$[____] 7-YEAR INCOME ADVANTAGE MARKET-LINKED CERTIFICATES OF DEPOSIT LINKED TO AN EQUITY BASKET WITH A MINIMUM ANNUAL INTEREST PAYMENT due April 29, 2024

Preliminary Supplement Issued March 31, 2017 (Subject to Completion)

The final terms of the CDs will be determined on the Pricing Date and will be set forth in the final Supplement, which will be delivered to you after the Pricing Date.

INDICATIVE TERMS	
Issuer	Bank of the West, San Francisco, California
Reference Assets	Basket of Reference Shares described herein
Deposit Amount	The face amount of the CD
Minimum Denominations	$1,000 and increments of $1,000 thereafter
Reference Shares	Shares of the ordinary common stock of
	AbbVie Inc.
	AT&T Inc.
	Cisco Systems, Inc.
	Duke Energy Corporation
	Emerson Electric Co.
Redemption Proceeds	Deposit Amount plus any Interest Payment due on the Maturity Date
Interest Payments	On each annual Interest Payment Date, the Issuer will pay an amount equal to the Deposit Amount multiplied by the applicable Interest Rate determined on the relevant Valuation Date
Interest Rate	The greater of (A) the Minimum Interest Rate *or* (B) the Performance-Based Interest Rate as calculated on the relevant Valuation Date
Performance-Based Interest Rate	If the Valuation Share Price of every Reference Share is greater than or equal to its corresponding Initial Share Price, an amount equal to 10.00%; or If the Valuation Share Price of one or more Reference Shares is less than its corresponding Initial Share Price, zero
Minimum Interest Rate	0.25%
Valuation Share Price	The Closing Price (as defined herein) of the relevant Reference Share on the applicable Valuation Date
Initial Share Price	The Closing Price of the relevant Reference Share on the Pricing Date
FDIC Insurance	The Deposit Amount, together with other deposits with the Bank held in the same right and capacity, is insured by the FDIC up to the applicable FDIC insurance limits
Calculation Agent	Bank of the West, San Francisco, California
CUSIP	06426XSK7
CD Series Number	395
Callable by Issuer	Inapplicable
Estimated Value	$[924.70 – 944.70] (to be set on the Pricing Date)
Placement Fee	Up to 4.425% of the Deposit Amount (up to $44.25 per $1,000.00 Deposit Amount)

CD SUMMARY

Our Market-linked Certificates of Deposit (**"CDs"**) provide the ability to participate in appreciation of the Reference Shares, subject to a cap, over the term of the CDs.

Purchasers should be willing to receive only the Minimum Interest Rate of 0.25% in exchange for the potential to receive higher variable annual Interest Payments depending on the performance of the Reference Shares.

Key Points

- ANNUAL INTEREST: The CDs offer minimum annual interest payments and the opportunity to receive additional fixed annual interest payments based on the performance of the Reference Shares. Your participation in the appreciation of the Reference Shares is limited to a maximum of 10.00%, but your exposure to depreciation is also limited as purchasers will receive at least the Minimum Interest Rate.
- DEPOSIT RETURN: Purchasers will receive a full return of their deposits at maturity.
- FDIC Insurance: The CDs qualify for Federal Deposit Insurance Corporation (**"FDIC"**) coverage generally up to $250,000 in the aggregate with other deposits held with the Bank in the same right and capacity. Payments for amounts in excess of statutory limits are subject to the credit risk of the Issuer.

Key Dates

Pricing Date:	April 24, 2017
Issue Date:	April 27, 2017
Maturity Date:	April 29, 2024
Annual Interest Payment Dates:	April 27, 2018, April 29, 2019, April 27, 2020, April 27, 2021, April 27, 2022, April 27, 2023, and April 29, 2024

Purchasing the CDs involves a number of risks. See "Risk Factors" in the Disclosure Statement and "Additional Risk Factors" in this Supplement.

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ADDITIONAL TERMS SPECIFIC TO THE CDs

Bank of the West, San Francisco, California (**"we," "us"** or the **"Bank"**) is offering the Market-linked Certificates of Deposit (the **"CDs"**) described in this Supplement. Payments on the CDs will be linked to the performance of the ordinary common stock of the following companies (the **"Reference Shares"**) over the term of the CDs:

AbbVie Inc. (NYSE:ABBV)
AT&T Inc. (NYSE:T)
Cisco Systems, Inc. (NASDAQ:CSCO)
Duke Energy Corporation (NYSE:DUK)
Emerson Electric Co. (NYSE:EMR)

REFERENCE SHARE INFORMATION: You may review publicly available information in respect of the issuer of each Reference Share. We are not responsible for such issuers' public disclosure of information on themselves or the Reference Shares, whether contained in filings with the U.S. Securities and Exchange Commission (the **"SEC"**) or otherwise. No information on file with the SEC, posted on a website or that is otherwise publicly available that refers to such issuers will be "incorporated by reference" herein or in the Disclosure Statement. None of the Bank or any of its affiliates will undertake to review the financial condition or affairs of the issuers or the Reference Shares during the term of the CDs, nor will any of them advise you of any information about the Reference Shares or the issuers thereof that comes to the attention of any of them.

You should read this Supplement together with the Disclosure Statement (the "Disclosure Statement") dated March 31, 2017. This Supplement and the Disclosure Statement contain the terms of the CDs and supersede all prior or contemporaneous oral statements as well as any other written materials, including preliminary or indicative pricing terms.

TERMS OF ISSUANCE: The CDs will be offered by the Bank and sold by BNP Paribas Securities Corp. (**"BNP Paribas Securities"**) and other brokers from March 31, 2017 through 2:00 p.m. New York time on April 24, 2017. The CDs will be issued as of April 27, 2017. The CDs will be made available in minimum denominations of $1,000 and in $1,000 increments thereafter.

PAYMENTS AT MATURITY: The CDs will mature on April 29, 2024 (the **"Maturity Date"**), subject to postponement as described below. On the Maturity Date, you will receive the amount deposited in the CD (prior to any deduction of a placement fee amount or the application of any discount, the **"Deposit Amount"**) plus the Interest Payment then due. Early withdrawal of the Deposit Amount is permitted only in the event of death or adjudication of incompetence of the beneficial owner of the CD. See **"Additions and Withdrawals"** on page 7 of the Disclosure Statement.

INTEREST PAYMENTS: An Interest Payment will be made on each Interest Payment Date. The Interest Rate with respect to each Interest Payment Date will be the greater of (i) the Minimum Interest Rate *or* (ii) the Performance-Based Interest Rate. The Performance-Based Interest Rate will be an amount greater than zero for any Interest Payment Date only if the Closing Price (as defined herein) of each Reference Share on the applicable Valuation Date (**"Valuation Share Price"**) is greater than or equal to the corresponding Closing Price of such Reference Share on the Pricing Date (**"Initial Share Price"**). Consequently, the Interest Rate will be variable and will equal either (i) 10.00%, if the Valuation Share Price of every Reference Share on the applicable Valuation Date is greater than or equal to its corresponding Initial Share Price or (ii) 0.25%, if the Valuation Share Price of one or more Reference Share on the applicable Valuation Date is less than its corresponding Initial Share Price. The Interest Rate will never exceed 10.00% or be less than 0.25%.

The **"Interest Payment Dates"** and corresponding **"Valuation Dates"** will occur annually as provided below, with the final Interest Payment Date occurring on the Maturity Date, in each case subject to adjustment in the event of the occurrence of a Market Disruption Event as described below.

Valuation Date	Interest Payment Date
April 24, 2018	April 27, 2018
April 24, 2019	April 29, 2019
April 22, 2020	April 27, 2020
April 22, 2021	April 27, 2021
April 22, 2022	April 27, 2022
April 24, 2023	April 27, 2023
April 24, 2024	April 29, 2024

The Valuation Date for each Interest Payment Date will be the date indicated on the chart above. If any Valuation Date provided in the chart above falls on a day that is not a Trading Day due to a Market Disruption Event (as defined below) or otherwise, the Valuation Date will be rescheduled to the immediately following Trading Day and the Interest Payment Date will be rescheduled to the third Trading Day following such rescheduled Valuation Date. The Interest Payment will be made on the rescheduled Interest Payment Date, but no additional interest will accrue or be payable as a result of the rescheduling. If the Maturity Date or any Interest Payment Date is not a business day (as defined in the Disclosure Statement), the payment will be made on the next succeeding business day, but no additional interest will accrue as a result of such delay. After a rescheduled Valuation Date due to a Market Disruption Event with respect to one or more Reference Shares, the Performance-Based Interest Rate for each Reference Share on such Valuation Date, as rescheduled, will be determined using (1) with respect to any Reference Share that was subject to the Market Disruption Event, the Closing Price (as defined below) of one share of such Reference Share on such Valuation Date, as rescheduled, or (2) with respect to any other Reference Share, the Closing Price of one share of such Reference Share on the originally scheduled Valuation Date.

If any Reference Share has not traded on the Relevant Exchange (as defined below) for ten Trading Days after the originally rescheduled Valuation Date, the Closing Price of such Reference Share on such Valuation Date will be determined by us as Calculation Agent in good faith based on our assessment of the market value of such Reference Share on that tenth Trading Day.

The "**Closing Price**" for one share of any Reference Share on any Trading Day means the last reported sale price on the New York Stock Exchange (the "**NYSE**"), or, in the case of The NASDAQ Stock Market (the "**NASDAQ**"), the official closing price of the principal trading session on such day on the principal United States securities exchange registered under the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**"), on which such Reference Share is listed or admitted to trading (the applicable exchange, the "**Relevant Exchange**").

A "**Trading Day**" is, with respect to any Reference Share and any Relevant Exchange, a day, as determined by us as Calculation Agent, on which trading is scheduled to be conducted on the NYSE or the NASDAQ, as applicable, for their respective regular trading sessions.

A "**Market Disruption Event**" means the occurrence or existence of any of the following conditions with respect to a Reference Share that we, as Calculation Agent, determine in our sole discretion:

(i) any suspension of or limitation imposed on trading by the Relevant Exchange or any related exchange (a "**Related Exchange**") on which the Reference Share is traded, or otherwise, whether by reason of movements in price exceeding limits permitted by the Relevant Exchange or any Related Exchange or otherwise, (A) relating to such Reference Share or (B) in any futures or options contracts relating to such Reference Share;

(ii) any event (other than an event described in (iii) below) that disrupts or impairs (as determined by us as Calculation Agent in our sole discretion) the ability of market participants in general (A) to effect transactions in, or obtain market values for, such Reference Share or (B) to effect transactions in, or to obtain market values for, any futures or options contracts relating to the Reference Shares;

(iii) the closure on any day scheduled to be a Trading Day of the Relevant Exchange relating to such Reference Share or any Related Exchange before its Scheduled Closing Time (as defined below) unless such earlier closing time is announced by the Relevant Exchange or such Related Exchange at least one hour before the actual closing time for the regular trading session on the Relevant Exchange or such Related Exchange on such Trading Day;

(iv) the Relevant Exchange or Related Exchange for the Reference Share fails to open for trading during its regular trading session; or

(v) any other event, if the Calculation Agent determines that the event interferes with our ability or the ability of any of our affiliates to unwind all or a portion of a hedge with respect to the CDs that we or our affiliates have effected or may effect as described under Hedging in the Disclosure Statement.

"**Scheduled Closing Time**" means the scheduled weekday closing time of the Relevant Exchange or Related Exchange, as the case may be, on any day scheduled to be a Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

ADJUSTMENT OF THE REFERENCE SHARE PRICES: Following the occurrence of one or more corporate events affecting any Reference Share, such as a stock split, tender or exchange offer, in-kind distribution, extraordinary dividend, merger and other consolidation transaction, liquidation or similar event (each, an **"Adjustment Event"**), we as Calculation Agent will determine whether the event has a diluting or concentrative effect on the theoretical value of the relevant Reference Share and, if so, will adjust the terms of the CDs as, in our sole discretion on a basis consistent with market practice, may be necessary in order to account for the economic effect of such event (any such change, an "**Anti-Dilution Adjustment**").

We, as Calculation Agent, will be solely responsible for the determination of the occurrence of an Adjustment Event and the calculation or implementation of any Anti-Dilution Adjustment. Our determinations as to whether any Adjustment Event has occurred and calculations of any Anti-Dilution Adjustment will be conclusive absent manifest error.

INTENDED TAX TREATMENT: The proper U.S. federal income tax treatment of the CDs is uncertain. You and we agree to treat the CDs as "variable rate debt instruments" for U.S. federal income tax purposes. Assuming this characterization is respected, interest paid on the CDs should generally be taxable to you as ordinary interest income at the time it accrues or is received in accordance with your regular method of accounting for U.S. federal income tax purposes. In general, gain or loss realized on the sale, exchange or other disposition of the CDs will be capital gain or loss. Payments with respect to the CDs to Non-U.S. Holders (as defined in the accompanying Disclosure Statement under the caption "Certain U.S. Federal Income Tax Consequences") should not be subject to withholding under section 871(m) of the Internal Revenue Code of 1986, as amended. However, that provision, which imposes a withholding tax of up to 30% on "dividend equivalents" paid to non-U.S. persons in respect of certain financial instruments linked to U.S. equities, is highly complex and the IRS could challenge our conclusion that it does not apply to the CDs. Non-U.S. Holders of CDs should note that withholding agents with respect to the CDs may withhold on a payment to a non-U.S. Holder. To the extent we are required to withhold under section 871(m) with respect to payments on the CDs, we will so withhold and will not be required to pay any additional amounts with respect to amounts withheld. You should review carefully the section entitled "Certain U.S. Federal Income Tax Consequences" in the accompanying Disclosure Statement and consult your tax adviser regarding your particular circumstances.

CDs involve certain risks. Purchasing a CD is not equivalent to investing directly in any one or more of the Reference Shares. In addition, your purchase of a CD entails other risks not associated with an investment in conventional bank deposits. The CDs may not be appropriate for you. You should carefully review the terms in the "Key Risks" and "Additional Risk Factors" set forth below and in the "Risk Factors" beginning on page 4 of the accompanying Disclosure Statement before you decide that a CD is suitable for you. We urge you to consult your investment, legal, tax, accounting and other advisers before you purchase a CD.

KEY RISKS

- ***The CDs are designed to be held to maturity and you do not have the right to withdraw your funds before then, except in the case of death or adjudication of incompetence. You should not purchase our CDs unless you plan to hold them to maturity.***
- ***No secondary market is expected to develop for the CDs. Your CDs will not be listed on any securities exchange or included in any interdealer market quotation system. As a result, there may be little or no secondary market for your CDs. The price, if any, at which a broker or any other potential buyer may be willing to purchase CDs from you in secondary market transactions will likely be lower than the issue price, and any sale prior to maturity could result in a substantial loss to you and you may receive less than your Deposit Amount.***
- ***The deposit is a liability of the Bank and, to the extent in excess of the limits of deposit insurance, is subject to the Bank's creditworthiness and may be lost on insolvency of the Bank. Any accounts or deposits you maintain directly with the Bank in the same right and capacity as you maintain your CDs would be aggregated with such CDs for purposes of calculating insurance coverage limits.***
- ***FDIC coverage limits apply in the event of an insolvency of the Bank. As described in more detail in the accompanying Disclosure Statement, the FDIC standard maximum deposit insurance amount is $250,000 per depositor per insured bank.***
- ***The Interest Rate on the CDs may never exceed the Minimum Interest Rate and will be subject to a cap. Therefore, the return on your investment in the CDs may be less than the amount that would be paid on a conventional CD or other bank deposit issued by us with a similar maturity.***
- **The issue price of each CD of $1,000 includes certain costs that are borne by you. Because of these costs, the estimated value of the CDs on the Pricing Date will be less than the Deposit Amount. The costs included in the issue price relate to selling, structuring, hedging and issuing the CDs, as well as to the Bank's funding considerations for certificates of deposit of this type. (Please see Estimated Value of the CDs on page 2 of the Disclosure Statement for more information).**

ADDITIONAL RISK FACTORS

You will have no ownership rights in the Reference Shares.

