 1.1% year on year, with household consumption down by 0.7%. Demand for consumer credit was also dampened by the unemployment rate and inflation. The registered unemployment rate rose to 9.4%, compared to 8.6% at end-2011. Average inflation in 2012 was 3.3%, up by 1.4% on 2011.

The Czech National Bank continued to ease monetary policy in 2012, cutting the base 2W repo rate three times during the year to 0.05%. However, the low interest rates were not directly reflected in the non-bank financial product market, also because of the rise in the share of households' non-performing loans in the total volume of lending, which climbed from 11.3% at end-2011 to 12.32% at end-2012.

Macroeconomic developments and the application of cautious customer creditworthiness criteria by financial institutions resulted in stagnation of the consumer credit market.[1]

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 30.2%[2] (from the perspective of the granted loan volume).

The macroeconomic environment, in particular rising unemployment rate and declining household consumption in 2012, affected demand and the potential for individuals to take on more debt. The volume of new consumer loans granted by non-banks – members of the ČLFA (Czech Lease and Finance Association) – was on a par with 2011 and stood at CZK 34.2 billion.

At the end of 2012, the volume of consumer loans granted to individuals by ČLFA members totalled CZK 62.1 billion. Compared with 2011, this was a 4% contraction.

Despite the stagnation on the non-bank consumer credit market, Cetelem reported year-on-year growth in new loans and total outstandings.

The Czech economy was under the continuous influence of the gradually decreasing GDP growth rate, increasing inflation and a drop in households` spending with people being much more cautious about their long-term projects and plans. The macroeconomic environment, in particular the unemployment rate and stagnant household income and decreasing consumption, did not significantly increase the potential for the population to take on more debt in 2012.

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 CETELEM ČR, a.s. 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.

[1] Source: data provided by the Czech National Bank, the Ministry of Finance of the Czech Republic and the Czech Statistical Office.
[2] Source: data provided by the ČLFA (Czech Leasing and Financial Association).

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 2012.

		Initial debt (CZK mil.)
1.	CETELEM ČR, a.s.	10,312.01
2.	Home Credit, a.s.	8,831.78
3.	Provident Financial s.r.o.	4,523.00
4.	ESSOX, s.r.o.	3,658.24
5.	ŠkoFIN s.r.o.	1,306.00
6.	s Autoleasing, a.s.	1,072.95
7.	GE Money Auto, s.r.o.	1,070.73
8.	UniCredit Leasing CZ, a.s.	1,029.95
9.	PROFI CREDIT Czech, a.s.	587.77
10.	ČSOB Leasing, a.s.	526.89

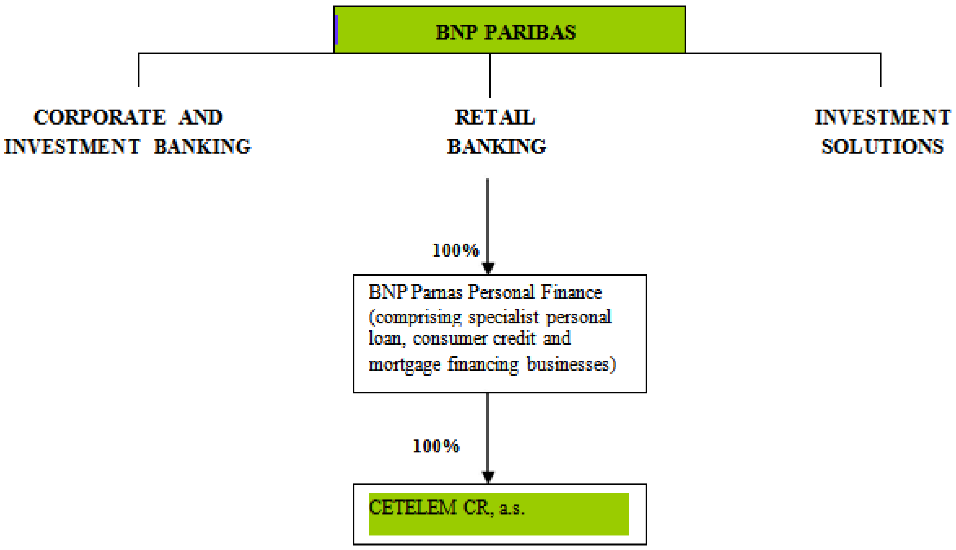
Source: CLFA

In terms of loans provided, the Company ranks first among nonbanking providers of consumer loans. In 2012, the Company provided loans in the total amount of CZK 10.3 billion. CETELEM ČR, a.s. has issued more than one million credit cards throughout its presence in the Czech Republic.

Organisational 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 SID, a.s.

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.

Profit Forecasts or Estimates

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

Administrative, Management and Supervisory Bodies

Bodies of the Company are as follows:

- General Meeting;
- Supervisory Board;
- Board of Directors; and
- 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 by the Issuer's Articles of Association.

Board of Directors of CETELEM ČR, a.s.

The Company’s Board of Directors has five members. Directors are elected by the General Meeting for the period of five years. As of the issue date of the Base Prospectus, the members of the Board of Directors are the following:

Charles McArthur	Chairman of the Board of Directors
Date of birth:	3 August 1964
Business address:	BNP Paribas Personal Finance, SA, 20 avenue Georges Pompidou - 92300 Levallois-Perret, France
Ing. Václav Horák	Vice-Chairman of the Board of Directors and Managing Director
Date of birth:	26 February 1963
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 and Operations & Processes Director
Date of birth:	23 December 1972

Business address:	CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic
Radoslaw Kuczynski	Vice-Chairman of the Board of Directors and Commercial Division Director
Date of birth:	21 June 1970
Business address:	CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic
Eric Turbot	Member of the Board of Directors[3]
Date of birth:	28 February 1968
Business address:	BNP Paribas Personal Finance, SA, 20 avenue Georges Pompidou - 92300 Levallois-Perret, France

Supervisory Board of CETELEM ČR, a.s

The Company's Supervisory Board has three members. As of the issue date of the Base Prospectus, the members of the Supervisory Board are the following:

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
Date of birth:	9 May 1957
Business address:	CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic
Georgi Dimitrov Georgiev	Member of the Supervisory Board
Date of birth:	25 November 1972
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 controls whether accounting records are duly maintained to correspond to reality and whether the Company's business activities are carried out in compliance with laws, Company's Articles of Association and instructions of the Company's 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

[3] The registration of Eric Turbot in the Commercial Register is pending.

of loss and presents its position 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 Company’s ordinary General Meeting.

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 dispose of assets, provided that 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 judicial proceedings against the Board of Directors or any member thereof.

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
Date of birth::	9 May 1957
Business address:	CETELEM ČR, a.s., Karla Engliše 5/3208, 150 00 Praha 5, Czech Republic
Georgi Dimitrov Georgiev	Member of the Audit Committee
Date of birth:	25 November 1972
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 June 1949
Business adress:	Audit Servis, spol. s r.o., Nádražní 116/61, 150 00 Praha 5

The Audit Committee:

(i) monitors the procedure for accounting reporting,

(ii) monitors the effectiveness of the Issuer's internal control mechanism, internal audit and, if applicable, the risk management system,

(iii) monitors the statutory audit of financial statements,

(iv) 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,

(v) recommends the statutory auditor.

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 of Association, the members of the Board of Directors will respect the ban on competition as follows from the provisions of Section 196 of the Commercial Code, barring the cases specified in the Articles of Association. 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 five 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 laws of the Czech Republic, particularly by the Commercial Code, the Payment System Act and the 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.

The Sole Shareholder

The sole shareholder of the company is BNP Paribas Personal Finance S.A., with its registered office at 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 Section 66a/5 of the Commercial Code. The parent company of the Issuer's sole shareholder is the company BNP Paribas, with its registered office at 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.

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 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.

Audited unconsolidated financial statements of the Issuer for the accounting period ended as of 31 December 2012, prepared in compliance with the IFRS, are shown in the Annual Report of the Issuer for 2012, p. 94 through 137. Auditor's opinions in respect of the unconsolidated financial statements for the year 2012 are shown in the Annual Report of the Issuer for 2012, p. 82 through 90.

The data are included in this Base Prospectus by reference (see “INFORMATION INCORPORATED BY REFERENCE”).

Historical Financial Information; Financial Statements

Balance Sheet as of 31 December 2012 and 31 December 2011:

	(CZK '000 according to IFRS)		
Description	**Ref**	**31 December 2012**	**31 December 2011**
TOTAL ASSETS		**16,010,670**	**14,570,783**
Cash and cash equivalents	IV.1	1,787	1,127
Receivables from banks	IV.2	930,899	5,829
Receivables from clients	IV.3	14,829,636	14,289,566
Other long-term securities and investments	IV.4	8,949	9,269
Tax assets – current and deferred	IV.5	53,402	86,302
Property, plant and equipment	IV.6	45,403	54,989
Intangible assets	IV.7	42,394	41,339
Other assets	IV.8	98,200	82,362
LIABILITIES		**13,721,103**	**12,316,674**
Liabilities to banks	IV.9	12,286,644	10,983,182
Debt securities issued	IV.10	1,001,273	1,001,829
Provisions	IV.11	67,103	65,780
Tax liabilities – current and deferred	IV.12	27,141	
Other liabilities	IV.13	338,942	265,883
EQUITY		**2,289,567**	**2,254,109**
Owners' equity	IV.14	2,289,567	2,254,109
Share capital	IV.14	180,000	180,000
Reserve funds and other reserves	IV.14	36,000	36,000
Retained profit	IV.14	896,949	896,542
Other comprehensive gains, losses	IV.14	8,377	8,749

Description	Ref	(CZK '000 according to IFRS) 31 December 2012	31 December 2011
Gains or losses from revaluation of assets and liabilities	IV.14	-5,228	-6,989
Profit/loss for the period	IV.14	1,173,469	1,139,807
Share attributable to minority shareholders	IV.14		
TOTAL LIABILITIES AND EQUITY		**16,010,670**	**14,570,783**

Statement of Comprehensive Income for the years ending 31 December 2012 and 31 December 2011

Description	Ref.	(in CZK '000) according to IFRS 31 December 2012	31 December 2011
Interest income	V.1	2,390,040	2,332,810
Interest expense	V.1	-339,100	-350,070
NET INTEREST INCOME		**2,050,940**	**1,982,740**
Income from fees and commissions	V.2	758,729	628,244
Fee and commission expenses	V.2	-139,310	-47,095
NET INCOME FROM FEES AND COMMISSIONS		**619,419**	**581,149**
Dividend income	V.3	3,016	1,404
Income from investments and participations			
Net income from trading and hedging activities			
Other income/expense	V.4	12,878	3,200
OPERATING INCOME		**2,686,253**	**2,568,493**
Payroll and personnel costs	V.5	-349,372	-351,843
General operating costs	V.6	-308,075	-294,849
Depreciation of property, plant and equipment	V.7	-24,322	-25,830
Amortisation of intangible assets	V.8	-30,165	-27,281
OPERATING COSTS		**-711,934**	**-699,803**
OPERATING INCOME BEFORE ASSET IMPAIRMENT AND PROVISIONS		**1,974,319**	**1,868,690**
Impairment of receivables	V.9	-505,734	-476,761
Impairment of assets	V.10	2,323	4,630
Net additions to provisions	V.11	-1,323	-4,030
PROFIT BEFORE TAX		**1,469,585**	**1,392,529**

Description	Ref.	(in CZK '000) according to IFRS 31 December 2012	 31 December 2011
Income tax	IV.12.	-296,116	-252,722
• current		-285,395	-240,765
• deferred		-10,721	-11,957
PROFIT/LOSS FOR THE PERIOD, AFTER TAX		**1,173,469**	**1,139,807**
Other comprehensive income for the period, after tax		1,389	-6,370
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,174,858**	**1,133,437**
Comprehensive income for the period, attributable to:			
• Company owners		1,174,858	1,133,437
• minority shareholders			
Loss/earnings per share – basic	V.13	6.52	6.30
Loss/earnings per share – diluted	V.13		