Purchasing a CD is not equivalent to a direct investment in the Reference Shares. As a purchaser of a CD, you will not have any ownership interest or rights in the Reference Shares, such as voting rights, dividend payments or other distributions.

The amount you receive as a CD purchaser, which will only include the Interest Payments and the return of the Deposit Amount, will not reflect any dividends paid on the Reference Shares that you would receive if you actually owned the Reference Shares.

We are not affiliates of the issuers of the Reference Shares.

We are not affiliates of the issuers of the Reference Shares and such issuers are not involved in our issuance of the CDs in any way. Consequently, we have no control over the actions of the issuers of the Reference Shares, including any corporate actions of the type that would require Anti-Dilution Adjustments. The issuers of the Reference Shares have no obligation to consider your interest as a purchaser of a CD in taking any corporate actions that might affect the value of your CDs. We may have other relationships with the issuers of Reference Shares and reserve the right to take any action we deem to be in our interest in connection with such relationship regardless of its effect on the value of the Reference Shares or the performance of the CDs.

Any Interest Rate in excess of the Minimum Interest Rate will be based on the performance of the Reference Shares.

Because the performance of the Reference Shares is uncertain, the Closing Prices of the Reference Shares may never all equal or exceed their corresponding Initial Share Prices on the same Valuation Date, and any or all of the Interest Payments may be based on the Minimum Interest Rate. The historical prices of each Reference Share should not be taken as an indication of future performance, and no assurance can be given as to the Closing Prices of the Reference Shares on any Valuation Date. Moreover, the Interest Rate will never exceed the Performance-Based Interest Rate. On each Interest Payment Date, you will receive the maximum Interest Rate equal to the Performance-Based Interest Rate only if the Valuation Share Price of every Reference Share is greater than or equal to its corresponding Initial Share Price.

Future performance of the Reference Shares cannot be predicted based on actual historical performance.

The future performance of the Reference Shares cannot be predicted based on the historical performance of the Reference Shares. The values of the Reference Shares will be influenced by complex and interrelated political, economic, financial and other factors that can affect the capital markets generally and the equity trading markets on which the Reference Shares are traded, as well as by circumstances that can affect issuers in a specific industry sector. It is impossible to predict whether the value of the Reference Shares will rise or fall during the term of the CDs.

Calculation of the amount of the Interest Rate on your CD will not take into account fluctuations in the prices of the Reference Shares over time.

The performance or Closing Price of any Reference Share, other than its Closing Price on a Valuation Date, will have no bearing on the amount of any Interest Payment. It is possible that the Closing Price on any Valuation Date may be lower than the opening price on such day and lower than the Closing Price on other days since the Pricing Date. For example, if there is significant volatility in the Closing Prices of the Reference Shares between the Pricing Date and a Valuation Date, the Closing Prices on the relevant Valuation Date and therefore the Performance-Based Interest Rate calculated on such Valuation Date, may be lower than if the Performance-Based Interest Rate had been calculated using the Closing Prices for the Reference Shares from a different date or using intraday prices for the Reference Shares from the same date.

The Reference Shares may be highly concentrated in one or more geographic regions, industries or economic sectors.

A financial crisis or other event in any geographic region, industry or economic sector in which the Reference Shares are highly concentrated could have a negative impact on some or all of such Reference Shares and, consequently, could result in lower Interest Payments on the CDs.

Correlation (or lack of correlation) of performances among the Reference Shares may reduce the performance of the CDs.

The amount of the Performance Based Interest Rate will be determined by price movements of the Reference Shares. Correlation of the performances among the Reference Shares may be very low from time to time during the term of the CDs, including, but not limited to, a period in which there is a substantial increase in the primary markets for the Reference Shares. Price movements in the Reference Shares may change such that the performance of the Reference Shares on any Valuation Date may not correlate with each other. At a time when the Closing Price(s) of one or more of the Reference Shares increases, the Closing Prices of the other Reference Shares may not increase as much or may even decline in value. Therefore, in calculating the amount of the Interest Payments, even if the respective Valuation Share Prices are greater than or equal to the respective Initial Share Prices for all but one of the Reference Shares, the Performance-Based Interest Rate will be zero if the Initial Share Price of one Reference Share exceeds the Valuation Share Price applicable to such Reference Share.

The Interest Payments on the CDs may be based in part on the performance of the common stock of a company other than the issuers of the Reference Shares, or on factors other than Closing Price pertaining to a Reference Share.

Following certain mergers or other corporate events, including Adjustment Events, relating to the issuer of a Reference Share, the amount of any Interest Payments may be determined based in part on the common stock of a successor to such Reference Share issuer or any cash or other assets distributed to holders of the stock of such Reference Share issuer in the context of such corporate event. The occurrence of these corporate events and the consequent adjustments may materially and adversely affect the value of the CDs.

The inclusion of non-U.S. issuers of Reference Shares involves risks associated with the home country of the issuers.

One or more of the Reference Shares may be issued by a non-U.S. company. Non-U.S. companies are generally subject to accounting, auditing and financial reporting standards and requirements, and securities trading rules that are different from those applicable to U.S. companies. The prices of Reference Shares issued by non-U.S. companies may be adversely affected by political, economic, financial and social factors in the home country of the issuer, including changes in such country's government, economic and fiscal policies, currency exchange laws or other laws or restrictions. A lower Reference Share Return for any such issue may result in a lower Interest Payment, if any, payable on an Interest Payment Date.

Regulation of global capital markets and trading platforms is uncertain and may change in a way that adversely affects the value of the Reference Shares.

The values of the Reference Shares on any Valuation Date will be determined based on the Closing Prices of the Reference Shares on the Relevant Exchanges on such Valuation Date. Currently, the governments and regulatory bodies of the United States and other countries are considering imposing new regulations that could modify certain terms for trading, alter lending, rating and other capital market terms, impose a transactional tax or increase capital or liquidity requirements that could adversely affect the liquidity, trading or value of the Reference Shares on any Valuation Date or the underlying value of any Reference Share and therefore its relevant Valuation Share Price and the amount of the Performance-Based Interest Rate. There can be no certainty as to the outcome of these proposed regulations or their impact on the CDs.

The estimated value of the CDs set forth on the cover page of this Supplement is not an indication of the price, if any, at which you may be able to sell the CDs after issuance.

Absent changes in market conditions and other relevant factors (and except as otherwise described in "Discounts and Secondary Markets" in this Supplement), any secondary market price will be lower than the estimated value of the CDs set forth on the cover page of this Supplement because the secondary market price will be calculated using the Bank's estimated secondary market rate (which is generally higher than the assumed funding rate used for the computation of the estimated value) and will be reduced by a bid-offer spread, which may vary depending on the aggregate Deposit Amount of the CDs to be purchased in the secondary market transaction, and the expected cost of unwinding any related hedging transactions. Similarly, the estimated value of the CDs set forth on the cover page of this Supplement would be lower if it were calculated based on the Bank's estimated secondary market rate rather than its assumed funding rate. See "Estimated Value of the CDs" starting on page 2 of the Disclosure Statement for more information.

We or our affiliates, including BNP Paribas, BNP Paribas Securities and BancWest Investment Services, Inc. ("BWIS"), may have economic interests adverse to the holders of the CDs.

We and our affiliates play a variety of roles in connection with the issuance of the CDs, including acting as Calculation Agent and an agent of the offering of the CDs, hedging our obligations under the CDs and making the assumptions used to determine the pricing of the CDs and the estimated value of the CDs when the terms of the CDs are set, which we refer to as the CDs' estimated value. In performing these duties, our economic interests and the economic interests of our affiliates are potentially adverse to your interests as a purchaser of the CDs. In addition, our business activities, including hedging and trading activities, could cause our economic interests to be adverse to yours and could adversely affect any payment on the CDs and the value of the CDs.

We, BNP Paribas, BNP Paribas Securities, BWIS and other affiliates of ours may trade one or more of the Reference Shares and other financial instruments related to one or more of the Reference Shares on a regular basis, for their accounts and for our or other accounts under their management. BNP Paribas Securities, BWIS and these affiliates may also underwrite or assist unaffiliated entities in the issuance or underwriting of one or more of the Reference Shares and may issue or underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments linked to one or more of the Reference Shares. To the extent that we or one of our affiliates serves as issuer, agent or underwriter for such securities or financial instruments, our or their interests with respect to such products may be adverse to those of the holders of the CDs. Any of these trading activities could potentially affect the prices of one or more of the Reference Shares and, accordingly, could affect the value of the CDs and the amount payable to you on any Interest Payment Date.

We or our affiliates may currently or from time to time engage in business with the issuers of one or more of the Reference Shares, including extending loans to, or making equity investments in, or providing advisory services to them, including merger and acquisition advisory services. In the course of this business, we or our affiliates may acquire non-public information about the issuers of one or more of the Reference Shares, and will not disclose any such information to you. In addition, one or more of our affiliates may publish research reports or otherwise express views about the issuers of one or more of the Reference Shares. Any prospective purchaser of a CD should undertake an independent investigation of the issuers of the Reference Shares as in his or her judgment is appropriate to make an informed decision with respect to a purchase of a CD.

Additionally, we or one of our affiliates may serve as issuer, agent or underwriter for additional issuances of CDs with interest payments linked or related to one or more of the Reference Shares. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the value of the CDs.

As Calculation Agent, we will determine, among other things, the Initial Share Prices, the Valuation Share Prices, the Performance-Based Interest Rate, the Interest Rate for each Interest Payment Date, Anti-Dilution Adjustments, Adjustment Events and the Interest Payment that we will pay you on each Interest Payment Date and the amount we will pay you at maturity. In our capacity as Calculation Agent, we also will determine whether there has been a Market Disruption Event and whether a day is an Interest Payment Date. Our duties as Calculation Agent will also include determining the Closing Price of a Reference Share if a Valuation Date has been postponed for ten business days due to a Market Disruption Event or a non-Trading Day with respect to such Reference Share. In performing these duties, we may have interests adverse to the interests of the holders of the CDs, which may affect the amounts paid on the CDs, particularly where we, as Calculation Agent, are entitled to exercise discretion.

DISCOUNTS AND SECONDARY MARKETS

Under the arrangements established by BNP Paribas Securities and the Bank, BNP Paribas Securities will act as agent of the Bank for placing the CDs directly or through brokers. BNP Paribas Securities will receive a placement fee from the Bank that will not exceed 4.425% of the Deposit Amount of the CDs, or $44.25 per $1,000 Deposit Amount of CDs, and may retain all or a portion of this placement fee as its own placement fee or pass along all or a portion of this placement fee to the ultimate CD depositors (e.g., as in the case of fee-based accounts) or to pay placement fees to other brokers. These other brokers, in turn, may place the CDs directly or through other brokers, including BWIS, and may retain all or a portion of the placement fee they receive as their own placement fee or use all or a portion of the fee to pay placement fees to other brokers.

No broker is expected to maintain a secondary market in the CDs, although one or more may elect to do so. Accordingly, you should not rely on the possible existence of a secondary market for any benefits such as liquidity, trading profits or limitation of losses. Any secondary market transactions may be effected at prices greater or less than $1,000 per $1,000 deposited, and the yield to maturity on a CD purchased in the secondary market may differ from the yield to maturity at the time of original issuance. The prices at which CDs may sell in any secondary market may fluctuate more than ordinary interest-bearing CDs. A broker may at any time, without notice, discontinue participation in any secondary market transactions in CDs.

If the Bank or any of its affiliates makes a secondary market in the CDs at any time up to the issue date or during a period of six months following the issue date, the secondary market price offered by the Bank or any of its affiliates will be increased by an amount reflecting a portion of the costs associated with selling, structuring, hedging and issuing the CDs that are included in the issue price. Because this portion of the costs is not fully deducted upon issuance, any secondary market price that the Bank or any of its affiliates offers during this period will be higher than it would be if it were based solely on the Bank’s third party pricing models less the bid-offer spread and hedging unwind costs described in “Estimated Value of the CDs” in the Disclosure Statement. The amount of this increase in the secondary market price will decline steadily to zero over this six-month period after the issue date.

If the Bank or any of its affiliates makes a secondary market in the CDs, the Bank expects to provide those secondary market prices to any unaffiliated brokers through which the CDs are held and to commercial pricing vendors. If you hold your CDs through an account at a broker, that broker may obtain market prices for the CDs from the Bank (directly or indirectly), but could also obtain such market prices from other sources, and may be willing to purchase the CDs at any given time at a price that differs from the price at which the Bank or any of its affiliates is willing to purchase the CDs. As a result, if you hold your CDs through an account at a broker, the value of the CDs on your account statement may be different than if you held your CDs at BNP Paribas Securities, BWIS or any of their affiliates.

Brokers may purchase and sell CDs for their own account, as well as for the accounts of customers. Accordingly, a broker may realize profits from mark-ups on transactions for his or her own account, and may charge customers commissions in brokerage transactions, which mark-ups or commissions will affect the yield to maturity of such CDs.

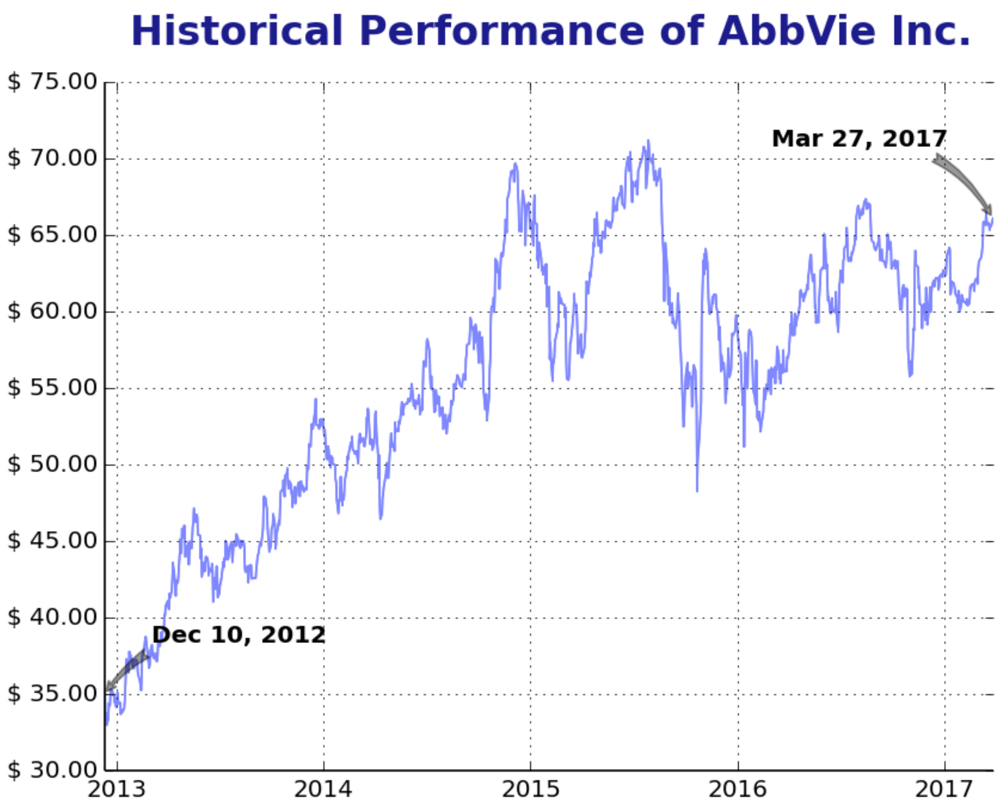
THE REFERENCE SHARES

We have included below publicly available information on the prices of each Reference Share and the industry of each Reference Share issuer. **The historical prices of each Reference Share should not be taken as an indication of future performance, and no assurance can be given as to the Closing Prices of the Reference Shares on any Valuation Date. Interest Payments on the CDs in excess of the Minimum Interest Rate will be based not on the performance of any individual Reference Share, but rather on whether the Closing Price of each Reference Share on the respective Valuation Dates equals or exceeds its corresponding Initial Share Price.** Neither the Bank nor any of its affiliates assumes any responsibility for the accuracy of any information about the Reference Shares or their historical performance or the issuers of the Reference Shares.