Statement of Changes in Equity for the year ending 31 December 2012 and 31 December 2011

Changes in equity (in CZK '000)	**Issued capital**	**Reserve fund & other capital funds & retained profit**	**Revaluation differences**	**Revaluation of realisable financial assets**	**Total**
1 January 2011	**180**	**1,364,542**	**3,882**	**4,248**	**1,552,672**
Dividend payment		-432,000			-432
Income for the accounting period		1,139,807	-6,37		1,133,437
31 December 2011	**180**	**2,072,349**	**-2,488**	**4,248**	**2,254,109**
Dividend payment		-1,139,400			-1,139,400
Income for the accounting period		1,173,469	1,389		1,174,858
31 December 2012	**180**	**2,106,418**	**-1,099**	**4,248**	**2,289,567**

Statement of Cash Flows for the year ending 31 December 2012 and 31 December 2011

Description	(in CZK '000) according to IFRS 31 December 2012	 31 December 2011
CASH AT THE BEGINNING OF THE PERIOD	**6,956**	**18,884**
ACCOUNTING PROFIT OR LOSS FROM ORDINARY	**1,469,585**	**1,392,528**

	(in CZK '000) according to IFRS	
Description	**31 December 2012**	**31 December 2011**
ACTIVITIES BEFORE TAX		
Adjustment for non-cash transactions	-1,665,737	-1,593,737
Fixed asset depreciation/amortisation	54,487	53,111
Change in allowances and provisions	411,501	309,458
Gain (loss) from the disposal of fixed assets	-2,323	-4,630
Proceeds from dividends and profit sharing	-3,016	-1,404
Net interest expense and income	-2,210,681	-2,080,861
Adjustments for other non-cash transactions, if any	84,295	130,589
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE TAX, CHANGE IN WORKING CAPITAL AND NON-RECURRING ITEMS	**-196,152**	**-201,209**
Change in the non-cash portion of working capital	-251,865	-904,588
Change in receivables from operating activities, prepayment accounts and estimated receivables	-881,104	-711,695
Change in current liabilities from operating activities and estimated payables	629,239	-192,893
Change in inventories		
Change in current financial assets not included in cash		
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE TAX AND NON-RECURRING ITEMS	**-448,017**	**-1,105,797**
Interest expense excluding capitalised interest	-180,579	-201,724
Interest income	2,375,554	2,264,907
Income tax on ordinary activities paid and additional assessments for previous years	-236,383	-293,794
Income and expense on non-recurring accounting transactions		
Dividends and profit shares received	2,964	1,404
NET CASH FLOW FROM OPERATING ACTIVITIES	**1,513,539**	**664,996**
Fixed asset acquisition costs	-47,122	-53,868
Proceeds from the disposal of fixed assets	3,634	5,438
Loans to related parties	-974	-2,866
NET CASH FLOW FROM INVESTING ACTIVITIES	**-44,462**	**-51,296**
Change in non-current liabilities	596,054	-193,628
Change in equity	-1,139,400	-432,000
Payment of equity shares to members		
Additional cash contributions from members and shareholders		
Loss settlement by members		

	(in CZK '000) according to IFRS	
Description	**31 December 2012**	**31 December 2011**
Direct payments from reserves		
Dividends paid	-1,139,400	-432,000
NET CASH FLOW FROM FINANCING ACTIVITIES	**-543,346**	**-625,628**
NET INCREASE OR DECREASE IN CASH AND CASH EQUIVALENTS	**925,730**	**-11,928**
CASH AT THE END OF THE PERIOD	**932,686**	**6,956**

Legal and Arbitration Proceedings

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

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 2012.

Additional Information

Share Capital

The registered capital of the Issuer amounts to CZK 180,000,000 and consists of 180,000 ordinary registered shares with the nominal value of CZK 1,000 each. The registered capital has been paid up in full. Shares are issued in a book-entry form; the transfer of shares is restricted by the Company's Articles of Association. The Issuer has not issued any securities with a right to exchange such securities for other shares or to priority subscription of other securities.

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 of Association. The Articles of Association 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 executed on 13 September 1996. The formation took effect 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 Clause V.6.1 hereof.

Material Contracts

The Issuer has not concluded any contracts which could lead to liabilities or claims of any group member which would be material to the Issuer's ability to fulfil its obligations to Bondholders under the Bonds.

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 which would render the reproduced data inaccurate or misleading have been omitted.

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.

THE GUARANTOR

1. STATUTORY AUDITORS

The financial statements of the Guarantor for the years of 2011 and 2012 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

1.1 Risk Factors

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

1.2 Information about the Guarantor

(a) 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

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
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

Guarantor's long-term credit ratings are A+ with a negative outlook (Standard & Poor's Credit Market Services France SAS (**Standard & Poor's**)), A2 with a stable outlook (Moody's Investors Service Ltd. (**Moody's**)) and A+ with a stable outlook (Fitch France S.A.S. (**Fitch France**)). Each of Standard & Poor's, Moody's and Fitch France is established in the European Union and is registered under the Regulation (EC) No. 1060/2009, as amended (the **CRA Regulation**). As such each of Standard & Poor's, Moody's and Fitch France is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

1.3 Business Overview

(a) Principal Activities and Principal Markets

BNP Paribas, 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 78 countries and has almost 190,000 employees, including over 145,000 in Europe. BNP Paribas holds key positions in its three activities:

- **Retail Banking, which includes:**
  - a set of Domestic Markets, comprising:
    - French Retail Banking (FRB),
    - BNL banca commerciale (BNL bc), Italian retail banking,

- Belgian Retail Banking (BRB), and
- Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);

– International Retail Banking, comprising:

- Europe-Mediterranean, and
- BancWest;

– Personal Finance.

- **Investment Solutions; and**
- **Corporate and Investment Banking (CIB).**

(b) **Products and services of BNP Paribas**

(i) **Retail Banking**

With 7,150 branches in 41 countries, 22 million individual, professional and small business customers, 216,000 corporate clients and institutions and over 12 million active customers at Personal Finance, BNP Paribas generated more than half of its revenues from retail banking activities in 2012. Retail banking activities employ 135,000 people, representing 71% of the Group's headcount.

Retail Banking comprises Domestic Markets, International Retail Banking (IRB) and Personal Finance (PF).

Domestic Markets

Domestic Markets comprises the retail banking networks of BNP Paribas in France (FRB), Italy (BNL bc), Belgium (BRB operating under the BNP Paribas Fortis brand) and Luxembourg (LRB operating under the BGL BNP Paribas brand), together with three specialist activities: Arval (multi-brand full service vehicle leasing), BNP Paribas Leasing Solutions (leasing and rental solutions ranging from equipment financing to fleet management services) and BNP Paribas Personal Investors (online savings and brokerage). In addition, Wealth Management develops its private banking model in the domestic markets. Lastly, Cash Management and Factoring complete the services provided to corporate clients, deployed under the "One Bank for Corporates in Europe and Beyond" concept, in synergy with CIB's Corporate Banking unit.

Domestic Markets has a total of 4,150 branches, more than 15 million retail clients, 268,500 private banking clients and 176,000 corporate clients. It employs a total of 76,000 people, including 66,000 in the four domestic networks. Through its three specialist activities, Domestic Markets operates in a total of 26 countries.

Domestic Markets plays a strategic role for the Group, by providing a large base of deposits and off-balance sheet savings, supporting both retail and corporate clients, financing the economy and preparing the retail banking business of the future. Five transversal missions – Business Development, IT, Operations, Human Resources and Communications – provide the business lines with their expertise.

With Domestic Markets, BNP Paribas is no. 1 in Cash Management in Belgium, Italy and France (according to Euromoney), leading private bank in France (according to Professional

Wealth Management and The Banker) as well as in Luxembourg (according to Euromoney) and no. 1 in Europe in equipment financing for professionals (according to Leaseurope 2011 rankings).

French Retail Banking (FRB)

French Retail Banking (FRB) employs 31,500 people to support all its clients with their plans and projects. It has a client base made up of 6.9 million individual and private banking clients, 639,000 small business and professional clients and more than 80,000 corporate and institutional clients. The division offers a broad line-up of products and services, ranging from current account services to the most innovative financial engineering services in the areas of corporate financing and asset management.

During 2012, FRB acquired more than 430,000 new clients. FRB continues to invest in its branch network, which already forms part of a much broader multi-channel structure, with a view to providing its clients with an ever closer service. The network is organised by client category:

(A) 2,200 branches and 5,934 ATMs operating under the BNP Paribas and BNP Paribas – Banque de Bretagne brands. More than 75% of the branches have now been refurbished to the “Welcome & Services” standard. New generation branches have also been tested in the Paris region and the Drôme department;

(B) 217 Wealth Management centres, making BNP Paribas the no. 1 private bank in France (based on assets under management)[4];

(C) 58 Small Business Centres which help small businesses and SMEs to manage their wealth planning projects or projects related to their company’s life cycle;

(D) a unique network of 28 Business Centres dedicated to corporate 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);

(E) specialist subsidiaries including factoring company BNP Paribas Factor, BNP Paribas Développement, a private equity provider, and Protection 24, a remote surveillance firm;

(F) 54 production and sales support branches, back offices that handle all the transaction processing operations.

FRB also provides its clients with a full online relationship capability, based on:

(A) the bnpparibas.net website, offering services used by more than 2.5 million clients;

(B) 3 Client Relationship Centres in Paris, Lille and Orléans, which handle all requests received by e-mail, telephone or instant messaging, and 2 specialist contact centres “Net Crédit” and “Net Épargne”;

(C) the NET Agence online bank, offering prospective clients all the services and products of a large bank available online with a dedicated adviser.

[4] Source: Décideurs Stratégie Finances Droit 2012.

This online offering was elected client service of the year 2013[5], demonstrating BNP Paribas' aim of continuously adapting its capability, for example by integrating new forms of contact: SAV Twitter and the Facebook page already have more than 220,000 members.

BNL Banca Commerciale

BNL bc is Italy's 6th largest bank in terms of total assets and loans to customers[6]. It provides a comprehensive range of banking, financial and insurance products and services to meet the needs of its diversified client base consisting of:

(A) around 2.2 million[7] individual and 28,100[8] private banking clients (number of households) ;

(B) 144,800[9] small business clients ;

(C) over 26,200[10] medium and large companies, including Large Relationships consisting of around 455 groups and 1,800 operating companies;

(D) 16,000[11] 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 around 7%[12]), and a growing deposit base (market share of 3.9%[13] for current accounts) well ahead of its network penetration (2.7%[14] in terms of branch numbers).

BNL bc also has a long-standing tradition in supporting large companies and local authorities (with market shares for loans to corporates of over 4%[15] and 1.2%[16] for loans to local authorities) 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 3rd in the market in terms of annual turnover[17]).

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

(A) close to 890 branches;

(B) 33 Private Banking Centres;

(C) 42 Small Business Centres;

(D) 53 branches dealing with small and medium enterprises, large corporates, local authorities and public sector organisations;

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[5] Source: Cabinet Viséo Conseil.
[6] Source: annual and interim reports of BNL and its peers.
[7] Active clients.
[8] Active clients.
[9] Active clients.
[10] Active clients.
[11] Active clients.
[12] Source: Bank of Italy.
[13] Source: Bank of Italy.
[14] Source: Bank of Italy.
[15] Source: Bank of Italy.
[16] Source: Bank of Italy. Since 2012, the Bank of Italy's statistics have included Cassa Depositi e Prestiti (CDP), a state-owned financial institution operating in the local authorities segment. Excluding CDP, BNL bc's market share is about 5%.
[17] Source: Assifact.

(E) 5 Trade Centres in Italy for its clients' cross-border activities, complementing BNP Paribas' international network;

(F) a network of 10 Italian Desks, mainly located in the Mediterranean area, to assist Italian companies in their operations abroad as well as multinational companies with direct investments in Italy.