The graphs below set forth the historical performance of the common stock of each Reference Share issuer except AbbVie Inc., based on the daily closing prices from March 28, 2008 through March 27, 2017. The graph below which sets forth the historical performance of the common stock of AbbVie Inc. is based on the daily closing prices from December 10, 2012 through March 27, 2017. We obtained the historical trading price information set forth therein from Bloomberg, L.P. ("**Bloomberg**"), without independent verification. We make no representation or warranty as to the accuracy or completeness of the information obtained from Bloomberg.

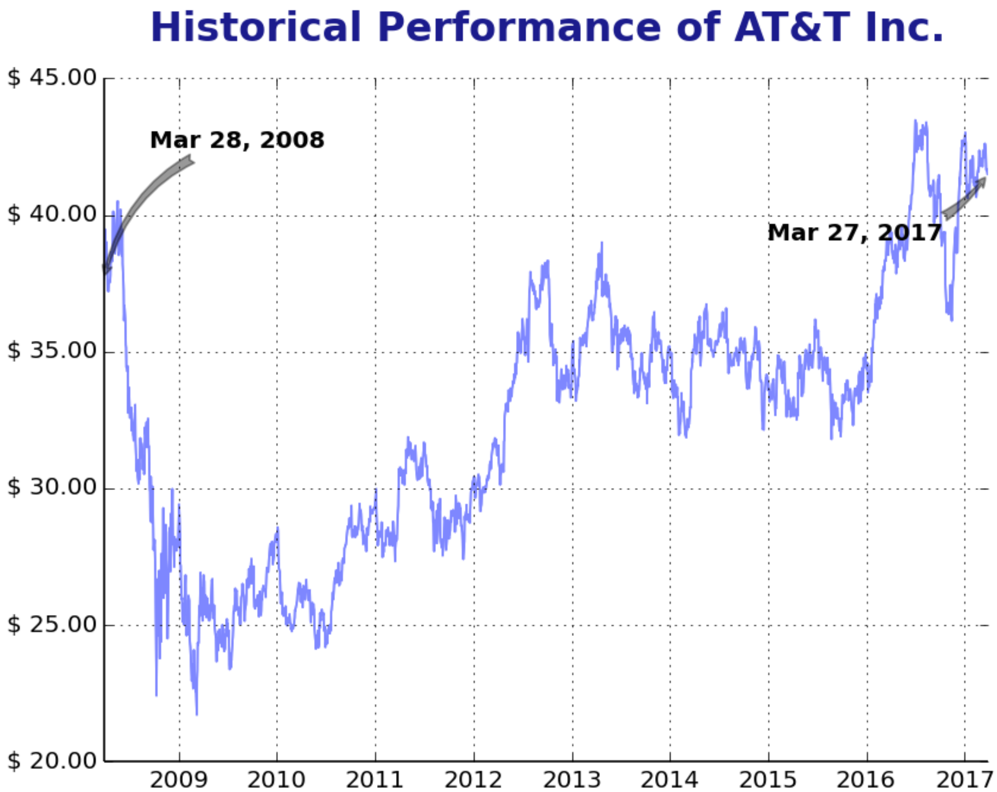
AbbVie Inc.

According to publicly available information, AbbVie Inc. ("**AbbVie**") is a biopharmaceutical company that engages in the discovery, development, manufacture, and sale of pharmaceutical products worldwide. AbbVie's SEC file number is 001-35565. Its common stock is listed on the New York Stock Exchange under the ticker symbol "ABBV." On March 27, 2017, the closing price of AbbVie was $66.10.



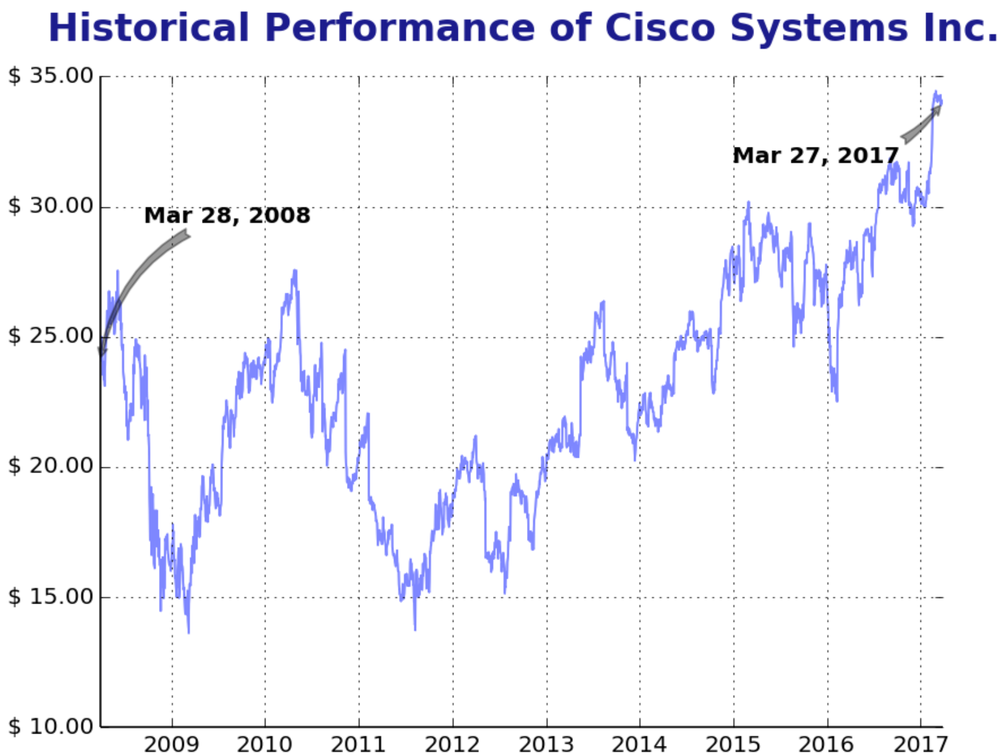
AT&T Inc.

According to publicly available information, AT&T Inc. ("**AT&T**") provides telecommunication products and services to consumers, businesses, and other telecommunication service providers under the AT&T brand worldwide. AT&T's SEC file number is 1-08610. Its common stock trades on the New York Stock Exchange under the ticker symbol "T." On March 27, 2017, the closing price of AT&T was $41.49.



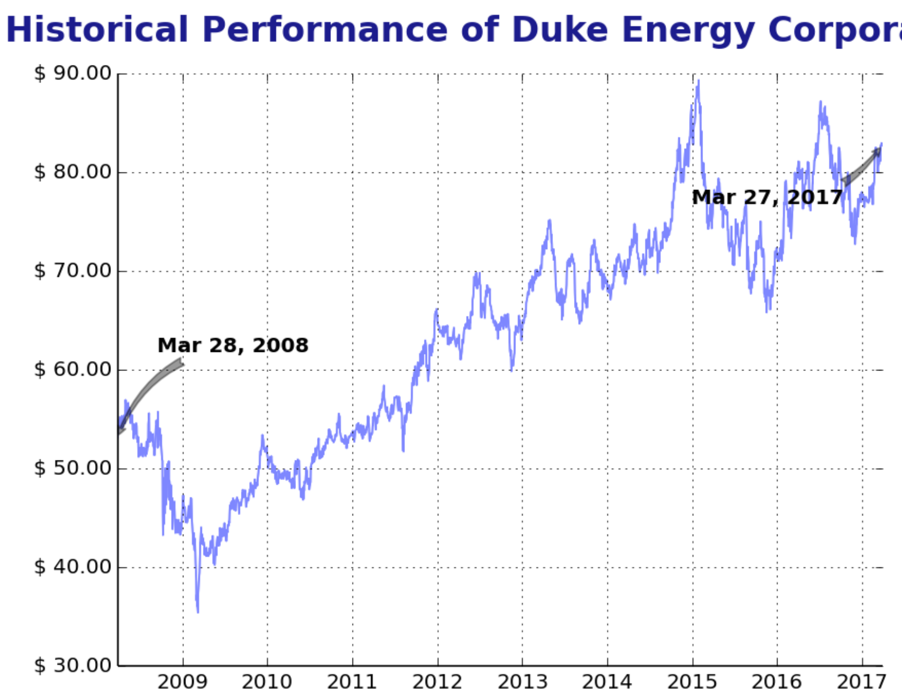
Cisco Systems, Inc.

According to publicly available information, Cisco Systems, Inc. ("**Cisco**") designs, manufactures and sells Internet protocol-based networking products and other products related to the communications and information technology industry, and provides services associated with these products and their use. It provides a line of products for transporting data, voice, and video within buildings, across campuses and around the world. Cisco's products are installed at enterprise businesses, public institutions, telecommunications companies, commercial businesses and personal residences. Cisco's SEC file number is 000-18225. Its common stock is listed on The NASDAQ Stock Market under the ticker symbol "CSCO." On March 27, 2017, the closing price of Cisco was $33.99.



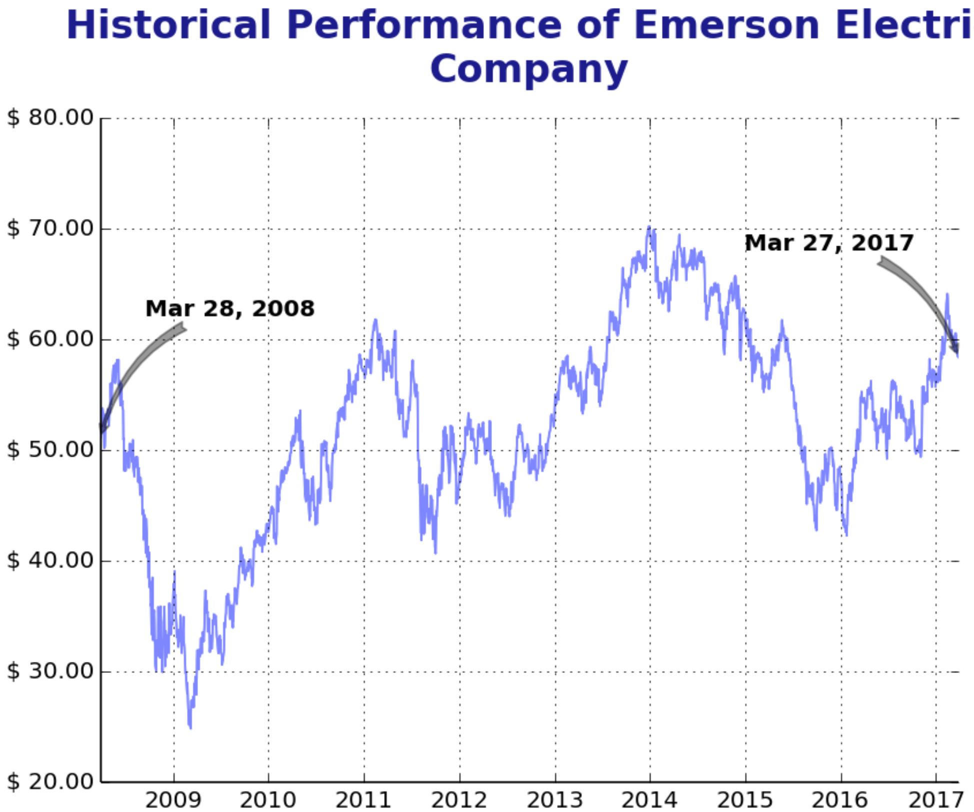
Duke Energy Corporation

According to publicly available information, Duke Energy Corporation ("**Duke Energy**"), together with its subsidiaries, is an energy company in the United States and Latin America. The company operates in three segments: U.S. Franchised Electric and Gas, Commercial Power, and International Energy. Duke Energy's SEC file number is 001-32853. Its common stock is listed on the New York Stock Exchange under the ticker symbol "DUK." On March 27, 2017, the closing price of Duke Energy was $82.79.



Emerson Electric Co.

According to publicly available information, Emerson Electric Co. ("**Emerson**") designs and manufactures electronic and electrical equipment, software, systems and services for industrial, commercial and consumer markets worldwide through its network power, process management, industrial automation, climate technologies, and commercial and residential solutions divisions. Emerson's SEC file number is 1-278. Its common stock is listed on the New York Stock Exchange under the ticker symbol "EMR." On March 27, 2017, the closing price of Emerson was $58.43.



HYPOTHETICAL PAYMENT AT MATURITY FOR EACH $1,000 CD

We have included below hypothetical Interest Payments payable under different scenarios. The hypothetical analysis of each Reference Share and performance thereof should not be taken as an indication of actual historical or future performance of any Reference Share or the CDs. The charts and examples below illustrate hypothetical Interest Rates for applicable Valuation Dates for a basket of five hypothetical Reference Shares, each with a hypothetical Initial Price of $100, a hypothetical Closing Price as set forth in the table for each example, a Minimum Interest Rate of 0.25% and a Performance-Based Interest Rate of 10.00% or 0% based on whether the Closing Price of each Reference Share equals or exceeds its corresponding Initial Share Price on the relevant Valuation Date.

Example 1: The Closing Prices of the Reference Shares generally rise over the term of the CDs. In the following example, the Closing Prices as of each Valuation Date for the Reference Shares have generally increased from the Initial Share Price for each such Reference Share, with exceptions in Year 1 and Year 2. In this scenario, the Closing Price of each Reference Share equals or exceeds the Initial Share Price in Year 3, Year 4, Year 5, Year 6 and Year 7. Consequently, the Performance-Based Interest Rate is greater than zero in Year 3, Year 4, Year 5, Year 6 and Year 7 and only the Minimum Interest Rate is applicable in Year 1 and Year 2. In this scenario, on each Interest Payment Date, holders of CDs would receive an Interest Payment equal to the Deposit Amount of their CDs multiplied by the Interest Rate for that Interest Payment Date.