The multi-channel offering is complemented by some 1,950 ATMs and 38,000 POS terminals, as well as telephone and online banking for both retail and corporate clients.

Belgian Retail Banking (BRB)

Retail & Private Banking (RPB)

(A) BNP Paribas Fortis is no. 1 in personal and small business banking in Belgium, with 3.6 million clients and high-ranking positions in all banking products[18]. BNP Paribas Fortis serves its clients and finances the economy through various networks forming part of a multi-channel distribution strategy. The branch network comprises 938 branches (of which 277 are independent), plus 680 customer service points under the partnership with Bpost Bank and 310 Fintro franchise outlets[19].

(B) RPB's Client Relationship Management (CRM) centre manages a network of 4,382 cash dispensers, as well as online and mobile banking services via the easy banking app (1.2 million users).

(C) A Client Contact Centre is also available and handles up to more than 10,000 calls daily.

Since 1 July 2012, the network has been reorganised into seven rather than nine regions and from 1 January 2013, the 938 branches will be organised into 164 branch groups, which will report to 29 regional Head Offices. This new structure is designed to deliver further improvement in client service.

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. Clients are served through 37 Private Banking centres and 2 Wealth Management centres.

Corporate & Public Bank Belgium (CPBB)

CPBB offers a comprehensive range of financial services to corporates, public entities and local authorities. With more than 600 corporate clients and 12,500 midcap clients, it is the market leader[20] in both categories and a challenger in public banking with 710 clients. CPBB keeps very close to the market through its team of more than 40 corporate bankers and 210 relationship managers operating out of 22 Business Centres, supported by specialists in specific areas.

[18] Source: Benchmarking Monitor September 2012 and Strategic Monitor Small Professionals 2011.
[19] In December 2012, Fintro had 312 branches, more than 1,000 employees and EUR 9.22 billion in assets under management (excluding insurance) and 268,000 active customers.
[20] Source: TNS survey, 2012.

Luxembourg Retail Banking (LRB)

BGL BNP Paribas provides a broad range of financial products and services to personal, small business and corporate clients through a network of 38 branches and its departments dedicated to corporate clients. It is the 2nd largest retail bank in Luxembourg in terms of personal banking, with a total of 206,719 customers representing a market share of 16%[21]. It is the leading commercial bank with 39,802 corporate clients representing a market share of 35%[22].

BGL BNP Paribas' private banking teams provide tailored, integrated wealth management and planning solutions. They are proposed mainly as a complement to daily banking services in the 6 private banking sites backed by the branch network.

Arval

Specialist in multi-brand full service vehicle leasing, Arval offers its customers tailored solutions that optimise their employee's mobility and outsource the risks associated with fleet management. Expert advice and service quality are delivered by more than 4,000 employees in 25 countries. Arval is also supported by strategic partnerships in 14 countries. It also benefits from the solid infrastructure and far-reaching network of the BNP Paribas Group.

At the end of December 2012, Arval's leased vehicle fleet was stable compared with 2011.

At the same date, Arval had a total leased fleet of 689,000 vehicles. Arval is a major European player in full service vehicle leasing and no. 1 in multi-brand leasing in France[23] and Italy[24] and no. 2 in Poland[25] in terms of leased vehicles.

BNP Paribas Leasing Solutions

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

To deliver optimum service to its clients, BNP Paribas Leasing Solutions has chosen to adopt an organisation structure specialised by markets, with integrated sales and operating teams:

(A) Equipment & Logistics Solutions for farming machinery, construction and public works equipment, light commercial and industrial vehicles;

(B) Technology Solutions for office, IT and telecoms equipment;

(C) Bank Leasing Services for leasing products to BNP Paribas bank network customers.

For the third year running, BNP Paribas Leasing Solutions remains the European leader in equipment financing with Arval[26] and has consolidated on its contribution to financing the economy.

[21] Source: ILRES survey, October 2012.
[22] Source: ILRES survey, October 2012.
[23] Source: Syndicat National des Loueurs de Voitures Longue Durée, France 4th quarter 2012.
[24] Source: FISE ANIASA (Federazione Imprese di Servizi - Associazione Nazionale Industria dell'Autonoleggio e Servizi Automobilistici), Italy, December 2012.
[25] Source: PZWLP, Poland, 4th quarter 2012.
[26] Source: Leaseurope 2011 league tables published in August 2012.

BNP Paribas Leasing Solutions arranged more than 282,140 financing deals in 2012. Its total outstandings under management exceed EUR 19.4 billion[27].

BNP Paribas Personal Investors

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

(A) Cortal Consors is the European specialist in online savings and brokerage for individuals, providing online trading services and personal investment advice 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) B*capital, an investment company, offers to its clients in France direct access to a complete range of markets (equities, bonds, derivatives), providing financial analysis as well as customised advice and active portfolio management. B*capital is the majority shareholder in stockbroker Portzamparc, specialised in small and mid-cap businesses;

(C) 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 500 branches throughout India. Geojit BNP Paribas also operates in the United Arab Emirates, Saudi Arabia, Oman, Bahrain and Kuwait, where it targets mainly a non-resident Indian clientele.

BNP Paribas Personal Investors manages TEB Investment activities in Turkey, which include brokerage services for retail investors via Internet and a network of 34 branches.

At 31 December 2012, BNP Paribas Personal Investors[28] had 1.5 million customers and EUR 35.1 billion in assets under management, of which 39% was invested in equity assets, 34% in savings products or mutual funds and 27% in cash. BNP Paribas Personal Investors employs 2,171 staff.

International Retail Banking (IRB)

IRB comprises the Bank’s retail banking activities in 15 countries outside the eurozone.

It has three business lines:

(A) Retail Banking, serving close to 7 million clients through a multi-channel distribution network (including 3,000 branches);

(B) Wealth Management, in cooperation with Investment Solutions;

(C) services for corporate clients, providing local access to all BNP Paribas products and services, as well as support in all the Group’s countries through a network of 83 Business Centres, 22 Trade Centres and 16 MNC Desks.

[27] Amounts after servicing transfer, including short-term outstandings.
[28] Including 34% of Geojit BNP Paribas.

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. In the past six years, it has focused on organic growth, by strengthening its infrastructure and, more recently, developing its sales and marketing capability, especially in the corporate segment and in Wealth Management.

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 local market share of more than 42% in deposits[29], First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and corporates.

BancWest currently serves some 1.5 million households. In total, it has 11,766 employees, close to 800 branches and corporate offices, and total assets close to USD 80 billion at 31 December 2012. It ranks as the 7th largest commercial bank in the western United States by deposits[30].

In 2012, for the second year running, Bank of the West came top of the regional banks in the Market Probe awards for its "Customer Advocacy score", demonstrating the excellent customer satisfaction levels it has achieved.

Europe-Mediterranean

Europe-Mediterranean (EM) operates a network of 2,046 branches in 14 geographical areas. It is present in Turkey, Central and Eastern Europe (Poland and Ukraine), the southern Mediterranean Basin (Morocco, Algeria and Tunisia), sub-Saharan Africa and in Asia through partnerships.

EM is gradually rolling out the BNP Paribas Group's integrated Retail Banking model 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, mobile banking, etc.).

In December 2012, Emirates NBD and BNP Paribas announced that they had signed a definitive agreement whereby BNP Paribas will sell its entire stake in BNP Paribas Egypt S.A.E. (BNP Paribas Egypt) to Emirates NBD, subject to Central Bank of Egypt approval and other regulatory approvals in Egypt and the United Arab Emirates.

Personal Finance

BNP Paribas Personal Finance, European no. 1 in personal loans[31]

[29] Source: SNL Financial, 30 June 2012.
[30] Source: SNL Financial, 30 June 2012.
[31] Source: annual reports of companies specialised in consumer credit.

BNP Paribas Personal Finance (PF) is the Group's consumer credit specialist, with over 12 million active customers. It also has a residential mortgage lending business. With more than 16,000[32] employees in around 25 countries, BNP Paribas Personal Finance ranks as the leading player in France and in Europe[33].

Through brands such as Cetelem, Findomestic and AlphaCredit, BNP Paribas Personal Finance provides a comprehensive range of consumer loans at point of sale (retail stores and car dealerships) and directly to clients either online or through its customer relation centres. The consumer credit business also operates within the Group's retail banking network in the emerging countries, through the "PF Inside" set-up. In France and Italy, Personal Finance's offer was complemented with insurance and savings products.

It is also developing an active strategy of partnerships with retail chains, web merchants and other financial institutions (banking and insurance) drawing on its experience in the lending market and its ability to provide integrated services tailored to the activity and commercial strategy of its partners. It is also a leading player in responsible lending and financial literacy.

Core commitment to responsible lending

BNP Paribas Personal Finance has made responsible lending the basis of its commercial strategy as a means of ensuring sustainable growth. At each stage of the customer relationship, from preparing an offer through to granting and monitoring a loan, responsible lending criteria are applied. These criteria are based on needs of customers – who are central to this approach – and customer satisfaction, which is assessed regularly.

This cross-company approach is implemented according to 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 "Debt Collection Charter", are rolled out and implemented in all countries.

France has the most comprehensive Personal Finance offering, including identifying and assisting clients in a potentially difficult financial position, access to independent business mediation and, since 2004, monitoring of three responsible lending criteria which are disclosed on a yearly basis: 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 Cohésion Sociale. At the end of 2012, it had granted more than 355 micro-loans totalling EUR 724,155.

(ii) **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 5 business lines, with highly complementary expertise:

(A) Insurance: BNP Paribas Cardif (7,540 employees, 38 countries, EUR 170 billion in assets under management);

[32] Excluding LaSer staff.
[33] Source: annual reports of companies specialised in consumer credit.

(B) Securities Services: BNP Paribas Securities Services (7,830 employees, 32 countries, EUR 1,010 billion in assets under administration, EUR 5,524 billion in assets under custody);

(C) Private Banking: BNP Paribas Wealth Management (6,070 employees, 28 countries, EUR 265 billion in assets under management);

(D) Asset Management: BNP Paribas Investment Partners (3,340 employees, 40 countries, EUR 405 billion in assets under management);

(E) Real Estate: BNP Paribas Real Estate (3,120 employees, 36 countries, EUR 13 billion in assets under management).

In total, Investment Solutions is present in 70 countries with around 25,650[34] 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 and Germany. Investment Solutions is also actively working to further its international development in high growth regions such as Asia-Pacific, Latin America and the Middle East, where the businesses are expanding their activities through new operations, acquisitions, joint ventures and partnership agreements.

BNP Paribas Cardif

BNP Paribas Cardif insures people, their families and their property. It has operations in 38 countries, nearly 90 million customers and strong positions in Europe, Asia and Latin America.

As a global player in personal insurance, BNP Paribas Cardif develops savings and protection products and services that comply with its Social and Environmental Responsibility policy.

It provides savings solutions for setting aside and building up a retirement provision through multi-fund life insurance contracts, guaranteed capital products and unit-linked funds.

In addition to its flagship loan insurance business, BNP Paribas Cardif has expanded its protection offering to encompass health insurance, budget, income and payment means protection, extended warranty, property and casualty insurance, and back-to-work assistance.

BNP Paribas Cardif sells its products through a multi-channel distribution network:

(A) Retail Banking channel, which sells insurance products through the BNP Paribas branch networks in France, Italy, Belgium, Luxembourg, Poland, Turkey and Ukraine;

(B) Partnerships channel, which distributes insurance products through partners worldwide, including banks, financial institutions, consumer credit companies, credit subsidiaries of car manufacturers and major retail groups;

(C) Digital & Brokers channel, encompassing BNP Paribas Cardif's digital capability, which is essential to its partners' distribution strategy, and its brokerage capability (Belgium, Luxembourg, Netherlands and United Kingdom).

[34] Including share of BNP Paribas Wealth Management employees.

All in all, more than half of BNP Paribas Cardif's operations are international. It has over 7,500 employees, of which 70% outside France.

BNP Paribas Cardif aims to be the world leader in insurance partnerships and leader in personal insurance solutions.

BNP Paribas Securities Services

BNP Paribas Securities Services is one of the major global players in securities services[35]. In 2012, assets under custody grew by +22.3% compared with 2011 to stand at EUR 5,524 billion. Assets under administration grew by +22% to EUR 1,010 billion and the number of funds declined by -0.9% to 6,979. The number of transactions settled fell by -7.7% to 45 million, in a context of weaker 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:

(A) sell-side operators such as 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 asset classes worldwide. Outsourcing solutions for middle and back-office activities are also provided;

(B) buy-side institutional investors such as 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;

(C) 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;

(D) market and financing services are provided across all client types. These include securities lending and borrowing, foreign exchange, credit and collateral management, outsourced trading service and cash financing.

Wealth Management

BNP Paribas Wealth Management encompasses BNP Paribas' private banking activities and serves a clientele of wealthy individuals, shareholder families and entrepreneurs seeking a one-stop shop for all their wealth management and financial needs. This global approach is based on a high value-added offering that includes:

(A) wealth planning services;

(B) financial services (advisory services in asset allocation, selection of investment products, discretionary portfolio management);

(C) customised financing;

[35] Source: BNP Paribas Securities Services figures at 31 December 2012 for assets under custody; financial releases of Top 10 competitors.

(D) expert diversification advice (vineyards, art, real estate and philanthropy).

The business is organised in a way that aims to consolidate the Group's positioning in retail banking, by providing the branch networks in the domestic markets with private banking capability, and to strengthen Wealth Management's positioning as a leading player in fast growing markets, particularly in Asia and the emerging markets.

This growth is supported by increased cross-functionality between geographies and support functions, developing new talent through the Wealth Management University and optimising processes and tools.

With EUR 265 billion in assets under management in 2012 and about 6,100 professionals in close to 28 countries, BNP Paribas Wealth Management ranks "Best Private Bank in Europe[36]", equal "Second Best Global Private Bank[37]", "Best Foreign Private Bank" in Hong Kong[38], no. 1 in France[39] and no. 1 for philanthropy services[40]. Other distinctions include "Best Private Bank in Alternative Investment[41]" and "Best Private Bank in Taiwan[42]".

These numerous awards reflect the robustness of BNP Paribas Wealth Management's positioning as a responsible, innovative bank, committed to delivering superior customer service.

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 22 specialised companies worldwide.

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

(A) *Multi-expertise investment capabilities*: BNP Paribas Asset Management, the largest entity in terms of assets under management, manages the major asset classes with investment teams operating in key markets;

(B) *Specialist Investment Partners*: specialists in a particular asset class or field (mainly alternative and multi-management), operating as boutique-like structures. THEAM is the most representative example;

(C) *Local and regional solution providers*: local asset managers covering a specific geographical region and/or clientele, the majority in emerging markets.

With EUR 405 billion in assets under management and advisory on behalf of external clients[43] and over 3,300 staff operating in 40 countries, BNPP IP offers a full range of investment management services to both institutional clients and distributors in 70 countries.

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,

[36] Source: Private Banker International 2012.
[37] Source: Private Banker International 2012.
[38] Source: Private Banker International 2012 Greater China Awards.
[39] Source: Professional Wealth Management and The Banker.
[40] Source: Professional Wealth Management and The Banker.
[41] Source: Asian Private Banker 2012.
[42] Source: Asian Private Banker 2012.
[43] Including distributed assets.

enabling it to adapt its offering to the local needs of each market. This is why BNPP IP can be considered both a global investor and a local partner.

BNPP IP is the sixth largest player in Europe and among the top twenty asset managers worldwide[44].

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

BNP Paribas Real Estate

With 3,120 employees, BNP Paribas Real Estate ranks as continental Europe's no. 1 provider of real estate services to corporates[45] and as one of France's leading players in residential property.[46]

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 their needs at every stage in a property's life cycle, through its comprehensive range of services.

(A) Property development – no. 1 in commercial property in France[47];

(B) Advisory (Transaction, Consulting, Valuation) – no. 2 in France and no. 1 in Germany[48];

(C) Property Management – no. 1 in France[49] and Belgium[50];

(D) Investment Management – no. 1 in Italy and no. 3 in France[51].

This integrated offering is built around international business lines.

In commercial property, BNP Paribas Real Estate supports its clients in 36 countries, through a direct presence (16 countries) or via alliances with local partners in 20 countries.

In residential real estate, BNP Paribas Real Estate's activities are chiefly based in France (Paris region and a few other big regional city areas).

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.

(iii) **Corporate and Investment Banking**

BNP Paribas Corporate & Investment Banking (CIB) employs just over 19,000 people in nearly 45 countries. BNP Paribas CIB provides its clients with corporate banking, advisory and capital markets services. In 2012, BNP Paribas CIB contributed 25% of the BNP Paribas Group's revenues and 29% of its pre-tax income.

[44] Source: IPE magazine July 2012 based on assets managed at December 2011.
[45] Source: Property Week, June 2012.
[46] Source: Innovapresse property developer league tables, June 2012.
[47] Source: Innovapresse property developer league tables, June 2012.
[48] Source: Euromoney, September 2012.
[49] Source: Lettre M2.
[50] Source: Expertise, October 2012.
[51] Source: Euromoney, September 2012.

BNP Paribas CIB's 15,000 clients, consisting of corporates, financial institutions and investment funds, are central to its strategy and business model. Staff's main aim is to develop and maintain long-term relationships with clients, support them in their expansion or investment strategy and provide global solutions to meet their financing, advisory and risk management needs. With a strong base in Europe and far-reaching ambitions in Asia and North America, BNP Paribas CIB is the European partner of choice for corporates and financial institutions worldwide.

In preparation for future regulatory changes and new capital requirements, at the end of 2011 BNP Paribas CIB implemented an adaptation plan to reduce its dollar funding needs and its asset base. In parallel, it embarked on the transformation of its business model to enable it to continue supporting its clients in their growth. As one of its transformative initiatives, BNP Paribas has developed an "originate to distribute" model combining its strong origination and distribution capacities, in order to bridge the gap between borrowers' expectations in terms of financing and those of investors in terms of yield, by creating a differentiated investment offer.

By the end of 2012, BNP Paribas CIB had successfully completed its adaptation plan and was one of the leading players in the market, thanks to its diversified product range and geographic reach. In recognition of this success, BNP Paribas was awarded the prestigious "Bank of the Year" award in December 2012 by IFR (International Financing Review).

Corporate Finance

Corporate Finance offers advisory services for mergers and acquisitions and primary equity capital market transactions. The M&A teams advice both buyers and targets and also offer advice on other strategic financial issues and privatisations. Primary capital market services include IPOs, equity issues, secondary issue placements, and convertible/exchangeable bond issues.

Corporate Finance employs around 400 professionals across 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 several European countries. It remained no. 1 in France in 2012 on both deal numbers and volumes (Thomson Reuters, announced and completed deals). It also won Euromoney's "Best M&A House in France" again.

In the primary equity market, BNP Paribas maintained its leadership in the Europe/Middle East/Africa region in 2012, ranking no. 3 bookrunner for EMEA equity-linked issues and placed in the Top 10 bookrunners for equity capital markets issues, all categories combined, according to Dealogic.

Fixed Income

Fixed Income is a global player in credit, currency and interest-rate products. With its headquarters in London, seven other trading floors in Paris, Brussels, New York, São Paulo, Hong Kong, Singapore and Tokyo, and additional regional offices throughout Europe, the Americas, the Middle East and Asia-Pacific, the business has more than 2,200 staff globally.

It 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.

Global Equities & Commodity Derivatives

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

GECD encompasses three complementary businesses:

(A) Structured Equity provides a clientele of individuals, corporates, banking networks, insurance companies and pension funds with customised or exchange-traded structured products to meet their capital protection, yield and diversification requirements;

(B) Flow & Financing caters to the needs of institutional investors and asset managers, delivering appropriate and innovative investment and hedging strategies, access to various financing solutions and services;

(C) Commodity Derivatives provides a range of risk hedging solutions to corporate clients whose businesses are highly correlated with commodity prices (producers, refineries and transport companies, for example). It also provides investors with access to commodities via a variety of investment strategies and structured solutions.

(iv) **BNP Paribas "Principal Investments"**

BNP Paribas Principal Investments manages the Group's portfolio of listed and unlisted investments with a view to extracting value over the medium term.

The Listed Investment Management unit acquires and manages minority interests in listed companies, predominantly French large caps.

The Private Equity Investment Management unit acquires and manages minority equity interests or mezzanine investments in unlisted companies in its domestic markets, either directly or indirectly through funds, thereby contributing to finance the economy.

(v) **Klépierre**

Klépierre is a major player in retail real estate in Europe, with expertise in development, rental management and asset management. BNP Paribas was the majority shareholder of Klépierre until 8 March 2012, when it sold a 28.7% interest in Klépierre S.A. to Simon Property Group.

At 31 December 2012, BNP Paribas was Klépierre's second largest shareholder behind Simon Property Group, with a 22.0% interest.

(c) **BNP Paribas and its Shareholders**

(i) **Share Capital**

At 31 December 2011, BNP Paribas' share capital stood at EUR 2,415,491,972 divided into 1,207,745,986 shares. Details of the historical evolution of the capital are provided in the "Changes in share capital and earnings per share" section.

In 2012, the following transactions led to changes in the number of shares outstanding:

(A) 41,679,176 shares were issued in respect of the dividend payment;

(B) 581,181 shares were issued through the exercise of stock options;

(C) 4,289,709 shares were issued under an employee share offering;

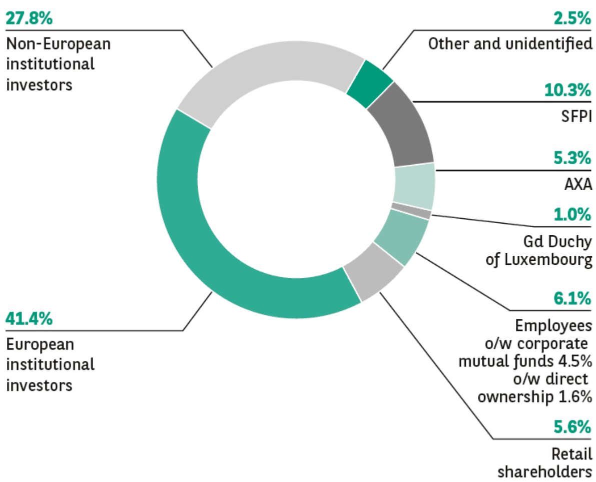
(D) 12,034,091 shares were cancelled in accordance with the authorisation given under the twenty-first resolution passed at the Annual General Meeting of 23 May 2012.

Thus, at 31 December 2012, BNP Paribas' share capital stood at EUR 2,484,523,922 divided into 1,242,261,961 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.

(ii) **Major Shareholders**

BNP Paribas ownership structure at 31 December 2012 (based on voting rights)



To the Company's knowledge, as at the date of this Base Prospectus, no shareholder other than SFPI owns more than 5% of its capital or voting rights.

On 29 May 2013, the Autorité des Marchés Financiers (AMF) published a notice stating that AXA's shareholding in the Guarantor had been reduced below 5% (which is the beneficial ownership threshold that requires reporting under French law), to 2.83% of the Guarantor's share capital and voting rights.

Société Fédérale 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 AMF:

(A) 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 at end-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;

(B) 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:

(C) BNP Paribas' issue of ordinary shares in 2009,

(D) and the reduction in its capital through the cancellation, on 26 November, of non-voting shares issued on 31 March 2009 to Société de Prise de Participation de l'État.

Since then, BNP Paribas has received no disclosures from SFPI.

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.