Closing Price per Reference Share on Applicable Valuation Dates								
	Initial Share Price	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Reference Share 1	100	127	123	120	118	116	113	114
Reference Share 2	100	98	101	101	113	115	120	125
Reference Share 3	100	90	96	110	118	130	135	137
Reference Share 4	100	101	102	103	106	113	118	119
Reference Share 5	100	105	113	109	110	132	133	139
Closing Price greater than or equal to Initial Share Price?								
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Reference Share 1		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reference Share 2		No	Yes	Yes	Yes	Yes	Yes	Yes
Reference Share 3		No	No	Yes	Yes	Yes	Yes	Yes
Reference Share 4		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reference Share 5		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Interest Rate for the Applicable Period:		0.25%	0.25%	10.00%	10.00%	10.00%	10.00%	10.00%

Example 2: The performances of the Reference Shares are mixed over the term of the CDs. In this example, on any Valuation Date, the Closing Prices of some of the Reference Shares have declined when compared to the corresponding Initial Share Prices for those Reference Shares, while the Closing Prices of other Reference Shares have increased. Therefore, in Year 1, Year 2, Year 3 and Year 4, the Closing Prices do not all simultaneously equal or exceed their corresponding Initial Share Prices and consequently the holders of the CDs would receive the Minimum Interest Payment. In Year 5, Year 6 and Year 7, the Closing Prices all equal or exceed their corresponding Initial Share Prices and consequently the holders of the CDs would receive the benefit of the Performance-Based Interest Rate.

Closing Price per Reference Share on Applicable Valuation Dates								
	Initial Share Price	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Reference Share 1	100	101	90	106	121	102	121	140
Reference Share 2	100	95	101	103	99	100	113	127
Reference Share 3	100	108	109	125	143	105	132	159
Reference Share 4	100	80	57	84	107	123	126	130
Reference Share 5	100	108	103	118	126	101	101	102
Closing Price greater than or equal to Initial Share Price?								
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Reference Share 1		Yes	No	Yes	Yes	Yes	Yes	Yes
Reference Share 2		No	Yes	Yes	No	Yes	Yes	Yes
Reference Share 3		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reference Share 4		No	No	No	Yes	Yes	Yes	Yes
Reference Share 5		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Interest Rate for the Applicable Period:		0.25%	0.25%	0.25%	0.25%	10.00%	10.00%	10.00%

Example 3: The performance of the Reference Shares generally declines over the term of the CDs. In this example, the Closing Prices never all equal or exceed their corresponding Initial Share Prices on the same Valuation Date. Therefore, holders of the CDs would receive the Minimum Interest Payment on each Interest Payment Date.

Closing Price per Reference Share on Applicable Valuation Dates								
	Initial Share Price	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Reference Share 1	100	104	113	101	101	87	100	113
Reference Share 2	100	95	90	93	94	95	94	94
Reference Share 3	100	102	115	113	108	96	99	110
Reference Share 4	100	90	85	87	78	72	79	86
Reference Share 5	100	88	84	60	88	89	88	88
Closing Price greater than or equal to Initial Share Price?								
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Reference Share 1		Yes	Yes	Yes	Yes	No	Yes	Yes
Reference Share 2		No	No	No	No	No	No	No
Reference Share 3		Yes	Yes	Yes	Yes	No	No	Yes
Reference Share 4		No	No	No	No	No	No	No
Reference Share 5		No	No	No	No	No	No	No
Interest Rate for the Applicable Period:		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

Example 4: The common stock of one of the issuers of the Reference Shares is delisted in Year 2. In this case, the Calculation Agent may assign a value of zero to such Reference Share during Year 2 and for the remainder of the CD term. If such a determination is made by the Calculation Agent, the depositor will receive the Minimum Interest Payment in the years following any such delisting, despite the generally positive performance of the remaining Reference Shares. However, such treatment of the Reference Share in the event of a delisting represents only one such potential treatment of a delisting by the Calculation Agent. The Calculation Agent, in its sole discretion consistent with market practice, may also use other methodologies to adjust the terms of the CDs to reflect the economic impact of such delisting on the value of the CDs and is not required to follow any specific course of action to effect this result.

Closing Price per Reference Share on Applicable Valuation Dates								
	Initial Share Price	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Reference Share 1	100	80	0	0	0	0	0	0
Reference Share 2	100	105	111	113	113	113	120	126
Reference Share 3	100	108	113	115	116	116	115	114
Reference Share 4	100	110	104	87	95	90	110	110
Reference Share 5	100	108	112	114	118	122	134	147
Closing Price greater than or equal to Initial Share Price?								
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Reference Share 1		No	No	No	No	No	No	No
Reference Share 2		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reference Share 3		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reference Share 4		Yes	Yes	No	No	No	Yes	Yes
Reference Share 5		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Interest Rate for the Applicable Period:		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

Market-Linked Certificates of Deposit

Bank of the West, San Francisco, California (**"we," "us"** or the **"Bank"**), from time to time will offer certificates of deposit ("**CDs**"), the interest payment(s), if any (each, an **"Interest Payment"**), on which will be determined in part by reference to the change in performance over a specified time period of one or more underlying securities (including, from time to time, American Depositary Receipts), commodities or currencies; one or more indices; one or more other tangible or intangible financial assets such as commodities or goods; or any basket that includes components of any of them (**"Reference Asset(s)"**). We describe in this Disclosure Statement the terms that generally will apply to the CDs. We will describe the specific terms of any particular CDs we offer in a separate disclosure supplement (each, a **"Supplement"**). If any terms described in a Supplement are inconsistent with this Disclosure Statement, the terms in the Supplement will control.

Purchasing the CDs involves risks. See "Risk Factors" on page 4.

You must rely on your own examination of the Bank and the terms of the CDs, including the risks involved. The CDs will be obligations of the Bank only, and not obligations of your broker or any affiliate of the Bank, including BNP Paribas Securities Corp. (**"BNP Paribas Securities"**) and BancWest Investment Services, Inc. (**"BWIS"**). The CDs will not be registered under the U.S. Securities Act of 1933 and are not required to be so registered. The CDs will not be recommended by any federal or state securities commission or regulatory authority, nor has any such authority confirmed the accuracy or determined the adequacy of this Disclosure Statement. Any representation to the contrary is a criminal offense.

The deposit amount of your CD (the "**Deposit Amount**") and, if applicable, any minimum amount of interest payable at maturity (**"Minimum Interest"**) that may have accrued, will be insured by the Federal Deposit Insurance Corporation (the **"FDIC"**) within applicable insurance coverage limits as described in **"Deposit Insurance"** on page 13.

Our affiliates, BNP Paribas Securities and BWIS, and other broker-dealers may use this Disclosure Statement and an accompanying Supplement in connection with offers and sales of CDs after the date hereof. One or more of BNP Paribas Securities, BWIS or any of our other affiliates may act as principal or agent in those transactions.

No broker is obligated to or intends to make a market for the CDs. There is no assurance that a secondary market for the CDs will develop or, if it develops, that it will continue. As a result, you may not be able to sell your CDs readily or at prices that are desirable for you.

No broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained in this Disclosure Statement, the relevant Supplement and any amendment or supplement thereto in connection with the offer contained herein and therein and, if given or made, such information or representation must not be relied upon as having been authorized by the Bank, BNP Paribas Securities, BWIS or any other broker or agent. None of this Disclosure Statement, the relevant Supplement or any amendment or supplement hereto or thereto constitutes an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make any such offer or solicitation. Neither the delivery of this Disclosure Statement, the relevant Supplement or any amendment or supplement hereto or thereto nor any sale made hereunder or thereunder will, under any circumstances, create an implication that there has been no change in the affairs of the Bank since the date hereof or thereof or that the information herein or therein is correct as of any time subsequent to the date of such information.

Bank of the West, San Francisco, California

March 31, 2017

ESTIMATED VALUE OF THE CDs

The issue price of each CD of $1,000 includes certain costs that are borne by you. Because of these costs, the estimated value of the CDs on the Pricing Date will be less than the Deposit Amount. The costs included in the issue price relate to selling, structuring, hedging and issuing the CDs, as well as to the Bank's funding considerations for certificates of deposit of this type.

The costs related to selling, structuring, hedging and issuing the CDs include (i) the placement and distribution expense fees, (ii) the projected profit that the Bank or its hedge counterparty (which may be one of the Bank's affiliates) expects to realize for assuming risks inherent in hedging the Bank's obligations under the CDs and (iii) hedging and other costs relating to the offering of the CDs, including the costs of FDIC insurance.

The Bank's funding considerations take into account the issuance, operational and ongoing management costs of market-linked certificates of deposit, as well as the Bank's liquidity needs and preferences. The Bank's funding considerations are reflected in the fact that the Bank determines the economic terms of the CDs based on an assumed funding rate that is generally lower than the Bank's estimated secondary market rate. The assumed funding rate is described below and is used in determining the estimated value of the CDs.

If the costs relating to selling, structuring, hedging and issuing the CDs were lower, the economic terms of the CDs would be more favorable to you and the estimated value would be higher. The estimated value of the CDs as of the Pricing Date will be set forth in the relevant Supplement.

Determining the estimated value

The Bank calculated the estimated value of the CDs set forth on the cover page of the relevant Supplement based on third party pricing models. Based on these pricing models and related market inputs and assumptions referred to in this section below, the Bank determined an estimated value for the CDs by estimating the value of the combination of hypothetical financial instruments that would replicate the payout on the CDs, which combination consists of a non-interest bearing deposit (the "**Deposit Component**") and one or more derivative instruments underlying the economic terms of the CDs (the "**Derivative Component**").

The value of the Deposit Component is based on a reference interest rate that is the Bank's good faith estimate of the implied interest rate at which it would issue brokered CDs for the same tenor. The Bank determines the estimated value of the CDs based on the assumed funding rate that it uses to determine the economic terms of the CDs. The Bank is principally a deposit-taking institution, and, accordingly, the Bank determines this estimated funding rate based on a number of factors that involve the good faith discretionary judgment of the Bank as well as a limited number of market-observable inputs. Because the Bank does not continuously calculate its reference interest rate, the reference interest rate used in the calculation of the estimated value of the Deposit Component may be higher or lower than the Bank's estimated funding rate at the time of that calculation. The estimated value of the CDs may be lower if the value of the Deposit Component was based on the Bank's estimated secondary market rate.

The Bank calculated the value of the Derivative Component based on a third party derivative-pricing model, which generated a theoretical price for the derivative instruments that constitute the Derivative Component based on various inputs, including the Derivative Component Factors identified in "**Risk Factors — No secondary market is expected to develop for the CDs, and the fair value of the CDs will be less than the amount of your deposit.**" on page 4 of this Disclosure Statement. These inputs may be market-observable or may be based on assumptions made by the Bank in its discretion.

The estimated value of the CDs determined by the Bank is subject to important limitations. See "**Risk Factors — The estimated value of the CDs is determined by pricing models, which may differ from those used by other market participants.**" on page 6 of this Disclosure Statement and "**Risk Factors — The estimated value of the CDs was calculated by the Bank and is therefore not an independent third-party valuation.**" on page 6 of this Disclosure Statement.

Valuation of the CDs after issuance

The estimated value of the CDs is not an indication of the price, if any, at which the Bank or any other person may be willing to buy the CDs from you in the secondary market. The price, if any, at which the Bank or any of its affiliates may purchase the CDs in the secondary market may be based upon the Bank's third party pricing models and will fluctuate over the term of the CDs due to changes in market conditions and other relevant factors. However, absent changes in these market conditions and other relevant factors, except as otherwise described in the following paragraph, any secondary market price will be lower than the estimated value on the Pricing Date because the secondary market price will be calculated using the estimated secondary market rate (which is generally higher than the assumed funding rate used for the computation of the estimated value) and will be reduced by a bid-offer spread, which may vary depending on the aggregate Deposit Amount of the CDs to be purchased in the secondary market transaction, and the expected cost of unwinding any related hedging transactions. Accordingly, unless market conditions and other relevant factors change significantly in your favor, any secondary market price for the CDs is likely to be less than the Deposit Amount.

If the Bank or any of its affiliates makes a secondary market in the CDs at any time up to the issue date or during a period no longer than 12 months following the issue date, the secondary market price offered by the Bank or any of its affiliates will be increased by an amount reflecting a portion of the costs associated with selling, structuring, hedging and issuing the CDs that are included in the issue price. Because this portion of the costs is not fully deducted upon issuance, any secondary market price that the Bank or any of its affiliates offers during this period will be higher than it would be if it were based solely on the Bank's third party pricing models less the bid-offer spread and hedging unwind costs described above. The amount of this increase in the secondary market price will decline steadily to zero over this 12-month period after the issue date.

If the Bank or any of its affiliates makes a secondary market in the CDs, the Bank expects to provide those secondary market prices to any unaffiliated brokers through which the CDs are held and to commercial pricing vendors. If you hold your CDs through an account at a broker other than BNP Paribas Securities, BWIS or any of their affiliates, that broker may obtain market prices for the CDs from the Bank (directly or indirectly), but could also obtain such market prices from other sources, and may be willing to purchase the CDs at any given time at a price that differs from the price at which the Bank or any of its affiliates is willing to purchase the CDs. As a result, if you hold your CDs through an account at a broker other than BNP Paribas Securities, BWIS or any of their affiliates, the value of the CDs on your account statement may be different than if you held your CDs at BNP Paribas Securities, BWIS or any of their affiliates.

The CDs will not be listed or displayed on any exchange or any automated quotation system. Although the Bank or its affiliates may buy the CDs from investors, they are not obligated to do so and are not required to make a market for the CDs. There can be no assurance that a secondary market will develop.

RISK FACTORS

CDs involve certain risks. Purchasing a CD is not equivalent to investing directly in any one or more of the Reference Asset(s). In addition, your purchase of a CD entails other risks not associated with an investment in conventional bank deposits. **You should consider carefully the risks described below before you decide that a CD is suitable for you.**

The CDs are designed to be held to maturity and you may not have the right to withdraw your funds before then.

The CDs are not designed to be short-term instruments. When you purchase a CD, you agree with the Bank to keep your funds on deposit for the term of the CD. Early withdrawals are permitted only in the event of the death or adjudication of incompetence of the beneficial owner of a CD. The Maturity Date will be specified in the relevant Supplement, and may be subject to certain adjustments as described therein. The principal of your CD will not be protected if you sell it prior to maturity.

No secondary market is expected to develop for the CDs, and the fair value of the CDs will be less than the amount of your deposit.

The CDs will not be listed on an organized securities or other exchange or included in any interdealer market quotation system. No party is required to act as market maker for the CDs and there may be little or no secondary market for the CDs. Even if there is a secondary market for the CDs, it may not provide enough liquidity to allow you to sell the CDs easily or at a price desirable to you and you could suffer a significant loss of your deposit.

The original issue price of your CD will reflect the payment of our agents' placement fees. Many economic and market factors will influence the value of the CDs over time, including volatility of the Reference Asset prices, the performance of the Reference Assets, supply of other CDs or comparable products in the marketplace, market interest rates, the time remaining until maturity, dealer discounts, and the creditworthiness of the Bank. You may also be charged a commission in connection with any secondary market transaction. As a result, the price, if any, at which a broker may be willing to purchase your CD in a secondary market transaction will likely be lower, and could be much lower, than the original issue price.

The value of the CDs prior to the Maturity Date will be affected by the closing price or value of the Reference Assets on any Valuation Date, interest rates at that time and a number of other factors, some of which are interrelated in complex ways. The effect of any one factor may be offset or magnified by the effect of another factor. The following factors (the "**Derivative Component Factors**") are expected to affect the value of the CDs: Reference Assets performance; interest rates; volatility of the Reference Assets; time remaining to maturity; dividend yields on the securities included in the Reference Assets; volatility of currency exchange rates; and correlation between currency exchange rates and the Reference Assets. In addition to the Derivative Component Factors, the value of the CDs will be affected by actual or anticipated changes in the Bank's creditworthiness, as reflected in its estimated secondary market rate. Because numerous factors are expected to affect the value of the CDs, changes in the closing price or value of a Reference Asset may not result in a comparable change in the value of the CDs.

Your deposit is a liability of the Bank and, to the extent in excess of deposit insurance limits, may be lost upon insolvency of the Bank.