1.4 Organizational Structure

Interest held by BNP Paribas SA as of 31 December 2012:

Subsidiaries and associated companies of BNP Paribas SA at 31 December 2012

Name	Currency	Share capital	Reserves and retained earnings before income appropriation	Last published net income	Interest held by BNP Paribas SA
		In millions of the currency unit			in %
I - 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)					
ANTIN PARTICIPATION 5	EUR	170	15	(3)	100.00%

Name	Currency	Share capital	Reserves and retained earnings before income appropriation	Last published net income	Interest held by BNP Paribas SA
		In millions of the currency unit			in %
ANTIN PARTICIPATION 8	EUR	62	(9)	4	100.00%
AUSTIN FINANCE	EUR	799	181	40	92.00%
BANCA NAZIONALE DEL LAVORO SPA	EUR	2,077	3,132	355	100.00%
BANCO BNP PARIBAS BRASIL SA	BRL	584	668	219	84.10%
BANCWEST CORPORATION	USD	1	10,609	269	99.00%
BNL INTERNATIONAL INVESTMENT SA	EUR	110	314	-	100.00%
BNP INTERCONTINENTALE	EUR	31	4	-	100.00%
BNP PARIBAS BDDI PARTICIPATIONS	EUR	46	54	33	100.00%
BNP PARIBAS CANADA	CAD	533	341	49	100.00%
BNP PARIBAS CAPITAL (ASIA PACIFIC) LTD	HKD	672	(312)	309	100.00%
BNP PARIBAS CARDIF	EUR	150	3,949	421	100.00%
BNP PARIBAS CHINA LTD	USD	653	254	47	100.00%
BNP PARIBAS COLOMBIA CORPORACION FINANCIERA S.A.	COP	103,721	(7,297)	(2,959)	94.00%
BNP PARIBAS COMMODITY FUTURES LTD	USD	75	146	70	100.00%
BNP PARIBAS DÉVELOPPEMENT SA	EUR	115	383	23	100.00%
BNP PARIBAS EL DJAZAIR	DZD	10,000	7,892	2,002	84.17%
BNP PARIBAS EQUITIES FRANCE	EUR	6	21	3	99.96%
BNP PARIBAS ESPANA SA	EUR	52	28	(5)	99.62%
BNP PARIBAS FACTOR	EUR	3	30	16	100.00%
BNP PARIBAS FACTOR PORTUGAL	EUR	13	70	6	64.26%
BNP PARIBAS HOME LOAN SFH	EUR	285	3	1	100.00%
BNP PARIBAS INDIA HOLDING PRIVATE LTD	INR	2,608	18	76	100.00%
BNP PARIBAS INVESTMENT PARTNERS	EUR	23	2,500	292	66.67%
BNP PARIBAS IRELAND	EUR	902	428	(10)	100.00%
BNP PARIBAS LEASE GROUP LEASING SOLUTIONS SPA	EUR	189	93	(9)	73.83%
BNP PARIBAS MALAYSIA BERHAD	MYR	442	(21)	(12)	100.00%
BNP PARIBAS PERSONAL FINANCE	EUR	453	3,784	383	98.94%
BNP PARIBAS REAL ESTATE	EUR	373	179	55	100.00%
BNP PARIBAS RÉUNION	EUR	25	25	6	100.00%
BNP PARIBAS SAE	EGP	1,700	178	271	95.19%
BNP PARIBAS SB RE	EUR	450	52	14	100.00%
BNP PARIBAS SECURITIES (JAPAN) LTD	JPY	201,050	(7,905)	(2,883)	100.00%
BNP PARIBAS SECURITIES ASIA LTD	HKD	2,429	304	(521)	100.00%

Name	Currency	Share capital	Reserves and retained earnings before income appropriation	Last published net income	Interest held by BNP Paribas SA
		In millions of the currency unit			in %
BNP PARIBAS SECURITIES JAPAN LTD.	JPY	30,800	4	11	100.00%
BNP PARIBAS SECURITIES KOREA COMPANY LTD	KRW	250,000	1,005	6,007	100.00%
BNP PARIBAS SECURITIES SERVICES - BP2S	EUR	165	494	169	94.44%
BNP PARIBAS SUISSE SA	CHF	320	3,497	355	99.99%
BNP PARIBAS UK HOLDINGS LTD	GBP	1,227	20	35	100.00%
BNP PARIBAS VPG MASTER LLC	USD	34	(12)	6	100.00%
BNP PARIBAS WEALTH MANAGEMENT	EUR	103	189	4	100.00%
BNP PARIBAS YATIRIMLAR HOLDING ANONIM SIRKETI	TRY	1,023	(2)	3	100.00%
BNP PARIBAS ZAO	RUB	5,798	1,358	739	100.00%
BNP PUK HOLDING LTD	GBP	257	15	11	100.00%
COBEMA	EUR	439	1,798	40	99.20%
COMPAGNIE D'INVESTISSEMENTS DE PARIS - C.I.P.	EUR	395	245	-	100.00%
COMPAGNIE FINANCIERE OTTOMANE SA	EUR	9	277	8	96.85%
CORTAL CONSORS	EUR	58	286	(5)	94.22%
FIDEX HOLDINGS LTD*	EUR	300	(2)	3	100.00%
FINANCIERE BNP PARIBAS	EUR	227	163	5	100.00%
FINANCIERE DES ITALIENS SAS	EUR	412	30	(19)	100.00%
FINANCIERE DU MARCHÉ ST HONORE	EUR	42	36	8	100.00%
FORTIS BANQUE SA	EUR	9,375	7,312	1,038	74.93%
GESTION ET LOCATION HOLDING	EUR	266	902	337	99.24%
GREAT CENTRAL RAILWAY LAND	EUR	-	-	39	100.00%
GRENACHE & CIE SNC	EUR	912	(54)	43	69.52%
HAREWOOD HELENA 1 LTD*	USD	60	13	1	100.00%
HAREWOOD HOLDINGS LTD	GBP	100	13	42	100.00%
INTERNATIONAL FACTORS ITALIA IFITALIA	HKD	56	373	34	99.57%
NATIOCREDIBAIL	EUR	32	31	2	100.00%
OMNIUM DE GESTION ET DE DÉVELOPPEMENT IMMOBILIER	EUR	459	54	498	100.00%
OPTICHAMPS	EUR	411	31	(3)	100.00%
PARIBAS NORTH AMERICA INC.	USD	1,282	91	158	100.00%
PARILEASE SAS	EUR	54	269	(8)	100.00%
PARTICIPATIONS OPERA	EUR	410	33	(16)	100.00%
PETITS CHAMPS PARTICIPACOES E SERVICOS SA	BRL	112	(55)	11	100.00%
PT BANK BNP PARIBAS INDONESIA	IDR	726,320	404,497	54,867	99.00%
ROYALE NEUVE I	GBP	-	492	20	100.00%
SAGIP	EUR	218	1,048	31	100.00%
SOCIETE MARLOISE DE PARTICIPATIONS	EUR	920	-	-	100.00%
SOCIETE ORBAISIENNE DE PARTICIPATIONS	EUR	311	(403)	7	100.00%
TAITBOUT PARTICIPATION 3 SNC	EUR	792	38	117	100.00%
UCB ENTREPRISES	EUR	97	100	1	100.00%
UKRSIBBANK	UAH	1,774	1,041	(903)	100.00%
WA PEI FINANCE COMPANY LTD	HKD	341	6	-	100.00%

The information on the scope of consolidation of the BNP Paribas Group as at 31 December 2012 can be found in the 2012 Registration Document, pages 187 through 194. This information has been incorporated by reference in this Base prospectus (see “INFORMATION INCORPORATED BY REFERENCE”).

1.5 Trend Information

Group outlook

In 2013, the Group will prepare a 2014-2016 business development plan based on the road maps of the various divisions with the goal of unveiling a comprehensive plan early in 2014.

The first phase of the plan is the launch of Simple and Efficient, an ambitious initiative to simplify the way the Group functions and improve operating efficiency.

The second phase will include specific business development plans by region and business unit. The first unveiled plan covers the Asia Pacific region.

Simple & efficient: an ambitious plan to simplify the way the group functions and improve operating efficiency

In 2013, the Group will launch a 3-year EUR 1.5 billion investment programme designed to simplify the way it functions and improve its operating efficiency.

The Group is aiming to improve operating efficiency in order to achieve cost savings starting in 2013 and which are expected to reach EUR 2 billion a year as of 2015. About half of these savings will come from Retail Banking, a third from CIB and a sixth from Investment Solutions. This will be achieved without closing down any businesses and with the dedication of the entire Group.

In order to maximise the benefits, General Management will head the programme and a specially-dedicated team will provide across-the-board monitoring, facilitating project management across several business units and functions.

The programme will include 5 areas for transformation (process review, system streamlining, operating simplification, customer service and cost optimisation) and across-the-board approaches to improving operating efficiency (digitisation of business processes, increased delegation, simplified internal reporting, etc.). Over 1,000 initiatives have already been identified in the Group.

Asia Pacific: a region for the group to focus its business development

With a workforce of nearly 8,000 persons[52] working for CIB and Investment Solutions, and a presence in 14 markets, the Group is one of the international banks that is best positioned in Asia Pacific where it has had a long-standing presence. CIB and Investment Solutions currently make about 12.5% of their revenues there, or EUR 2 billion.

In the fast-growing region, the Group has recognised franchises especially in Trade Finance (with 25 trade centres), Cash Management (number 5 in Asia), Fixed Income (number 1 for FX Derivatives and number 1 Interest Derivative Dealer), Equities and Advisory (number 2 Equity Derivatives Dealer), Private Banking (number 8 with 30 billion in assets under management in 2012), Insurance (7th amongst non Asian insurers), and has a strong presence in the petroleum and gas, metals and mining products sectors as well as air transport. The Group also has successful partnerships with a number of leading domestic players.

By leveraging its solid platforms, the Group's goal is to grow CIB's and Investment Solutions' revenues in Asia to over EUR 3 billion by 2016, or a compounded annualised growth rate on the order of 12%.

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[52] Excluding partnerships.

The Group expects to grow its financed assets by the same magnitude and, likewise, to grow the gathering of deposits in the region. Within the next three years, the Group also expects to hire about 1,300 people in the region to work in Investment Solutions and CIB.

For corporate clients, the Group will bolster the commercial organisation geared to multinational corporations as well as local large and medium-sized businesses. Thereby, it will expand its domestic client base, service global clients in Asia Pacific and its Asian clients as they take their businesses global. It will hence step up the effort with respect to Trade Finance and Cash Management and, in Fixed Income, speed up the roll out of bonds, flow products, and hedging instruments. At the same time, the Group will heighten its presence with investors rolling out Originate to Distribute, developing Asset Management and Securities Management, expanding the Private Banking client base and stepping up cross-selling between CIB and Investment Solutions. Lastly, the Group will forge new partnerships, especially in Insurance with the objective of developing business in China and Indonesia.

A member of the Executive Committee, already based in the region, will oversee the Group's business and development.

Core Businesses

Retail Banking

In 2013, Domestic Markets will continue its strong commitment to its clients, invest in innovation and pursue its effort to streamline operations.

It will thus prepare the retail bank of the future. For individual customers, it will expand innovative online banking services, in particular for mobile phones and continue to develop new payment solutions. For corporate customers, it will continue to expand One Bank for Corporates in association with CIB whilst continuing to acquire new customers (already 2,600 new accounts by year-end 2012) and bolstering the service offering, in particular in Cash Management, leveraging on its leading position in the eurozone. With respect to VSEs & SMEs, Domestic Markets will capitalise on the network of Small Business Centres (59 in France, 42 in Italy) and focus on developing synergies with Leasing Solutions and Arval. Private Banking will leverage its leadership position in the eurozone to grow its business in Italy and to pursue synergies with corporates and small businesses.

In Domestic Markets as a whole, the business unit will upgrade its networks based on the needs of its customers with more advisory and less transaction related services and more diversified formats.