If you purchase one or more CDs with a Deposit Amount that, when aggregated with all other deposits you hold in the same right and capacity at the Bank, is in excess of FDIC insurance limits, the amount in excess of applicable insurance limits will not be insured by the FDIC and will be subject to the credit risk of the Bank and could be lost on the Bank's insolvency.

If your CD is callable at the option of the Bank, the maximum interest payable on the CD will be limited.

If your CD is callable at the option of the Bank and the Bank exercises that option, you will only receive the applicable call price and will not be entitled to receive the amount of any Interest Payment or Minimum Interest otherwise payable to you on the Maturity Date. The Bank may exercise any such call option when it is least advantageous for you.

Interest Payments on the CDs may be uncertain, may be zero, and may be subject to a cap.

Interest Payments may be based, in whole or in part, on the performance of the Reference Asset(s), and could be zero. The interest rate for each CD (the "**Interest Rate**") on each of the dates specified for payment of interest in the relevant Supplement (each such date, the "**Interest Payment Date**") may depend on the result of calculations as specified in the Supplement that are designed to test the performance over designated periods of one or more Reference Assets (the result of such calculations for a Reference Asset, its "**Reference Asset Return**"), which will be calculated as of the applicable determination date for the Interest Rate (the "**Valuation Date**") and will not exceed any applicable cap (such cap, an "**Interest Cap**") or be less than the higher of the any applicable floor on Interest Payments (such floor, an "**Interest Floor**") and zero.

For CDs linked to a single Reference Asset, if the Reference Asset Return with respect to such Reference Asset on any applicable Valuation Date is greater than a specified percentage (such percentage, the **"Reference Asset Performance Cap"**) the Interest Rate for such Valuation Date will be equal to the Reference Asset Performance Cap. Otherwise, the Interest Rate will be equal to the greater of such Reference Asset Return (which may be 0%) and any applicable Interest Floor. If the Reference Asset Return is less than or equal to 0% on each Valuation Date and an Interest Floor above zero is not applicable, no Interest Payment will be paid over the term of the CDs.

For CDs linked to a basket of Reference Assets, even if the Reference Asset Return of a Reference Asset on the applicable Valuation Date is positive or is equal to any specified Reference Asset Performance Cap, you still may not receive any Interest Payment if such Reference Asset Return is offset by negative Reference Asset Returns of one or more other Reference Assets on the applicable Valuation Date and if no minimum rate of interest is specified in the relevant Supplement.

The potential of the CDs to accrue interest will be limited by any Reference Asset Performance Cap, even if the return on one or more Reference Asset(s) exceeds the Reference Asset Performance Cap.

On the Maturity Date, you will receive only $1,000 for each $1,000 deposited, plus any Minimum Interest, if applicable, and the final Interest Payment, if any. You will receive no other payments on your deposit in the CDs other than the Interest Payments, if any, paid over the term of such CDs. Therefore, the payments you receive on your CDs may be less than the amount of conventional interest that would be paid on a conventional certificate of deposit of comparable maturity issued by us or an issuer with a comparable credit rating. Any Interest Payments paid over the term of the CDs may not compensate you for any loss in value due to inflation and other factors relating to the value of money over time.

The Reference Assets may not be weighted equally.

For CDs linked to a basket of Reference Assets, unless otherwise specified in the relevant Supplement, different weights may be attributed to the Reference Assets in determining the Reference Asset Return. For illustrative purposes only, the Supplement may specify that the Reference Assets consist of five indices and that the index weightings are 25%, 30%, 15%, 20% and 10%, respectively. The same percentage change in two of the indices may have different effects on the Reference Asset Returns. For example, if the index weighting for index A is greater than the index weighting for index B, a 5% decrease in index A will have a greater effect on the Reference Asset Returns than a 5% decrease in index B. Moreover, when warranted by conditions in the underlying markets or discontinuation or split of an index, the Calculation Agent (as defined and specified in the relevant Supplement) may be entitled under the Supplement to revise the weightings of the Reference Assets during the course of the CDs.

The FDIC's powers as receiver or conservator could adversely affect your interest and deposit.

If the FDIC were appointed as conservator or receiver of the Bank, the FDIC could elect to liquidate the CDs and allow claims for the Deposit Amount of the CDs. No claim would be available, however, for any secondary market premium paid by a purchaser above the Deposit Amount of a CD and no claims would likely be available for any Minimum Interest, if applicable, or Interest Payment, if any, that has not accrued.

The FDIC as conservator or receiver for the Bank could transfer to another insured depository institution our assets and liabilities, including liabilities such as the CDs, without the approval or consent of the beneficial owners of the CDs. The transferee depository institution would be permitted to offer beneficial owners of the CDs the choice of (i) repayment of the Deposit Amount of the CDs or (ii) substitute terms that may be less favorable. If a CD is repaid before its Maturity Date, either by a transferee depository institution or the FDIC, its beneficial owner may not be able to reinvest the funds at the same rate of return as the rate on the original CD. If the FDIC determines to make deposit insurance payments with respect to the CDs, there is no specific time period during which the FDIC must make insurance payments available. Accordingly, in such an event, you should be prepared for the possibility of an indeterminate delay in obtaining insurance payments. If the FDIC determines to make deposit insurance payments with respect to the CDs, the FDIC will be subrogated to all rights of holders of the CDs against the Bank, to the extent of such payment.

Except to the extent insured by the FDIC, as described in this Disclosure Statement, the CDs are not otherwise insured or guaranteed by any governmental agency or instrumentality or any other person.

The full Deposit Amount of your CDs, any Minimum Interest, and any Interest Payments may not be protected by deposit insurance.

The CDs are insured by the FDIC only within the limits and to the extent described below in **"Deposit Insurance"** on page 13. The maximum deposit insurance amount is $250,000 per person in a given right and capacity at each depository institution.

Because the Interest Payments are calculated, in part, using the closing price(s) or value(s) of the Reference Asset(s), an Interest Payment will not accrue to a holder of a CD until the relevant Valuation Date. Accordingly, any potential Interest Payment will not be eligible for federal deposit insurance before the relevant Valuation Date. An Interest Payment will be eligible for deposit insurance coverage only from the relevant Valuation Date until the time the Bank makes payment.

FDIC deposit insurance regulations and interpretations or applicable statutes may change from time to time in a manner that could adversely affect your eligibility for deposit insurance. For more information, see **"Deposit Insurance"** starting on page 13 of this Disclosure Statement. We cannot predict such changes or the effect that such changes might have on holders of the CDs. The Bank is not presently required, nor does it intend, to notify holders of the CDs of any subsequent changes to FDIC deposit insurance regulations and interpretations or applicable statutes.

The estimated value of the CDs is determined by pricing models, which may differ from those used by other market participants.

The Bank determined the estimated value of the CDs using third party pricing models and related market inputs and assumptions referred to above under "**Estimated Value of the CDs — Determining the estimated value.**" starting on page 2 of this Disclosure Statement. Certain inputs to these models may be determined by the Bank in its discretion. The Bank's views on these inputs may differ from other market participants' views, and the Bank's estimated value of the CDs may be higher, and perhaps materially higher, than the estimated value of the CDs that would be determined by other market participants. The Bank's inputs and related assumptions and the third party pricing models employed by the Bank may prove to be wrong and therefore not an accurate reflection of the value of the CDs.

The estimated value of the CDs was calculated by the Bank and is therefore not an independent third-party valuation.

The Bank calculated the estimated value of the CDs set forth on the cover page of the relevant Supplement, which involved discretionary judgments by the Bank, as described under "**Risk Factors — The estimated value of the CDs is determined by pricing models, which may differ from those used by other market participants.**" on page 6 of this Disclosure Statement. Accordingly, the estimated value of the CDs set forth on the cover page of the relevant Supplement is not an independent third-party valuation.

GENERAL TERMS OF THE CDs

General

On the Maturity Date of a CD, you will receive your full deposit in the CDs plus any Interest Payment as described in the relevant Supplement. The CDs may also provide for the payment of periodic Interest Payments as described in the relevant Supplement. **Unless otherwise specified in the relevant Supplement, there can be no guarantee as to the amount of any Interest Payment. Therefore, you must be aware of the risk that you may not receive interest or Interest Payments for the entire term of the CDs.**

Unless otherwise specified in the relevant Supplement, the CDs will be denominated in U.S. dollars in minimum denominations of $1,000, with additional increments of $1,000. **You should compare the features of the CDs to other available investments before deciding to purchase a CD. The interest for any CD may be higher or lower than the returns available on other deposits available at the Bank or through your brokers. You should carefully consider the suitability of an investment in the CDs in light of your particular circumstances.**

Interest Payments

The CDs will pay interest in the form of one or more Interest Payments, which may be zero, and which will depend in part on the performance or return, which can be positive or negative, of the Reference Asset(s), as specified in the relevant Supplement.

Unless otherwise specified in the relevant Supplement, the Interest Payment per $1,000 deposited that will be payable on the applicable Interest Payment Date will equal $1,000 x the applicable Interest Rate. The Interest Rate will be a percentage greater than or equal to zero and will be calculated on each Valuation Date in the manner described in the relevant Supplement. Each Interest Payment will be paid to the holders of record at the close of business on the date occurring 15 calendar days before that Interest Payment Date, whether or not such fifteenth calendar day is a business day, unless otherwise specified in the relevant Supplement. Any Interest Cap or Interest Floor on any Interest Payment will be described in the relevant Supplement.

The Interest Payment Dates will be as specified in the relevant Supplement, *provided* that the final Interest Payment Date will be the Maturity Date.

The Valuation Date for each Interest Payment Date, unless otherwise specified in the relevant Supplement, will be the third trading day before such Interest Payment Date, subject to adjustment as described below.

We will describe the impact of any Market Disruption Event on Interest Payments in the relevant Supplement. See **"General Terms of the CDs — Market Disruption Events"** on page 8**.**

Payment at Maturity

Unless otherwise specified in the relevant Supplement, on the Maturity Date, you will receive a cash payment for each $1,000 deposited of $1,000 plus the Minimum Interest, if applicable, plus any Interest Payment, if any, payable on the Maturity Date.

If the Maturity Date for a CD is not a business day, then the Maturity Date will be the next succeeding business day.

Unless otherwise specified in the relevant Supplement, a "**business day**" is any day other than a Saturday, Sunday, legal holiday, any day on which banking institutions in New York, New York or San Francisco, California are authorized or required by law, regulation or executive order to close or a day on which transactions in U.S. dollars are not conducted.

We will describe the impact of any Market Disruption Event on payments on the Maturity Date in the relevant Supplement. See **"General Terms of the CDs — Market Disruption Events"** on page 8**.**

Additions and Withdrawals

When you purchase a CD, you agree to keep your funds on deposit with us until the Maturity Date of the CD. Accordingly, unless otherwise specified in the Supplement, no additions are permitted to be made to any CD, and no withdrawals are permitted to be made from any CD, except that withdrawal will be permitted in the event of the death of the beneficial owner of a CD or in the event of the adjudication of incompetence of the beneficial owner of a CD by a court or other administrative body of competent jurisdiction. In such event, early withdrawal of the full

Deposit Amount will be permitted, without penalty. Partial withdrawals will not be permitted. The amount payable by the Bank upon such withdrawal will equal the Deposit Amount of the withdrawn CD. If withdrawal occurs following a Valuation Date but prior to the relevant Interest Payment Date, you will receive any Interest Payment payable to you on such Interest Payment Date. You will receive no Minimum Interest and no further Interest Payments following withdrawal. Your broker will require documentation evidencing the death or adjudication of incompetence of a beneficial owner of a CD.

If the relevant Supplement provides for an election for early redemptions or withdrawals for any other reason other than the death or adjudication of incompetence of a beneficial owner, the Supplement will set forth the method for calculating the early redemption amount you will be entitled to receive. Upon early redemption or withdrawal of a CD, the amount you receive may be less, and possibly significantly less, than the Deposit Amount of your CD.

In the event we were to become insolvent and subject to an FDIC receivership between an early redemption date (as defined and specified in the relevant Supplement) and the time you receive the early redemption amount (as defined and specified in the relevant Supplement), the early redemption amount in excess of the Deposit Amount of the CD, if any, may not be eligible for FDIC insurance coverage.

Mandatory Redemption

If our status as an insured depository institution is terminated by the FDIC or as a result of our actions, we will redeem your CDs then outstanding on the applicable mandatory redemption date. The mandatory redemption date following any such termination will be the last business day on which any of our outstanding deposit obligations would be insured by the FDIC pursuant to temporary deposit insurance provided by the FDIC. That date may not occur for a period of six months to up to almost two years after the termination of our status as an insured depository institution (depending on the period of temporary deposit insurance provided by the FDIC following the termination of our status as an insured depository institution).

On the mandatory redemption date, the Bank will pay you an amount equal to the Deposit Amount of the CD. During the period between the termination of our status as an insured depository institution and the mandatory redemption date, you will receive any Interest Payments payable to you on any Interest Payment Dates which occur during that period. If the mandatory redemption date occurs after a Valuation Date but prior to the relevant Interest Payment Date, you will also receive any Interest Payment payable to you on such Interest Payment Date. You will receive no Minimum Interest and no further Interest Payments following mandatory redemption.

Early Call at Our Option

If a CD is designated as a callable CD in the relevant Supplement (a "**Callable CD**"), the Callable CD generally will be callable at our option during the periods or on the specific dates specified in the relevant Supplement, on written notice given as provided in the relevant Supplement. Unless otherwise provided in the relevant Supplement, any such call will be effected in increments of $1,000 per Callable CD, at the call price or prices specified in the relevant Supplement (each, a "**Call Price**").

If any Callable CDs are called by us before the Maturity Date, you will be entitled to receive only the relevant Call Price and, unless the relevant Supplement specifies otherwise, you will not receive any Interest Payment. If we do not call a Callable CD before the Maturity Date, the Deposit Amount plus any Minimum Interest Payment, if applicable, and the Interest Payment, if any, that you receive on the Maturity Date may be less than any of the Call Prices.

In the event we were to become insolvent and subject to an FDIC receivership between the time a call notice is given and the time you receive the Call Price, so much of the early redemption amount in excess of the Deposit Amount of the CD, if any, may not be eligible for FDIC insurance coverage.

Market Disruption Events

Certain events may prevent the Calculation Agent (as defined and specified in the relevant Supplement), from calculating the closing price or value or exchange rate of a Reference Asset on any Valuation Date or any other applicable date, and consequently, the Reference Asset Return for purposes of calculating the Interest Payment, if any, that we will pay you on each Interest Payment Date and at maturity. These events may include disruptions or suspensions of trading in the markets as a whole, or political, regulatory or economic events that cause disruptions in pricing, delivery or distribution of securities or commodities or other physical goods, or in publication of exchange rates or closing levels. We refer to these events as "**Market Disruption Events**." The impact of each such event on a Reference Asset will be set forth in the relevant Supplement.

Hypothetical Interest Payments on your CDs

The relevant Supplement may include a table, chart or graph showing various hypothetical Interest Payments on your CD based on various hypothetical performance levels of the Reference Asset(s), and various key assumptions shown in the relevant Supplement, in each case assuming the CD is held from the issue date until the Maturity Date.

Any table, chart or graph showing hypothetical Interest Payments will be provided for purposes of illustration only. It should not be viewed as an indication or prediction of future investment results. Rather, it is intended merely to illustrate the impact that various hypothetical performance levels of Reference Asset(s) could have on the hypothetical Interest Payments on your CD, if held to the Maturity Date, calculated in the manner described in the relevant Supplement and assuming all other variables remained constant. Such hypothetical examples may be based on assumptions that may prove to be erroneous.