An ambitious plan was thus unveiled in Belgium in December 2012 (Bank for the Future) designed to anticipate new customer behaviours (mobile banking, customer relations centres, less in-branch teller business and increased commercial meetings with clients) and to improve operating efficiency.

The retail banking networks outside the eurozone will roll out the Group's integrated business model whilst adapting themselves to local specificities.

Europe-Mediterranean will continue its selected business development with the opening of branches in regions with fast-paced growth (such as Morocco); adapt the set up and offering to online banking; develop business with institutional customers and grow cash management. With respect to Turkey, TEB will continue to grow its business, in particular by continuing to step up cross-selling with Investment Solutions and CIB.

At BancWest, in a more favourable economic context, the commercial offering will be expanded, in particular by developing Private Banking, closer cooperation with CIB and enhancing the Cash

Management offering. Lastly, BancWest will continue to upgrade and streamline the branch network.

Personal Finance will continue to adapt to the new environment.

In France, the business unit will continue to transform its business model whilst growing Cetelem Banque's business (gathering of savings and sale of protection insurance products), implementing the process of assisting clients in a difficult position and leveraging its business alliance with BPCE (joint venture up and running on 1 January 2013) to share certain development costs.

In Italy, Personal Finance will roll out Findomestic Banca (marketing of deposit accounts and insurance products) and continue product innovation.

Lastly, the business unit will continue to develop engines of growth: in Russia by implementing the strategic alliance with Sberbank; in the automobile sector, through partnerships with European manufacturers and distributors; in the Group's retail banking networks in emerging countries, by rolling out PF Inside; and, lastly, by expanding the Internet offering.

Investment Solutions

In 2013, Investment Solutions will continue to strengthen its leadership positions in Europe with targeted clientele, in particular Ultra High Net Worth Individuals in Private Banking and institutional clients.

The business unit will continue to innovate and expand its product offering: in Securities Services, by capitalising on changes in regulations in the field of market infrastructure; in Asset Management, by developing high value added products; in all the business units, by rolling out the online banking service offering.

Investment Solutions will continue international business development in fast growing countries, in particular by bolstering platforms in Asia Pacific, Latin America and the Gulf countries. Lastly, Insurance will continue to be a powerful driver of growth within the business unit.

Corporate and Investment Banking (CIB)

In 2013, CIB will continue transforming the business model, whilst bolstering its operations in Asia and North America.

Advisory and Capital Markets will continue to expand the product offering whilst strengthening flow product platforms, developing market infrastructure access and collateral management services and continuing to grow the bond origination businesses.

Corporate Banking will continue its transformation, further increasing client deposits by expanding Cash Management whilst developing a regional approach to be closer to clients.

The roll out of Originate to Distribute will be stepped up by leveraging on already strong positions in syndication, securitisation and bond issues and by developing innovative distribution channels (debt funds).

1.6 Profit Forecasts of Estimates

Not applicable, the Issuer does not provide a profit forecast or estimate.

1.7 Administrative, Management and Supervisory Bodies

(a) 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, amounted to EUR 814,995 during the year ended 31 December 2012.

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

Principal Function:	Chairman of the Board of Directors of BNP Paribas
Office address:	3, rue d'Antin, 75002 Paris, France
Principal outside activities:	**Director of:** Pinault-Printemps-Redoute Veolia Environnement Lafarge Erbé SA (Belgium) Pargesa Holding SA (Switzerland) Institute of International Finance (IIF) **Chairman of:** International Monetary Conference (IMC) **Member of:** International Advisory Panel of the Monetary Authority of Singapore (MAS) International Business Leaders’ Advisory Council (IBLAC) of the city of Shanghai

Michel Pébereau

Principal 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 Total BNP Paribas (Switzerland) SA 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 Fondation BNP Paribas **Honorary Chairman of:** Crédit Commercial de France Supervisory Board of Institut Aspen Institut de l'entreprise **Member of:** Académie des sciences morales et politiques Executive committee of Mouvement des Entreprises de France Steering Committee of Institut de l'entreprise Fondation Nationale des Sciences Politiques Fondation ARC

Pierre-André de Chalendar

Principal 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 Saint-Gobain Corporation GIE SGPM Recherches **Chairman of:** Verallia

Jean-Laurent Bonnafé

Principal Function:	Chief Executive Officer and Director of BNP Paribas
Office address:	3, rue d'Antin, 75002, Paris, France
Principal outside activities:	**Director of:** Carrefour Erbé S.A.(Belgium) Banca Nazionale del Lavoro (Italy) BNP Paribas Fortis (Belgium)

Denis Kessler

Principal 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 Siècle Board of Directors of Association de Genève Global Reinsurance Forum Reinsurance Advisory Board Laboratoire d'Excellence Finance et Croissance Durable (LABEX FCD)

Jean-François Lepetit

Principal Function:	Director of companies
Office address:	30, boulevard Diderot, 75572 PARIS CEDEX 12, France
Principal outside activities:	**Director of:** Smart Trade Technologies SA Shan SA **Member of:** Board of the Qatar Financial Center Regulatory Authority (QFCRA), Doha (Qatar) Conseil de régulation financière et du risque systémique (COREFRIS)

Marion Guillou

Principal Function:	Chairman of Agreenium
Personal address:	19, Villa d'Arcueil – 92170 Vanves , France
Principal outside activities:	**Member of the Board of:** Veolia Environment Sciences-Po Foundation CGIAR **Member of the Supervisory Board of:** Areva as a representative of the State **Member of:** National Council of the Legion of Honour **Chairman of:** Board of Directors of École Polytechnique Joint initiative of research on agriculture and climate change (JPI FACCE) **Director of:**

Imerys
Apave

Nicole Misson

Principal 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

Principal Function:	Administrative Assistant, Customer Transactions Department
Office address:	41, Boulevard du Maréchal Foch, 49000 Angers, France

Laurence Parisot

Principal 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

Principal 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 Genesis Emerging Markets Fund Limited (Guernsey) **Permanent representative of:** Pechel Industries Partenaires (SAS) to Ypso Holding (Luxembourg) Goëmar Holding (Luxembourg) Store Electronic Systems (France) **Member of the Supervisory Board of:** Publicis Groupe Goëmar Développement Laboratoires Goëmar **Manager of:** Hélène Ploix SARL Hélène Marie Joseph SARL Sorepe Société Civile **Member of:** Insitut Français des Administrateurs (IFA)

	Organisation Métrologique Mondiale (OMM)
Christophe de Margerie	
Principal Function:	Chairman and Chief Executive Officer of TOTAL S.A.
Office address:	Total S.A. – 2 place Jean Millier, 92078 Paris La Défense Cedex
Principal outside activities:	**Manager of:**
	CDM Patrimonial SARL
	Member of the Supervisory Board of:
	Vivendi
	Director of:
	Shtokman Development AG (Switzerland)
	Chairman of:
	Total E&P Indonésie
Michel Tilmant	
Principal Function:	Manager of Strafin SPRL (Belgium)
Office address:	Rue du Moulin 10, B – 1310 La Hulpe, Belgium
Principal outside activities:	**Chairman of:**
	Guardian Holdings Limited (Jersey),
	Guardian Acquisitions Limited (United Kingdom)
	Director of:
	Sofina 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	
Principal 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
	Member of the Advisory Board of:
	International Institute for Insurance Regulation (ICIR), Frankfurt (Germany)

	Member of the Board of:
	European Corporate Governance Institute (ECGI), Brussels (Belgium)
Fields Wicker-Miurin	
Principal 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 the Board of Advisors of:
	Battex School of Leadership – University of Virginia

(b) **General Management of 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 18 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 31 December 2012:

i. **Jean-Laurent Bonnafé**, Chief Executive Officer and Director;

ii. **Philippe Bordenave**, Chief Operating Officer;

iii. **Georges Chodron de Courcel**, Chief Operating Officer;

iv. **François Villeroy de Galhau**, Chief Operating Officer;

v. **Jacques d'Estais**, Deputy Chief Operating Officer and Head of Investment Solutions, Personal Finance, and International Retail Banking;

vi. **Alain Papiasse**, Deputy Chief Operating Officer and Head of Corporate and Investment Banking;

vii. **Jean Clamon**, Managing Director and Head of Compliance and Internal Control;

viii. **Marie-Claire Capobianco**, Head of French Retail Banking;

ix. **Stefaan Decraene**, Head of International Retail Banking;

x. **Fabio Gallia**, Head of Italy and Chief Executive Officer and Director of BNL;

xi. **Yann Gérardin**, Head of Global Equities & Commodity Derivatives;

xii. **Maxime Jadot**, Head of BNP Paribas Fortis;

xiii. **Frédéric Janbon**, Head of Fixed Income;

xiv. **Michel Konczaty**, Head of Group Risk Management;

xv. **Thierry Laborde**, Head of BNP Paribas Personal Finance;

xvi. **Eric Lombard**, Head of BNP Paribas Cardif;

xvii. **Yves Martrenchar**[53], Head of Group Human Resources;

xviii. **Eric Raynaud**, Head of the Asia-Pacific Region.

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

(c) **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 2012, the members of the Financial Statements Committee were Louis Schweitzer, Chairman, Denis Kessler, Hélène Ploix until 14 February 2012, Emiel Van Broekhoven, Fields Wicker-Miurin from 2 May 2012 and Thierry Mouchard from 5 November 2012. The majority of the Committee's members have experience and expertise in the areas of corporate financial management, accounting and financial information.

The Committee does not include any members of Executive Management. To ensure that the Committee members have up-to-date information and knowledge, the Group's Chief Financial Officer, who attends its meetings, makes presentations on important subjects, which are then examined and discussed in the presence of the Statutory Auditors.

The Financial Statements Committee met four times in 2012, with a 100% attendance rate. It also met twice with the Internal Control, Risk Management and Compliance Committee.

Since 11 May 2011, the Internal Control, Risk Management and Compliance Committee has been chaired by Jean-François Lepetit. Its members were Jean-Marie Gianno until 14 February 2012, and Michel Tilmant, Nicole Misson and Hélène Ploix from 23 April 2012.

At least two thirds of the committee's members are independent Directors in accordance with the recommendations of the Afep-Medef Code. A majority of its members have specific expertise in financial matters and risk management, either through their training or experience. The Chairman has had executive responsibilities in the banking sector. He has been Chairman of the Commission des Opérations de Bourse (COB), a member of the Board of the Autorité des Marchés Financiers (AMF) and Chairman of the Conseil National de la Comptabilité. Another of the committee's members has international experience in banking management. The committee does not include any members of Executive Management.

The committee met four times in 2012, with a 100% attendance rate.

The members of the Corporate Governance and Nominations Committee was chaired by Claude Bébéar until 23 May 2012, and then by Michel Pébereau from 30 November 2012. Its other members are Laurence Parisot and Daniela Weber-Rey. Apart from Michel Pébereau, who is not

[53] Yves Martrenchar succeeds Frédéric Lavenir.

regarded as independent according to the Afep-Medef criteria, but whose experience, knowledge of the sector and high degree of personal integrity guarantee his freedom of judgment and sense of the public interest, 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 non-voting Directors and on succession planning for corporate officers.

The Corporate Governance and Nominations Committee met three times in 2012, with a 100% attendance rate.

The members of the Compensation Committee were Denis Kessler (Chairman), Jean-François Lepetit, and Hélène Ploix with effect from 10 February 2012. 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-François Lepetit and Hélène Ploix). 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 its deliberations, except where they concern him personally.

The Compensation Committee met six times in 2012, with a 100% attendance rate.

(d) **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".

1.8 Financial Information Concerning the Guarantor's Assets and Liabilities, Financial Position and Profits and Losses

Consolidated financial statements of BNP Paribas for 2011 and 2012 (including Statutory Auditors' Report and Notes to the Financial Statements) and unaudited interim financial data as of 31 March 2013 are incorporated in this Base Prospectus by reference (see “INFORMATION INCORPORATED BY REFERENCE”).

(a) **Legal and Arbitration Proceedings**

Following discussions with the U.S. Department of Justice and the New York County District Attorney’s Office, among other U.S. regulators and law enforcement and other governmental authorities, the Bank is conducting an internal review of certain U.S. dollar payments involving countries, persons and entities that could be subject to economic sanctions under U.S. law in order to determine whether the Bank has, in the conduct of its business, complied with such laws. The review covers a significant volume of transactions that, even though they may not have been prohibited by the laws of the countries of the Bank entities that initiated them, may be considered impermissible under U.S. regulations (and, in particular, those of the Office of Foreign Assets Control). When the Bank completes this review, it will present its findings and arguments to the U.S. authorities. The

Bank is not currently able, on the basis of the transactions identified to date, to estimate without a substantial degree of uncertainty the specific amount or even the general magnitude of the possible consequences of this review (including in terms of fines or penalties) on its results of operation and financial condition. The timing of completion of the review process and subsequent discussions with the U.S. authorities is also uncertain. It should be noted that similar reviews conducted by numerous other financial institutions have often resulted in settlements involving in particular the payment of significant fines and/or penalties depending on the circumstances of each matter.

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 oil-for-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. Oral arguments took place in October 2012. On 6 February 2013, the complaint was dismissed by the United States District Court Southern District of New York (which means that the plaintiff does not have the opportunity to re-file an amended complaint). On 15 February 2013, the Republic of Iraq filed a notice of appeal before the United States Court of Appeals for the Second Circuit.

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 BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these disputes are litigations brought by shareholder groups in The Netherlands and Belgium against (among others) Ageas and BNP Paribas Fortis, in the context of the capital increase of Fortis (now Ageas) completed in

October 2007 in connection with the acquisition of ABN Amro Bank N.V. The Bank is vigorously defending itself in these proceedings.

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.

1.9 Significant Change in Guarantor's Financial or Trading Position

There have been no significant changes in the Group's financial or business situation since the end of the last financial year for which audited financial statements were published, and most notably since the date of the Statutory Auditor's report on the consolidated financial statements (8 March 2013).

1.10 Material Contracts

To date, BNP Paribas has not entered into any material contracts – other than those entered into during the normal course of business – that create an obligation for the entire Group.

TAXATION AND FOREIGN EXCHANGE REGULATION IN THE CZECH REPUBLIC

This chapter summarises certain tax aspects of Czech laws regarding the acquisition, ownership and handling of Bonds and does not purport to be a comprehensive description of all tax-relevant aspects that may be of importance when deciding on investing in the Bonds. This summary does not describe any tax aspects resulting from the laws of any state other than the Czech Republic. It is recommended that parties interested in acquiring the Bonds consult their legal and tax advisors with regard to the tax, foreign exchange and legal consequences of purchasing, selling or holding the Bonds and receiving payments under the tax and foreign exchange legislation in effect in the Czech Republic and the countries where such parties reside, as well as countries in which proceeds from holding or selling the Bonds could be taxed.

The Issuer is, under certain conditions, obliged to withhold and pay withholding tax on income from the Bonds.

Interest Income

Interest income on the Bonds (including also the difference between the nominal value of the Bond and the value at which it is issued, payable upon the Bond’s maturity) paid to (i) an individual or (ii) a taxpayer other than an individual, who is not treated as a resident of the Czech Republic for tax purposes and does not hold the Bonds through a permanent establishment in the Czech Republic, is generally subject to a withholding tax to be withheld (and paid to the tax authorities) by the Issuer. The tax rate is 15% or 35%, unless decreased by an applicable double taxation treaty, if any (see below). The 15% is applicable with respect to recipients, who are tax residents in (i) an EU/EEA-member state or (ii) a country with which the Czech Republic has the effective double tax treaty or the effective double (or multilateral) treaty on the exchange of information. The 35% is applicable with respect to other recipients. The withholding tax generally represents final tax liability in respect of the interest income on the Bond. However, an individual or a taxpayer other than an individual who is treated as resident of the Czech Republic for tax purposes (either of them the **Non-Czech Holder**), but is a tax resident in an EU/EEA-member state, is entitled to declare such interest income in its tax return (filed in the following taxable period) and claim relevant expenses. In such a case, the interest income would be taxed on a net basis (rather than on a gross basis) using standard tax rates (instead of the 15% or 35% withholding tax which will be withheld by the Issuer at the moment of payment but later credited against the tax liability declared in a tax return).

Interest income on the Bonds paid to the Non-Czech Holder, who is not an individual and holds the Bonds through a permanent establishment in the Czech Republic, is generally subject to a securing tax to be withheld (and paid to the tax authorities) by the Issuer, unless the recipient of the interest is a tax resident in an EU/EEA-member state or unless the obligation to withhold is waived based on a tax authority decision. The rate of the securing tax is 10%. The recipient is, in this case, obliged to file a tax return and therein declare the interest income (and claim potential expenses). This means that the interest income would be taxed on a net basis (rather than on a gross basis) using standard tax rates (the 10% securing tax, if applicable, would be credited against the tax liability declared in a tax return).

Interest income on the Bonds paid to a taxpayer other than an individual, who is treated as a resident of the Czech Republic for tax purposes, is not subject to withholding tax. Such holder of the Bonds would include the interest income (on an accrual basis) in its general tax base (subject to corporate income tax at a rate of 19%).

A double tax treaty between the Czech Republic and the country of which the recipient of interest income is resident for tax purposes may reduce or even eliminate the tax imposed on such income in the Czech Republic. The entitlement to such benefit under a double tax treaty may be conditional upon meeting conditions specified in the relevant double tax treaty, e.g. evidence of the recipient's tax residence in the other state or of beneficial ownership of the income by the recipient may have to be produced.

The interest paid to a related foreign legal entity may be, under certain conditions, fully exempt from the Czech corporate income tax (including any withholding tax) under the Council Directive 2003/49/EC of 3 June 2003, on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States (Interest and Royalties Directive), as implemented in the Czech tax law.

Selected categories of taxpayers (e.g., foundations or the Guarantee Fund of securities traders) are exempt from tax on interest income, subject to certain conditions.

Capital gains/Losses

Non-Czech Holders

Income realised by Non-Czech Holders not holding the Bonds through a permanent establishment in the Czech Republic, from the sale of the Bonds to other Non-Czech Holders, not purchasing the Bonds through a permanent establishment in the Czech Republic, will not be subject to taxation in the Czech Republic.

Income realised by Non-Czech Holders, whether holding the Bonds through a permanent establishment in the Czech Republic or not, from the sale of the Bonds to an individual who is for tax purposes treated as a resident of the Czech Republic or to a taxpayer other than an individual who is for tax purposes treated as a resident of the Czech Republic (either of them further referred as the Czech Holder) or to a Non-Czech Holder acquiring the Bonds through a permanent establishment in the Czech Republic, will be subject to taxation in the Czech Republic, unless:

- the Non-Czech Holder realising that income is resident for tax purposes in a country within the meaning of a double taxation treaty between that country and the Czech Republic, pursuant to the terms of which the right to tax that income is conferred exclusively to the former country, is the beneficial owner of that income, is entitled to enjoy the benefits of that double taxation treaty and does not have a permanent establishment in the Czech Republic to which that income would be attributable; or

- the Non-Czech Holder who is an individual (i) having held the Bonds for more than six months prior to their sale and the Bonds have not been held in connection with the business activities of the Non-Czech Holder or if so, (ii) the Bonds will be sold after six months following the termination of such business activities at the earliest. However, please note that this exemption is not straightforward if the individual held shares in the registered capital of the Issuer or its voting rights exceeded 5% in the 24-month period prior to the sale of the Bonds. In such a case, the applicable tax treatment will be reconfirmed by the investor's own tax advisor.

Income realised by Non-Czech Holders holding the Bonds through a permanent establishment in the Czech Republic or from the sale of the Bonds will be subject to taxation in the Czech Republic regardless of the status of the buyer.

If income realised by a Non-Czech Holder, whether holding the Bonds through a permanent establishment in the Czech Republic or not, from the sale of the Bonds is subject to taxation in the Czech Republic (as discussed in the foregoing paragraphs), a Czech Holder or a permanent establishment in the Czech Republic of a Non-Czech Holder paying that income will be obliged to withhold an amount of 1% on a gross basis representing the securing tax, unless the Non-Czech Holder selling the Bonds is a tax resident in an EU/EEA-member state or unless the obligation to withhold is waived based on a tax authority decision. The tax security will be credited against the final tax liability of the Non-Czech Holder selling the Bonds.

Furthermore, please note that the income realised by a Non-Czech Holder, who is an individual, might be subject to specific withholding tax regardless of the length of the holding period. For further details see "Taxation – Acquisition of own Bonds" below.

Czech Holders

Individuals or taxpayers who are treated as residents of the Czech Republic for tax purposes (the **Czech Holders**) who are subject to Czech accounting standards for entrepreneurs or to Czech accounting standards for financial institutions and who hold the Bonds for the purposes of trading may be, under certain conditions, required to re-measure the Bonds to fair value for accounting purposes, whereby the unrealised gains or losses would be accounted for as revenues or expenses, respectively. Such revenues are generally taxable and the corresponding expenses are generally tax deductible for Czech tax purposes.

Any gains upon the sale of the Bonds will generally be taxable, unless exempt from tax, at the standard tax rates and in the case of Czech Holders who keep accounting books (in principle, all legal entities and certain individuals), any losses will generally be tax deductible. By contrast, a loss realised by Czech Holders who are individuals other than those mentioned in the preceding sentence is generally non-deductible, except where such loss is compensated by taxable gains on sales of other securities and the income from the sale of the Bonds is not exempt from tax.

In the case of Czech Holders who are individuals, any gain derived from the sale of the Bonds is exempt from Czech personal income tax if (i) the individual has held the Bonds for more than six months prior to their sale and the Bonds have not been held in connection with the business activities of the Czech Holder or if so, (ii) the Bonds will be sold after six months following the termination of such business activities at the earliest. However, please note that this exemption is not straightforward if the individual held shares in the registered capital of the Issuer or its voting rights exceeding 5% in the 24-month period prior to the sale of the Bonds. In such a case, the applicable tax treatment will be reconfirmed with the investor's own tax advisor.

Furthermore, please note that the income realised by a Czech Holder, who is an individual, might be subject to specific withholding tax regardless of the length of the holding period. For further details see “Taxation – Acquisition of own Bonds” below.

Acquisition of own Bonds

Notwithstanding above, the Czech tax law is not straightforward with respect to tax treatment in situations when the Bonds are bought back by the Issuer. There is a risk that the purchase price payable by the Issuer for the Bonds, where the seller of the Bonds is an individual, would be subject to Czech withholding tax. In this case, the tax base calculated as the difference between the acquisition price and the value at which the Bond was issued would be subject to 15%.

Foreign exchange regulation

The bonds do not constitute foreign securities in the meaning of the Act No. 219/2995 Coll., the Foreign Exchange Act, as amended (the **Foreign Exchange Act**). Therefore, their issue and acquisition is not subject to foreign exchange regulation in the Czech Republic.

The Bonds are deemed to be inland securities within the meaning of the Foreign Exchange Act. Their acquisition is to a limited extent subject to foreign exchange regulations in the Czech Republic.

Under the Czech Foreign Exchange Act, no foreign exchange license/permit is required for individual purchases or sales of inland securities by Czech nationals or foreigners, nor for inland securities trading as a business activity. However, transactions with inland securities can be subject to a reporting obligation or limited as stated below.

At a time of emergency in the foreign exchange economy, when the internal monetary stability of the Czech Republic is immediately and seriously jeopardised, it is forbidden, *inter alia*, to sell inland securities to foreigners, unless a foreign exchange authority has granted a special permit. The Czech government may declare a state of emergency in the foreign exchange economy when the balance of payments develops unfavourably, and directly and seriously jeopardises the ability to make payments to other countries or the internal monetary balance of the Czech Republic. The state of emergency in the foreign exchange economy will terminate no later than three months following the date of its announcement in the media.