EVIDENCE OF THE CDs

The CDs will be evidenced by one or more master certificates issued by us, each representing a number of individual CDs. These master certificates will be held by or on behalf of The Depository Trust Company ("**DTC**"), a sub-custodian that is in the business of performing such custodial services. No evidence of ownership, such as a passbook or a certificate, will be provided to you. Your broker, as custodian, keeps records of the ownership of each CD and will provide you with a written confirmation (the "**Confirmation**") of your purchase. The Supplement will set forth the Maturity Date, the Reference Asset(s), how the Interest Payments, if any, on your CD may be calculated and the terms of any withdrawal feature. The Confirmation will state the Deposit Amount of your CD, from which you can determine how much premium, if any, you paid for the CD. You should retain for your records the Confirmation, the Supplement and account statement(s) from your broker. Because you will not be provided with a certificate evidencing your CD, the purchase of a CD is not recommended for persons who wish to take physical possession of a certificate.

Payments on the CDs will be remitted by us to DTC when due. Upon payment in full of such amounts to DTC, we will be discharged from any further obligation with regard to such payments. Such payments will be credited through DTC's procedures to participant firms and thereafter will be remitted to your broker, so long as such broker acts as your nominee, authorized representative, agent or custodian, and credited to your account with such broker.

Each CD constitutes a direct obligation of us and is not, either directly or indirectly, an obligation of any broker. You will have the ability to enforce your rights in a CD directly against us. No deposit relationship will be deemed to exist before the receipt and acceptance of your funds by us.

If you choose to remove your broker as your agent with respect to your CD, you may transfer your CD to another agent; *provided* the agent is a member of DTC (most major brokerage firms are members; many FDIC insured depositories are not). If you are unable to transfer your CD to another agent that is a member of DTC, you may request to transfer your CD to BWIS. BWIS has agreed to serve as the agent for persons who, after reasonable efforts taken in good faith, are unable to transfer their CDs to another qualifying agent and who meet the standards and execute the documents that BWIS requires of any other potential brokerage client seeking to hold the Bank's CD through it.

WHERE YOU CAN FIND OUT MORE ABOUT US

This Disclosure Statement incorporates by reference certain information we file with the FDIC, our primary federal regulator, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered part of this disclosure and we encourage you to review them. Because we are incorporating by reference future filings with the FDIC, this Disclosure Statement is continually updated and those future filings may modify or supersede some of the information included or incorporated in this Disclosure Statement.

This Disclosure Statement incorporates by reference the most recent quarterly unaudited Consolidated Reports of Condition and Income of the Bank filed with our primary federal regulator (the "**Call Reports**"), the Bank's Call Reports for years ended December 31, 2016, December 31, 2015, December 31, 2014 and December 31, 2013, and any future Call Reports filed with our primary federal regulator until we complete our offering of the CDs, or if later, the date on which any of our affiliates ceases offering and selling the CDs. Call Reports are publicly available upon written request to the FDIC, 801 17th Street, N.W., Washington, DC 20434, Attention: Public Information Center, by calling the FDIC Public Information Center at (800) 276-6003, or by accessing the Federal Financial Institution Examination Council's financial institution data website at **https://cdr.ffiec.gov/public/ManageFacsimiles.aspx.**

ABOUT THE BANK

The Bank is a California banking corporation and has its head office in San Francisco, California. The Bank is a full-service commercial bank with approximately $84 billion in assets and $62 billion in deposits as of December 31, 2016. The Bank operates more than 600 banking offices in 22 states – Arizona, California, Colorado, Georgia, Idaho, Illinois, Iowa, Kansas, Minnesota, Missouri, New York, Oklahoma, Oregon, Nevada, New Mexico, Nebraska, North Dakota, South Dakota, Utah, Washington, Wisconsin and Wyoming. Founded in 1874, the Bank originates commercial, small business and consumer loans and leases, and offers a range of individual and other commercial banking, insurance, trust, and investment products. See www.bankofthewest.com.

The Bank is a member of the FDIC and its primary regulators are the FDIC, the Consumer Financial Protection Bureau and the California Department of Business Oversight. The Bank is a member of the Federal Home Loan Bank System and is required to maintain an investment in the capital stock of the Federal Home Loan Bank. The Bank maintains insurance on its customer deposit accounts with the FDIC, which requires quarterly payments of deposit insurance premiums.

The Bank is a subsidiary of BancWest Holding Inc. ("**BWHI**"), which is a subsidiary of BancWest Corporation ("**BWC**"), which is owned in turn by BNP Paribas USA, Inc., a subsidiary of BNP Paribas ("**BNP Paribas**"). First Hawaiian Bank, headquartered in Honolulu, Hawaii, is also owned by BWC, and had approximately $20 billion in assets and $17 billion in deposits as of December 31, 2016 and 62 banking offices in Hawaii, Guam and Saipan.

BNP Paribas is a European leader in global banking and financial services. BNP Paribas and its subsidiaries are present in 74 countries, with more than 190,000 employees, including 16,000 in North America and have approximately €2.1 trillion in assets. BNP Paribas organizes its business in two major fields of activity: Retail Banking & Services and Corporate Institutional Banking. Present throughout Europe in all of its business lines, BNP Paribas's primary domestic markets in retail banking are France, Belgium, Luxembourg and Italy. BNP Paribas also has a significant presence in the United States and strong positions in Asia and the emerging markets.

The CDs are obligations of the Bank and not obligations of BWHI, BWC, BNP Paribas Securities, BNP Paribas, BWIS or of any other broker or affiliate of the Bank.

DEPOSIT INSURANCE

The CDs are protected by federal deposit insurance provided by the Deposit Insurance Fund (the "**DIF**"), which is administered by the FDIC and backed by the full faith and credit of the U.S. Government, up to a maximum amount for all deposits held in the same legal capacity per depository institution (the "**Maximum Insured Amount**"). The Maximum Insured Amount is $250,000 for all deposits held in the same right and capacity per depository institution. The Maximum Insured Amount may be adjusted for inflation on or about April 1, 2015 and each fifth year thereafter.

Any accounts or deposits a holder maintains directly with the Bank in the same right and capacity as such holder maintains his or her CDs would be aggregated with such CDs for purposes of the Maximum Insured Amount. Although FDIC insurance coverage includes both the Deposit Amount and accrued interest (subject to the applicable limit), if the FDIC was appointed conservator or receiver of the Bank before the maturity of the CDs, the FDIC likely would take the position that any Interest Payment for which the relevant Valuation Date occurs after the date the FDIC is appointed receiver or conservator is not insured because the amount of such Interest Payment is not calculated until the such corresponding Valuation Date and would not be reflected as accrued interest on the books of the Bank at the time of such appointment. Accordingly, any prospective Interest Payment would not be insured by the FDIC before the relevant Valuation Date. In addition, depending on the structure of the Minimum Interest, if applicable, that amount also may not be subject to FDIC insurance before the Maturity Date. Any secondary market premium you pay for the CDs also will not be insured by the FDIC.

Each holder is responsible for monitoring the total amount of his or her deposits in order to determine the extent of deposit insurance coverage available to him or her on such deposits, including the CDs. In circumstances in which FDIC insurance coverage is, in fact, extended (a) the uninsured portion of the CDs or any other deposits will constitute unsecured claims in the receivership or conservatorship and (b) no broker will be responsible for any insured or uninsured portion of the CDs or any other deposits. Persons considering the purchase, ownership or disposition of a CD should consult their legal advisors concerning the availability of FDIC insurance.

The summary of FDIC deposit insurance rules contained in this Disclosure Statement is not intended to be a full restatement of applicable FDIC regulations and interpretations, which may change from time to time and in certain instances additional terms and conditions may apply which are not described herein. Accordingly, the discussion in this document is qualified in its entirety by such regulations and interpretations, and the holder is urged to discuss with his or her attorney the insurance coverage afforded to any CD that he or she may purchase. Holders may also write to the following address: FDIC Division of Supervision and Consumer Protection, Attn: Deposit Insurance Outreach, 550 17th Street, N.W., Washington, D.C. 20429, or access *"Your Insured Deposits"* on the FDIC's website at http://www.fdic.gov/deposit/deposits/insured/print/yid_english.pdf, or call the FDIC at 1-877-275-3342.

If the CDs or other deposits of a holder at the Bank are assumed by another depository institution pursuant to a merger or consolidation, such CDs or deposits will continue to be separately insured from the deposits that such holder might have established with the acquirer until (a) the Maturity Date of the CDs or other time deposits which were assumed or (b) with respect to deposits which are not time deposits, the expiration of a six-month period from the date of the acquisition. Thereafter any assumed deposits will be aggregated with the existing deposits with the acquirer held in the same legal capacity for purposes of federal deposit insurance. Any deposit opened at the acquired institution after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance.

The application of the federal deposit insurance limitation per depository institution in certain common factual situations is illustrated below:

Individual Accounts

Funds owned by a natural person deposited in one or more accounts in his or her own name are added together and insured up to the Maximum Insured Amount in the aggregate.

Agency or Nominee Accounts

Funds owned by an individual and deposited into one or more accounts in the name of an agent or nominee of such individual (such as the CDs held in a brokerage account) are not treated as owned by the agent or nominee, but are added to other deposits of such individual held in the same right and capacity and are insured up to the Maximum Insured Amount in the aggregate.

Custodial Accounts

Funds in accounts held by a custodian, guardian or conservator (for example, under the Uniform Gifts to Minors Act) for the benefit of a minor or other beneficiary, and deposited into one or more accounts in the name of the guardian, custodian or conservator, are not treated as owned by the custodian, but are added to other deposits of the minor or other beneficiary held in the same right and capacity and are insured up to the Maximum Insured Amount in the aggregate.

Joint Accounts

The interests of co-owners in funds in an account held under any form of joint ownership valid under applicable state law may be insured up to the Maximum Insured Amount in the aggregate, separately and in addition to the Maximum Insured Amount allowed on other deposits individually owned by any of the co-owners of such account (hereinafter referred to as a "**Joint Account**"). A Joint Account qualifies as a joint account only if (i) all owners of the funds in the account are natural persons, (ii) each co-owner has personally signed a Deposit Account signature card and (iii) each co-owner has the right to withdrawal on the same basis as the other co-owners. Joint Accounts held by an agent or nominee such as a broker will be insured separately from such individually-owned accounts only if the Joint Account meets the foregoing criteria then it will be deemed to be jointly owned; as long as the account records of the broker are clear and unambiguous as to the ownership of the account. If the broker's account records are ambiguous or unclear as to the manner in which the account is owned, then the FDIC may consider evidence other than such account records to determine ownership. The signatures of two or more natural persons on a Deposit Account signature card will be conclusive evidence that the account is a Joint Account unless the deposit records as a whole are ambiguous and some other evidence indicates that there is a contrary ownership capacity.

In the event a natural person has an interest in more than one Joint Account and different co-owners are involved, his or her interest in all of such Joint Accounts (subject to the limitation that such individual's insurable interest in any one account may not exceed the Maximum Insured Amount divided by the number of owners of such account) is then added together and insured up to the Maximum Insured Amount in the aggregate, with the result that no natural person's insured interest in the joint account category can exceed the Maximum Insured Amount. For deposit insurance purposes, the co-owners of any Joint Account are deemed to have equal interests in the Joint Account unless otherwise stated in the broker's records.

Entity Accounts

The deposit accounts of any corporation, partnership or unincorporated association that is operated primarily for some purpose other than to increase deposit insurance are added together and insured up to the Maximum Insured Amount in the aggregate per depository institution.

Revocable Trust Accounts

Subject to the limitations described below, deposits owned by an individual and deposited into one or more deposit accounts with respect to which the owner evidences an intention (whether informal or as part of a formal revocable trust) that upon his or her death the funds shall belong to one or more beneficiaries will be separately insured from other types of accounts the owner has at the same insured depository institution in an amount equal to the total number of different beneficiaries named in the account(s) multiplied by the Maximum Insured Amount. Such informal trusts are commonly referred to as payable-on-death accounts, in-trust-for accounts or Totten Trust accounts, and such formal trusts are commonly referred to as living trusts or family trusts. In the case of an informal arrangement, the intention that upon the owner's death the funds shall belong to one or more beneficiaries must be manifested in the title of the account using commonly accepted terms such as "in trust for," "as trustee for," "payable-on-death to," or any acronym therefor. The beneficiaries must be specifically named in the deposit account records of the insured depository institution (or, in the case of a deposit held by a broker, the broker). The settlor of a revocable trust shall be presumed to own the funds deposited into the account.

In the case of any beneficiary that is not a natural person or nonprofit entity as defined by the Internal Revenue Code of 1986, as amended (the **"Code"**), the funds corresponding to that beneficiary will be treated as individually owned (single ownership) accounts of the owner(s), aggregated with any other single ownership accounts of such owner(s), and insured up to the Maximum Insured Amount.

For funds owned by an individual in one or more revocable trust accounts naming more than five different beneficiaries that has an aggregate balance that is more than five times the Maximum Insured Amount, the maximum revocable trust account coverage for the account owner will be the greater of either:

- five times the Maximum Insured Amount; or
- the aggregate amount of the ownership interests of each different beneficiary named in the trusts, to a limit of the Maximum Insured Amount per different beneficiary.

When a husband and a wife establish a revocable trust account naming themselves as the sole beneficiaries, the account will be deemed insured according to the joint account provisions.

Irrevocable Trust Accounts

Deposits of an irrevocable trust (as determined under applicable state law) will be insured for up to the Maximum Insured Amount for the interest of each beneficiary, provided that the beneficiary's interest in the account is non-contingent (*i.e.*, capable of determination without evaluation of contingencies) and certain other criteria are satisfied. The FDIC treats Coverdell education savings accounts as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or beneficiaries. The interests of a beneficiary in all irrevocable trust accounts at the Bank created by the same grantor will be aggregated and insured up to the Maximum Insured Amount. When a bankruptcy trustee commingles the funds of two or more bankruptcy estates in the same trust account, the funds of each bankruptcy estate will receive separate pass-through coverage for up to the Maximum Insured Amount.

Retirement and Employee Benefit Plans and Accounts - Generally

You may have interests in various retirement and employee benefit plans and accounts that are holding deposits of the Bank. The amount of deposit insurance you will be entitled to will vary depending on the type of plan or account and on whether deposits held by the plan or account will be treated separately or aggregated with the deposits of the Bank held by other plans or accounts. It is therefore important to understand the type of plan or account holding the CD. The rules that apply to deposits of retirement and employee benefit plans and accounts are generally described in **"Pass-Through Deposit Insurance for Retirement and Employee Benefit Plan Deposits"** and **"Aggregation of Retirement and Employee Benefit Plans and Accounts"** below.

Pass-Through Deposit Insurance for Retirement and Employee Benefit Plan Deposits.

Subject to the limitations discussed below, under FDIC regulations, an individual's non-contingent interest in the deposits of one depository institution held by certain types of employee benefit plans are eligible for insurance on a "pass-through" basis up to the applicable deposit insurance limits for that type of plan. This means that, instead of an employee benefit plan's deposits at one depository institution being entitled to deposit insurance based on its aggregated deposits in the Bank, each participant in the employee benefit plan is entitled to insurance of his or her interest in the employee benefit plan's deposits of up to the applicable deposit insurance limits per institution (subject to the aggregation of the participant's interests in different plans, as described below). The pass-through insurance provided to an individual as an employee benefit plan participant is in addition to the deposit insurance allowed on other deposits held by the individual at the issuing institution. Pass-through insurance is aggregated across certain types of accounts. See **"Aggregation of Retirement and Employee Benefit Plans and Accounts"** on page 16.