ENFORCEMENT OF CIVIL LIABILITIES AGAINST THE ISSUER

The information specified in this section is solely presented as general information characterising the legal situation, and was obtained from public documents. Neither the Issuer nor the Programme Arrangers nor their advisers are making any representation with regard to the accuracy or completeness of the information specified herein. Potential purchasers of the Bonds should not rely on the information presented herein, and are advised to consult with their own legal advisors on any issues relating to the enforcement of private law obligations against the Issuer in each applicable country.

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 judgments against the Issuer before any foreign courts or to enforce judgments 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 judgments, the execution of court judgments given in any such state is provided in compliance with the provisions of that particular international treaty. In the absence of such treaty, judgments issued by foreign courts may be recognised and executed in the Czech Republic subject to the provisions of the Act No. 97/1963 Coll., the Private International Law and Rules of Procedure Act, as amended (the **Private International Law Act**). Under Private International Law Act no rulings of any foreign courts in cases described in Section 1 of the Private International Law Act, conciliations before foreign courts, and foreign notary deeds (jointly the **Foreign Rulings**), may be recognised and enforced if:

(a) 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;

(b) a final judgment has been rendered in the same matter by a court in the Czech Republic, or a final judgment of a foreign court has been recognised;

(c) a foreign judicial body deprived the party against whom the judgment was rendered of the right to take part in the proceedings, especially if such person had not been duly served process;

(d) recognition of a foreign judgment would be contrary to public order in the Czech Republic; and

(e) 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 judgments in such country.

In connection with accession of the Czech Republic to the European Union, the Council Regulation No. ES/44/2001 of 22 December 2000, on competence, recognition and execution of court rulings in civil and trade matters, is directly applicable in the Czech Republic. Upon this regulation court rulings in civil and trade matters issued by judicial authorities in EU Member States 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.

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 pursuant to a French law governed joint and several guarantee (in French, *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.

As permitted by Article 2298 of the French Civil Code and as 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 (a) an Event of Default has occurred and an Acceleration Notice has been served on the Issuer as described in Section 9 of the Joint Terms and Conditions of the Bonds; and that (b) 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 Appeals (in French, *Cour d'Appel de Paris*) 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 judgment 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 No. EC/44/2001 of 22 December 2000, on jurisdiction and the recognition and enforcement of judgments in civil matters.

SUBSCRIPTION AND SALE

Under this Bond Programme, the Issuer is entitled to issue from time to time series of Bonds, whereas the aggregate nominal value of all outstanding Bonds issued under the Programme may not at any time exceed CZK 10,000,000,000. Bond Issues made under the Programme will be offered for subscription and sale in the Czech Republic.

The Joint Terms and Conditions as reproduced further above in the chapter "Joint Terms and Conditions" of this Base Prospectus which will be the same for each Bond Issue issued under the Bond Programme, were further made accessible to the investors through their publication on www.cetelem.cz and at the registered office of the Issuer in paper form during regular office hours from 9:00 a.m. to 16:00 p.m. CET. Such Joint Terms and Conditions of the Bond Programme, along with the relevant Bond Programme Supplements or, where applicable, the relevant Issue Supplement, which the Issuer will draw up in connection with each Bond Issue and which the Issuer will publish or make accessible to the investors entitle the Issuer to issue Bonds in accordance with the laws of the Czech Republic in force at the time of the respective Issue.

If individual Bond Issues are to be admitted to trading on a regulated market in order for the Bonds within such Issue to become listed securities, the Issuer will apply for their admission to trading on Regulated market (in Czech, *Regulovaný trh*) of the PSE or any other regulated market of or organised by the PSE. The relevant market of the PSE where the Bonds may be admitted to trading will be specified in the relevant Issue Supplement issued by the Issuer in respect of that Bond Issue. The Issue Supplement may also contain a note that the Bonds will not be admitted to trading on any market (whether regulated or non-regulated).

The Issuer or its authorised 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 Capital Markets Act on the basis of the exceptions stated in Section 35(2)(a) or (b) of the Capital Markets Act. 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 authorised and does not intend to authorise 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.

Aside from the above, the Issuer urges underwriters and purchasers of the Bonds issued under the Bond Programme to comply with the provisions of all applicable laws and regulations in effect in any jurisdiction (including the Czech Republic) where they will purchase, offer, sell, or deliver the Bonds issued by the Issuer under the Bond Programme, or where they will distribute, make available, or otherwise circulate this Base Prospectus (including supplements, if any), any Issue Supplement, or any other offering or promotional material or information related to the Bonds, in all cases at their own cost and irrespective of whether the Base Prospectus and its supplements, the relevant Issue Supplement, or such other offering or promotional material or information related to the Bonds is in printed form or in an electronic or other intangible form only.

The Issuer assumes no liability for the actions of individuals, who, in conflict with the provisions of the Capital Markets Act, make a public offering of Bonds without a publication of the prospectus for these Bonds (where applicable). Such individuals are fully responsible for their own actions, and the CNB may impose sanctions on them for violation of laws.

Each person who acquires a Bond issued under the Bond Programme will be deemed to have represented and agreed that (i) such person is familiar with all the relevant restrictions on the offer and sale of the Bonds (especially in the Czech Republic) related to such person and the relevant method of offer or sale, (ii) such person will not offer for resale or resell the Bonds without complying with the relevant restrictions applicable to such person and to the relevant method of offer and sale, and (iii) before offering for resale or reselling the Bonds, such person will inform the potential investors that the offer for resale or the resale of the Bonds may in various jurisdictions be subject to statutory restrictions that must be observed.

United States

The Bonds have not been and will not be registered under the Securities Act and thus may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, unless the Bonds are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

Each Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Bonds constituting part of its allotment within the United States, except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds. Each Lead Manager has agreed that it has not solicited and will not solicit offers for, or offer or sell, Bonds by means of any general solicitation or advertising in the United States or otherwise in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

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

United Kingdom

Each Lead Manager has represented, warranted and agreed that:

(a) *No deposit-taking:* in relation to any Bonds having a maturity of less than one year:

 (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

 (ii) it has not offered or sold and will not offer or sell any Bonds other than to persons:

  (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

  (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

 where the issue of the Bonds would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(b) *Financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) General *compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

Internal Approval

The establishment of 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.

Approval of Base Prospectus

The Joint 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. 2013/7134/570, Sp. zn. Sp/2013/27/572 dated 19 June 2013, which became final and effective on 19 June 2013.

Governing Law

This Programme and any Bonds issued under this Programme will be governed by the relevant legislation, specifically the Bonds Act, the Capital Markets Act and by the respective applicable laws of the public securities markets where the relevant Bond Issues are to be listed.

Interest of Persons Involved in Issuance and Offering of Bonds

Certain of the Arrangers, Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

No Significant or Material Change

No material negative changes in the financial situation of the Issuer or its group occurred between 31 December 2012 and the date of this Base Prospectus in connection with the Programme or any Bonds issued under the Programme.

Auditors

The final accounts of CETELEM ČR, 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 No. 639 86 884; namely by Mr. Milan Prokopius, verification number 2022, residing in Prague 7, Sádky 785/2, Postal Code 171 00, Czech Republic.

Disputes

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 any Bond Issue which could have a negative impact on its financial situation or on the financial situation of its group.

Guarantee

The Bond liabilities have been fully, unconditionally and irrevocably guaranteed by BNP Paribas.

Documents on Display

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.

Date of Base Prospectus

This Base Prospectus was completed as of 14 June 2013.

DEFINITIONS

In this Base Prospectus, the following terms will have the meaning as specified below. The terms not defined below will have the meaning ascribed to them in the Joint Terms and Conditions, unless the context of their use in this Base Prospectus requires otherwise.

Base Prospectus or Prospectus means this document.

Bond Issues or **Issues** or **Bonds** means individual bond issues issued under the Bond Programme.

Bond Programme or **Programme** means the CZK 10,000,000,000 bond programme of the Issuer for the issuance of Bonds.

Bond Programme Supplement (in Czech, *doplněk dluhopisového programu*) means a supplement to the general terms and conditions of the Bond Programme prepared for each individual Bond Issue in accordance with Section 11 of the Bonds Act.

Bonds Act means the Act No. 190/2004 Coll., on Bonds, as amended.

Capital Markets Act means the Act No. 256/2004 Coll., on Capital Market Undertakings, as amended.

Consumer Credit Act means the Act No. 145/2010 Coll., on Consumer Credits, as amended.

CNB or **Czech National Bank** means a legal entity established by the Act No. 6/1993 Coll., on the Czech National Bank, as amended, or as the case may be, its legal successor.

Czech Holders means individuals or taxpayers who are treated as residents of the Czech Republic for tax purposes.

CZK means Czech Koruna, the lawful currency of the Czech Republic.

Data Protection Act means the Act No. 101/2000 Coll., on the Personal Data Protection, as amended.

EU means the European Union.

EUR means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Final Terms and Conditions (in Czech, *konečné podmínky*) means final terms for an individual Bond Issue in accordance with Section 36a of the Capital Markets Act, PD Regulation and Prospectus Directive.

Foreign Exchange Act means the Act No. 219/2995 Coll., the Foreign Exchange Act, as amended.

French Civil Code means the French *Code Civil*.

Guarantor or **BNP Paribas** means BNP Paribas, with its registered office at 16, Boulevard des Italiens 75009 Paris, France, ID No.: 662 042 449, incorporated in the Trade and Company Register (in French, *Registre du Commerce et des Sociétés*) administered by the Commercial Court in Paris (in French, *Tribunal de Commerce de Paris*).

Issue Supplement means a document prepared for each individual Bond Issue which is to contain the Bond Programme Supplement and, if the Issuer chooses to apply for admission of the Bond Issue to trading on the regulated market, the Final Terms and Conditions in respect of the Bond Issue.

Issuer or **CETELEM ČR** or **Company** means CETELEM ČR, a.s., with its registered office at Prague 5, Karla Engliše 5/3208, Postal Code 150 00, Identification No. 250 85 689, Czech Republic, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, Insert No. 4331.

Joint Terms and Conditions means the issue terms of the Bond Programme specified in chapter "*Joint Terms and Conditions*" of this Base Prospectus.

Market Interest Rate means the current interest rate on the capital market.

New Civil Code means the Act No. 89/2012 Coll., the Civil Code.

Non-Czech Holder means an individual or a taxpayer other than an individual who is treated as resident of the Czech Republic for tax purposes.

Paris Business Day means any day when banks are open for business and interbank trades are cleared in Paris, France.

PD Regulation means the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses, as well as the format, incorporation by reference and publication of such prospectuses and the dissemination of advertisements, as amended.

Private International Law Act means the Act No. 97/1963 Coll., the Private International Law and Rules of Procedure Act, as amended.

Programme Arranger or **Arranger** means Raiffeisenbank a.s., with its registered office at Praha 4, Hvězdova 1716/2b, Postal Code 140 78, Identification No. 492 40 901, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 2051, BNP Paribas and Česká spořitelna, a.s., with its registered office at Praha 4, Olbrachtova 1929/62, Postal Code 140 00, Identification No. 452 44 782, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 1171, or any other entity, as may be authorised to perform the same by the Issuer

Prospectus Directive means the Directive No. 2003/71/EC of the European Parliament and of the Council of 4 November 2003, on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended.

PSE means Burza cenných papírů Praha, a.s., with its registered office at Rybná 14/682, Prague 1, Postal Code 110 00, Czech Republic, Identification No. 471 15 629, entered in the Commercial Register administered by the Municipal Court in Prague, Section B, File No. 1773.

United Kingdom means he United Kingdom of Great Britain and Northern Ireland.

U.S. Securities Act means the U.S. Securities Act of 1933, as amended.

USD means the United States dollar, the lawful currency of the United States of America.

THE ISSUER

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