A deposit held by an employee benefit plan that is eligible for pass-through insurance is **not** insured for an amount equal to the number of plan participants multiplied by the applicable deposit insurance limits. For example, assume an employee benefit plan that is a Qualified Retirement Account (defined below), *i.e.*, a plan that is eligible for deposit insurance coverage up to the Maximum Insured Amount per qualified beneficiary, owns $500,000 in deposits at one institution and the plan has two participants, one with a vested non-contingent interest of $350,000 and one with a vested non-contingent interest of $150,000. In this case, the individual with the $350,000 interest would be insured up to the $250,000 Maximum Insured Amount limit, and the individual with the $150,000 interest would be insured up to the full value of such interest.

Moreover, the contingent interests of employees in an employee benefit plan and overfunded amounts attributed to any employee defined benefit plan are **not** insured on a pass-through basis. Any interests of an employee in an employee benefit plan deposit which are not capable of evaluation in accordance with FDIC rules (*i.e.*, contingent interests) will be aggregated with the contingent interests of other participants and insured up to the applicable deposit insurance limits. Similarly, overfunded amounts are insured, in the aggregate for all participants, up to the applicable deposit insurance limits separately from the insurance provided for any other funds owned by or attributable to the employer or an employee benefit plan participant.

Aggregation of Retirement and Employee Benefit Plans and Accounts

Self-Directed Retirement Accounts. The principal amount of deposits held in Qualified Retirement Accounts, plus accrued but unpaid interest, if any, are protected by FDIC insurance up to a maximum of the Maximum Insured Amount for all such deposits held by you at the issuing depository institution. **"Qualified Retirement Accounts"** consist of (i) any individual retirement account ("**IRA**"), (ii) any eligible deferred compensation plan described in section 457 of the Code, (iii) any individual account plan described in section 3(34) of ERISA, to the extent the participants and beneficiaries under such plans have the right to direct the investment of assets held in the accounts and (iv) any plan described in section 401(d) of the Code, to the extent the participants and beneficiaries under such plans have the right to direct the investment of assets held in the accounts. The FDIC sometimes generically refers to this group of accounts as **"self-directed retirement accounts."** Supplementary FDIC materials indicate that Roth IRAs, self-directed Keogh Accounts, Simplified Employee Pension plans, Savings Incentive Match Plans for Employees and self-directed defined contribution plans (such as 401(k) plans) are intended to be included within this group of Qualified Retirement Accounts. Coverdell education savings accounts, Health Savings Accounts, Medical Savings Accounts, accounts established under section 403(b) of the Code and defined-benefit plans are **NOT** Qualified Retirement Accounts.

Other Employee Benefit Plans. Any employee benefit plan, as defined in Section 3(3) of ERISA, plan described in Section 401(d) of the Code, or eligible deferred compensation plan under section 457 of the Code, that does not constitute a Qualified Retirement Account – for example, certain employer-sponsored profit sharing plans — can still satisfy the requirements for pass-through insurance with respect to non-contingent interests of individual plan participants, provided that FDIC requirements for recordkeeping and account titling are satisfied ("**Non-Qualifying Benefit Plans**"). Defined contribution plan accounts and Keogh accounts that are not "self-directed" also generally would be treated as Non-Qualifying Benefit Plans. For Non-Qualifying Benefit Plans, the amount subject to federal deposit insurance is the Maximum Insured Amount. Under FDIC regulations, an individual's interests in Non-Qualifying Benefit Plans maintained by the same employer or employee organization (*e.g.*, a union) which are holding deposits at the same institution will be insured up to the Maximum Insured Amount in the aggregate, separate from other accounts held at the same depository institution in other ownership capacities.

This general rule regarding pass-through insurance is subject to the following limitations and exceptions:

- ***Total Coverage Might Not Equal the Maximum Insured Amount Times the Number of Participants.*** Each deposit held by an Employee Benefit Plan may not necessarily be insured for an amount equal to the number of participants multiplied by the Maximum Insured Amount. For example, if an Employee Benefit Plan owns $500,000 in CDs at one institution and the Employee Benefit Plan has two participants, one with a vested non-contingent interest of $300,000 and one with a vested non-contingent interest of $200,000, then the individual with the $300,000 interest would be insured up to the $250,000 Maximum Insured Amount limit and the individual with the $200,000 interest would be insured up to the full value of such interest.

- ***Aggregation.*** An individual's non-contingent interests in funds deposited with the same depository institution by different Employee Benefit Plans of the same employer or employee organization are aggregated for purposes of applying this pass-through Maximum Insured Amount per participant deposit insurance limit, and are insured in aggregate only up to the Maximum Insured Amount per participant.

- ***Contingent Interests/Overfunding.*** Any portion of an Employee Benefit Plan's deposits that is not attributable to the non-contingent interests of Employee Benefit Plan participants is not eligible for pass-through deposit insurance coverage, and is insured, in aggregate, only up to the Maximum Insured Amount.

To the extent that a CD purchaser expects his or her beneficial interest in the CDs to be fully covered by FDIC insurance, such purchaser, by purchasing a CD, is deemed to represent to the Bank and his or her broker that his or her beneficial interest (or if it is an agent, nominee, custodian or other person who is purchasing a CD for his or her beneficial owners, that each beneficial owner's beneficial interest) in other deposits in the Bank, when aggregated with the beneficial interest in the CD so purchased, to the extent that aggregation is required in determining insurance of accounts under the federal deposit insurance regulations, does not exceed the Maximum Insured Amount (or the Maximum Insured Amount per participant in the case of certain retirement accounts as described above).

No broker will be obligated to any holder for amounts not covered by deposit insurance. Neither the Bank nor any broker will be obligated to make any payments to any holder in satisfaction of any loss such holder might incur, including losses that result from (a) a delay in insurance payouts applicable to his or her CD, (b) his or her receipt of a decreased rate of return on the reinvestment of the proceeds received as a result of a payment on a CD before its scheduled maturity, (c) payment in cash of the CD's Deposit Amount before maturity in connection with the liquidation of an insured institution or the assumption of all or a portion of his or her deposit liabilities at a lower interest rate or (d) his or her receipt of a decreased rate of return as compared to the performance of the related Reference Assets, or any of them.

Preference in Right of Payment

Under Federal law, claims for deposits are given priority over general claims of creditors in the liquidation or other resolution of any FDIC-insured depository institution. Claims to be paid in the following order:

- first, administrative expenses of the receiver;
- second, any deposit liability of the institution;
- third, any other general or senior liability of the institution not described below;
- fourth, any obligation subordinated to depositors or general creditors not described below; and
- fifth, any obligation to shareholders or members (including any depository institution holding company or any shareholder or creditor of such company).

For purposes of deposit liability claim priority, deposit liabilities include any deposit payable only at an office of the insured depository institution in the United States. Deposit liabilities do not include international banking facility deposits or deposits payable at an office of the insured depository institution outside the United States, even if such deposit liabilities are dually-payable at both a domestic office and at an office located outside of the United States. The CDs are a deposit liability of a domestic office of the Bank.

A liability of an FDIC-insured depository institution that is contingent at the time of the insolvency of the institution cannot be the basis for a claim against the FDIC as receiver for the insolvent institution. This limitation would prohibit claims against the FDIC for interest on the CDs that has not yet accrued.

DISCOUNTS AND SECONDARY MARKETS

We will sell the CDs to brokers at discounts ranging from 0.00% of the Deposit Amount of such CDs to any higher percentage provided in the relevant Supplement. This discount will be disclosed in the relevant Supplement. The brokers may retain all, none or a portion of this discount or allow this discount to be shared with other brokers who sell CDs.

Each broker, though not obligated to do so, may maintain a secondary market in the CDs. Secondary market transactions may be expected to be effected at prices that reflect then-current interest rates, supply and demand, time remaining until maturity, and general market conditions. Secondary market transactions could be effected at prices greater or less than $1,000 per $1,000 Deposit Amount CD, although sale in a secondary market transaction could result in a significant loss of principal. The yield to maturity on a CD purchased in the secondary market may differ from the yield at the time of original issuance. The prices at which CDs may sell in secondary markets may fluctuate more than ordinary interest-bearing CDs.

Each broker may purchase and sell CDs for his or her own account, as well as for the accounts of customers. Accordingly, a broker may realize profits from mark-ups on transactions for his or her own account, and may charge customers commissions in brokerage transactions, which mark-ups or commissions will affect the yield to maturity of such CDs. Any commission on a brokered secondary market transaction may be reflected in a holder's Confirmation.

Each broker may at any time, without notice, discontinue participation in secondary market transactions in CDs. Accordingly, a holder should not rely on the possible existence of a secondary market for any benefits, including liquidity, achieving trading profits, limiting trading or other losses, or realizing income before maturity.

HEDGING

The costs to us associated with the issue of CDs include the placement fees paid to BNP Paribas Securities, BWIS and other brokers with respect to the CDs and the cost of hedging our obligations under the CDs. We will hedge our obligations under the CDs through affiliates or unaffiliated counterparties. The cost of hedging includes the projected profit that our affiliates or others expect to realize in consideration for assuming the risks inherent in hedging our obligations under the CDs. Because hedging our obligations entails risk and may be influenced by market forces beyond our or our hedge counterparties' control, such hedging may result in a profit to us that is more or less than expected, or it may result in a loss.

On or before the date we sell the CDs, we, through our affiliates or others, may hedge some or all of our anticipated exposure in connection with the CDs by taking positions in one or more of the Reference Asset(s) or instruments whose value is derived from one or more of the Reference Asset(s). While we cannot predict an outcome, such hedging activity or other hedging and investment activities could potentially affect the price of one or more Reference Asset(s), and therefore any Interest Payment you may receive on any Interest Payment Date plus the Minimum Interest, if applicable. From time to time, before maturity of the CDs, we, through our affiliates or others, may pursue a dynamic hedging strategy which may involve taking long or short positions in one or more of the Reference Asset(s) or instruments whose value is derived from one or more of the Reference Asset(s). Although we have no reason to believe that any of these activities will have a material impact on the prices of the Reference Asset(s) or the value of the CDs, we cannot assure you that these activities will not have such an effect.

We have no obligation to engage in any manner of hedging activity and will do so solely at our discretion and for our own account. No holder of CDs will have any rights or interest in our hedging activity or any positions we or any affiliated or unaffiliated counterparties may take in connection with our hedging activity.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the CDs by an employee benefit plan that is subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**), a plan, individual retirement account or other arrangement that is subject to Section 4975 of the Code (collectively, "**ERISA Plans**"), or plans, accounts or arrangements (together with ERISA Plans, "Plans") subject to provisions of any federal, state, local, non-U.S. or other laws, rules or regulations that are similar to such provisions of the Code or ERISA (collectively, **"Similar Laws"**), and entities whose underlying assets are considered under ERISA, the Code or any applicable Similar Law to constitute the assets of any such plan account or arrangement.

General Fiduciary Matters

ERISA and the Code impose certain duties on any person who is a fiduciary of an ERISA Plan, and prohibit certain transactions involving the assets of an ERISA Plan and any of its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the management or administration of such an ERISA Plan or any authority or control over the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment of the assets of any Plan in a CD, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code and any applicable Similar Law, including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any applicable Similar Law.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit an ERISA Plan from engaging in certain specified transactions involving plan assets with any person or entity that constitutes a **"party in interest"** within the meaning of ERISA, or a **"disqualified person"** within the meaning of Section 4975 of the Code, unless an exemption is available. Plans subject to Similar Laws may be subject to similar restrictions. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of an ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition or holding of a CD by an ERISA Plan with respect to which we or any of our affiliates, a broker, or the purchaser or subsequent transferee of a CD is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or **"PTCEs,"** that may apply to the acquisition and holding of a CD. These class exemptions include, without limitation, PTCE 84-14 relating to transactions involving plans whose assets are managed by a qualified professional asset manager (QPAM), PTCE 90-1 relating to certain acquisitions and/or holdings by insurance company pooled separate accounts, PTCE 91-38 relating to transactions by bank collective investment funds, PTCE 95-60 relating to life insurance company general accounts and PTCE 96-23 relating to transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions between an ERISA Plan and a person that is a party in interest and/or disqualified person (other than a fiduciary or an affiliate that, directly or indirectly, has or exercises any discretionary authority or control or renders any investment advice with respect to the assets involved in the transaction) solely by reason of providing services to the ERISA Plan or by relationship to a service provider, provided that the ERISA Plan has made a determination that there is adequate consideration for the transaction. There can be no assurance that any or all of the conditions of any exemption referred to above will be satisfied.

Because of the foregoing, a CD should not be purchased or held by any person investing **"plan assets"** of any Plan, unless such purchase and holding of the CD (i) will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or qualifies for an applicable statutory, class or individual prohibited transaction exemption from such provisions, and (ii) will not constitute a violation of any applicable Similar Law.

__ERISA Representation and Warranties by Depositors__

Accordingly, by acceptance of a CD, or any interest therein, each purchaser and subsequent transferee of a CD will be deemed to have represented and warranted that either: (i) no portion of the assets used by such purchaser or transferee to acquire and hold the CD constitutes assets of any Plan; or (ii) the acquisition and holding of the CD by such purchaser or transferee will not (a) constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or qualifies for an applicable statutory, class or individual prohibited transaction exemption from such provisions, and (b) constitute a similar violation under any applicable Similar Law.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, and other persons considering acquiring a CD on behalf of, or with the assets of, any ERISA Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any applicable Similar Law to such investment and whether an exemption would be applicable to the acquisition and holding of the CD.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

Introduction

The following summary is a description of certain U.S. federal income tax consequences relating to the purchase, ownership and disposition of the CDs to persons who purchase CDs from us for cash at their issue price (as defined below). The discussion is for general information only and does not consider all aspects of federal income taxation that may be relevant to the purchase, ownership and disposition of CDs by a holder in light of such holder's personal circumstances. In particular, this discussion does not address the federal income tax consequences of ownership of CDs by depositors that do not hold the CDs as capital assets within the meaning of Section 1221 of the Internal Revenue Code, as amended (the "**Code**"), or the federal income tax consequences to holders subject to special treatment under the federal income tax laws, such as:

- dealers in securities or foreign currency;
- traders that elect to mark their securities to market;
- tax-exempt depositors;
- partnerships and other entities treated as partnerships for U.S. federal income tax purposes;
- securities corporations and any depositors therein;
- U.S. expatriates;
- regulated investment companies, real estate investment trusts, banks, thrifts, insurance companies or other financial institutions or financial services entities;
- persons that hold the CDs as a position in a straddle or as part of a synthetic security or hedge;
- U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar;
- controlled foreign corporations;
- passive foreign investment companies;
- foreign governments or international organizations, within the meaning of Section 892 of the Code; or
- retirement plans.

Holders subject to the special circumstances described above may be subject to tax rules that differ significantly from those summarized below. In addition, the tax treatment of a partner or owner of an entity that holds the CDs and is treated as a partnership for U.S. federal income tax purposes generally depends on the status and situs of the partner and the activities of the partnership. Partners of partnerships considering the purchase of CDs should consult their tax advisers.

The term **"U.S. Holder"** means a beneficial owner of CDs that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation organized or created in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or (ii) that has a valid election in place to be treated as a domestic trust.

The term **"Non-U.S. Holder"** means a beneficial owner of the CDs that is, for U.S. federal income tax purposes, an individual, corporation, estate or trust that is not a U.S. Holder.

This summary is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations as of the date of this Disclosure Statement, changes to any of which, subsequent to the date of this Disclosure Statement, may affect the tax consequences described herein. As the law applicable to the

U.S. federal income taxation of instruments such as the CDs is technical and complex, the discussion below necessarily represents only a general summary. Moreover, Medicare tax on net investment income, the alternative minimum tax and the effects of any applicable state, local or foreign tax laws are not discussed. You should consult your tax adviser concerning the application of U.S. federal income and estate tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or foreign jurisdictions.

Tax Treatment of the CDs

It is expected that the CDs will be treated as debt instruments for U.S. federal income tax purposes, and the remainder of this discussion so assumes. The CDs may be treated as either contingent payment debt instruments or variable rate debt instruments. The relevant Supplement will indicate which, if any, of these treatments is intended to apply to the CDs, or if another treatment is intended to apply. In any case, we expect that the tax treatment of the CDs will not be clear, and that there will be some risk that the Internal Revenue Service ("**IRS**") could determine that our treatment of the CDs was incorrect. For example, if we treat an offering of CDs as variable rate debt instruments, we expect that there will be some risk that the IRS could determine that they were in fact contingent payment debt instruments, and vice versa. Any such determination could have adverse U.S. federal income tax consequences for you.

In general, we will not attempt to ascertain whether any of the issuers of the Reference Assets would be treated as "passive foreign investment companies" (**"PFICs"**) within the meaning of Section 1297 of the Code or as "United States real property holding corporations" (**"USRPHCs"**) within the meaning of Section 897 of the Code. If any of the issuers of the Reference Assets were so treated, certain adverse U.S. federal income tax consequences might apply, to a U.S. Holder in the case of a PFIC and to a Non-U.S. Holder in the case of a USRPHC, upon the sale or exchange of a CD (including early redemption or redemption at maturity). You should refer to information filed with the SEC or another governmental authority by the issuers of the Reference Assets and consult your tax adviser regarding the possible consequences to you if any of the issuers of the Reference Assets is or becomes a PFIC or USRPHC, as applicable. Depending on the nature of the Reference Assets in a particular offering, the relevant terms supplement may include further disclosure regarding these issues.

Tax Consequences to U.S. Holders

CDs WITH A TERM OF NOT MORE THAN ONE YEAR

If the term of the CDs (including either the issue date or the last possible date that the CDs could be outstanding, but not both) is not more than one year, the following discussion applies. No statutory, judicial or administrative authority directly addresses the treatment of these CDs or instruments similar thereto for U.S. federal income tax purposes, and no ruling will be requested from the IRS with respect to the CDs. As a result, certain aspects of the U.S. federal income tax consequences of purchasing these CDs are uncertain.

Tax Treatment Prior to Maturity

Where the term of the CDs is not more than one year, the CDs will be treated as short-term debt obligations. A short-term debt obligation is treated for U.S. federal income tax purposes as issued at a discount equal to the difference between the payments due thereon and the instrument's issue price. In general, this discount is treated as interest income when received or accrued, in accordance with the holder's method of tax accounting. However, because the amount of discount that will be paid on the CDs is uncertain, aspects of the tax treatment of the CDs are not clear.

If you are a cash-method U.S. Holder, you will not be required to recognize income with respect to the CDs before interest is actually or constructively received or pursuant to a sale or exchange, as described below. However, cash-method holders may elect to accrue discount into income on a current basis, in which case they would generally be treated as accrual-method holders, as described below. If you do not make this election, you will be required to treat all stated interest on the CDs as income when actually or constructively received. In addition, you will be required to defer deductions with respect to any interest paid on indebtedness incurred to purchase or carry your CDs, to the extent of accrued discount that you have not yet included in income, until you dispose of the CDs in a taxable transaction. You should consult your tax adviser regarding these issues.

Although accrual-method holders and certain other holders (including electing cash-method holders) are generally required to accrue into income discount on short-term indebtedness on a straight-line basis, any such holder may elect to accrue the discount according to a constant yield method based on daily compounding. Under this method, holders generally are required to include in income increasingly greater amounts of discount in successive accrual periods. Because the amounts that will be received with respect to the CDs are uncertain, it is not clear how accruals pursuant to either the straight-line or constant yield methods should be determined. You should consult your tax adviser regarding the determination of the amounts, if any, of these accruals on the CDs.

Sale or Exchange of a CD

Upon a sale or exchange of a short-term CD (including early redemption or redemption at maturity), you should recognize gain or loss in an amount equal to the difference between the amount you receive and your adjusted basis in the CD. Your adjusted basis in the CD should equal the issue price of the CD increased by any discount that you have previously included in income but not received.

The amount of any resulting loss will be treated as a capital loss. Gain resulting from redemption at maturity should be treated as ordinary interest income. It is not clear, however, whether or to what extent gain from a sale or exchange before maturity should be treated as capital gain or ordinary income. You should consult your tax adviser regarding the proper treatment of any gain or loss recognized upon a sale or exchange of a CD.

Due to the absence of authorities that directly address the U.S. federal income tax consequences of certain types of short-term CDs, no assurances can be given that the IRS will accept, or that a court will uphold, the tax treatment of short-term CDs described above. Alternative tax characterizations of a short-term CD are possible which, if applied, could affect the character of the income or loss with respect to the CDs. You should consult your tax adviser regarding the U.S. federal income tax treatment of purchasing short-term CDs.

CDs WITH A TERM OF MORE THAN ONE YEAR

If the term of the CDs (including either the issue date or the last possible date that the CDs could be outstanding, but not both) is more than one year, such CDs generally will be treated as described below, subject to the discussion concerning **"contingent payment debt instruments."**

Payments of Interest

Interest on your CDs generally will be taxable to you as ordinary income from domestic sources at the time that such interest is paid or accrued in accordance with your regular method of accounting for U.S. federal income tax purposes.

Original Issue Discount

Special tax accounting rules apply to CDs issued with "original issue discount" ("**OID**") for U.S. federal income tax purposes ("**OID CDs**"). In general, a CD will be treated as issued with OID if the **"issue price"** of that CD is less than its **"stated redemption price at maturity"** unless the amount of such difference is *de minimis* (less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity). Regardless of the regular method of accounting used by you for U.S. federal income tax purposes, OID generally must be accrued into your gross income on a constant yield basis, in advance of your receipt of some or all of the cash attributable to such OID.

The "**issue price**" of an issue of CDs will be the initial offering price to the public at which a substantial amount of such CDs is sold for cash (ignoring sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The "**stated redemption price at maturity**" of any CD is the sum of all payments to be made on such CD other than **"qualified stated interest"** payments. A "**qualified stated interest**" payment is stated interest that is unconditionally payable at least annually at a single fixed rate (appropriately taking into account the length of the interval between payments).

The amount of OID includible in gross income by you would be the sum of the **"daily portions"** of OID with respect to your OID CDs for each day during the taxable year in which you held the OID CDs. The daily portion is determined by allocating to each day in any **"accrual period"** a pro rata portion of the OID allocable to such accrual period.

The amount of OID allocable to any accrual period with respect to an OID CD is generally equal to the excess (if any) of (i) the product of the **"adjusted issue price"** of such OID CD at the beginning of such accrual period and the yield to maturity of the OID CD, as determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period, over (ii) the sum of any qualified stated interest payments allocable to the accrual period. For this purpose, accrual periods may be of any length and may vary in length over the term of the OID CD provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs at the beginning or the end of an accrual period.

The adjusted issue price of an OID CD at the start of any accrual period is equal to the issue price, increased by the accrued OID for each prior accrual period, and reduced by any prior payments with respect to the OID CD that were not qualified stated interest payments. The following rules apply to determine the amount of OID allocable to an accrual period:

- if an interval between payments of qualified stated interest contains more than one accrual period, the amount of qualified stated interest payable at the end of the interval is allocated on a pro rata basis to each accrual period in the interval and the adjusted issue price at the beginning of each accrual period in the interval must be increased by the amount of any qualified stated interest that has accrued prior to the beginning of the first day of the accrual period but is not payable until the end of the interval;
- if the accrual period is the final accrual period, the amount of OID allocable to the final accrual period is the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price of the debt security at the beginning of the final accrual period; and
- if all accrual periods are of equal length, except for an initial shorter accrual period or an initial and a final shorter accrual period, the amount of OID allocable to the initial accrual period may be computed under any reasonable method.

Under the constant yield method for accruing OID, you generally will have to include in gross income increasingly greater amounts of OID in successive accrual periods.

CDs may contain provisions allowing them to be redeemed prior to their respective maturity dates at our option or at the option of holders. For purposes of determining yield and maturity, CDs that may be redeemed prior to their maturity date at the option of the issuer generally will be treated from the time of issuance as having a maturity date for U.S. federal income tax purposes on such redemption date if such redemption would result in a lower yield to maturity. Conversely, CDs that may be redeemed prior to their stated maturity date at the option of the holder generally will be treated from the time of issuance as having a maturity date for U.S. federal income tax purposes on such redemption date if such redemption would result in a higher yield to maturity. If the exercise of such an option does not occur, contrary to the assumptions made as of the issue date, then solely for purposes of the accrual of OID, such CDs will be treated as reissued on the date of the change in circumstances for an amount equal to their respective adjusted issue prices.

The amount of OID accrued in respect of OID CDs held by persons other than corporations and other exempt holders may be required to be reported to the IRS.

Variable Rate Debt Instruments

Treasury regulations prescribe special rules for **"variable rate debt instruments"** that provide for the payment of interest based on certain floating or objective rates. In general, a CD will qualify as a variable rate debt instrument if (i) the issue price of the CD does not exceed the total non-contingent principal payments due in respect of such CD by more than an amount equal to the lesser of (A) 0.015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from its issue date or (B) 15% of the total non-contingent principal payments, and (ii) the CD provides for stated interest, paid or compounded at least annually, at **"current values"** of (A) one or more **"qualified floating rates,"** (B) a single fixed rate and one or more qualified floating rates, (C) a single **"objective rate,"** or (D) a single fixed rate and a single objective rate that is a **"qualified inverse floating rate."** A current value of a rate is the value of the rate on any date that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A "**qualified floating rate**" is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the CD is denominated. Although a multiple of a qualified floating rate generally will not itself constitute a qualified floating rate, a variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35 can constitute a qualified floating rate. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the CD (*e.g.*, two or more qualified floating rates with values within 25 basis points of each other as determined on the issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum stated interest rate (*i.e.*, a cap), a minimum stated interest rate (*i.e.*, a floor) or a restriction on the amount of increase or decrease in the stated interest (*i.e.*, a governor) may, under certain circumstances, fail to be treated as a qualified floating rate unless such restrictions are fixed throughout the term of the relevant CD or are reasonably expected to not have a significant effect on the yield of such CD.

An "**objective rate**" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and that is based on objective financial or economic information. A rate will not qualify as an objective rate if it is based on information that is within the control of the issuer (or a related party) or that is unique to the circumstances of the issuer (or a related party), such as dividends, profits, or the value of the issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the issuer). An objective rate is a **"qualified inverse floating rate"** if the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. The Treasury regulations also provide that if debt securities provide for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate and if the variable rate on the issue date is intended to approximate the fixed rate (*e.g.*, the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

If any CD provides for stated interest at either a single qualified floating rate or a single objective rate throughout its term, and such interest is unconditionally payable in cash or property (other than debt instruments of such CD's issuer) at least annually, then all stated interest on such CD will constitute qualified stated interest that is included in gross income by a U.S. Holder as received or accrued in accordance with such U.S. Holder's regular method of accounting for U.S. federal income tax purposes. Thus, such CD generally will not be treated as having been issued with OID for U.S. federal income tax purposes unless it is sold at a discount from its stated principal amount, subject to a *de minimis* exception. In general, the amount of qualified stated interest and OID, if any, that accrues during an accrual period on such CD is determined under the OID Rules by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for such CD. The qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest that was accrued under the foregoing approach.

For other CDs, the timing and amount of OID and qualified stated interest will be determined by converting such CDs into **"equivalent fixed rate debt instruments."** The conversion of any such CD into an equivalent fixed rate debt instrument generally involves substituting for any qualified floating rate or qualified inverse floating rate a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the issue date of such CD, or substituting for any objective rate (other than a qualified inverse floating rate) a fixed rate that reflects the yield that is reasonably expected for such CD. In the case of a CD that provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if that CD provides for a qualified inverse floating rate). Under such circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the CD as of its issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse rate, such CD must then be converted into an equivalent fixed rate debt instrument in the manner described above.

Once a CD is converted into an equivalent fixed rate debt instrument pursuant to the foregoing rules, the timing and amount of OID and qualified stated interest, if any, are determined for the equivalent fixed rate debt instruments by applying the general OID rules to the equivalent fixed rate debt instruments. A U.S. Holder of such a CD will account for OID and qualified stated interest as if the U.S. Holder held the equivalent fixed rate debt instrument. For each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the equivalent fixed rate debt instrument in the event that such amounts differ from the actual amount of interest accrued or paid on the CD during the accrual period.

Contingent Payment Debt Instruments

Certain CDs that provide for floating rates or contingent payments may not qualify as **"variable rate debt instruments,"** as described above. Such CDs will be treated as **"contingent payment debt instruments"** for U.S. federal income tax purposes, and will be subject to special rules that govern the tax treatment of contingent payment debt instruments. With respect to any CD that is not intended to be treated as a variable rate debt instrument, but rather as a contingent payment debt instrument, these rules will be discussed in the relevant Supplement.

Sale or Exchange of a CD

Provided that a CD is not a **"contingent payment debt instrument,"** upon the sale or exchange of a CD, you generally should recognize U.S. source gain or loss equal to the difference between the amount realized upon the sale or exchange (other than amounts representing accrued and unpaid qualified stated interest, which will be taxable as ordinary interest income to the extent not previously included in gross income) and your adjusted tax basis in the CD. In general, your adjusted tax basis in a CD will equal your cost for such CD, increased by any accrued OID previously included in gross income and reduced by any cash payments previously received in respect of the CD other than qualified stated interest payments. Subject to the rules relating to contingent payment debt instruments, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if, at the time of sale or exchange, you have held the CD for more than one year. Under current U.S. federal income tax law, certain non-corporate U.S. Holders, including individuals, are eligible for preferential U.S. federal income tax rates in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

Information Reporting and Backup Withholding

Interest (including OID) accrued or paid on your CDs and the proceeds received from a sale or exchange of your CDs (including redemption or early redemption) will be subject to information reporting if you are not an "exempt recipient" (such as a domestic corporation or tax-exempt organization) and may also be subject to backup withholding at the rates specified in the Code if you fail to provide certain identifying information (such as an accurate taxpayer identification number, if you are a U.S. Holder) or meet certain other conditions.

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Tax Consequences to Non-U.S. Holders

This section applies to you only if you are a Non-U.S. Holder.

Interest on the CDs

Under present U.S. federal income tax law, and subject to the discussion below concerning backup withholding, FATCA and Section 871(m) of the Code, the payment by us of interest (including any OID) to you that is not effectively connected with a U.S. trade or business conducted by you will not be subject to U.S. federal income or withholding tax, provided that:

- you do not actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of Section 871(h)(3) of the Code and the Treasury Regulations thereunder;
- you are not a controlled foreign corporation that is related to us;
- you are not a bank holding the CDs as loans made in the ordinary course of business; and
- you satisfy certain certification requirements (summarized below).

In order to meet the aforementioned certification requirements, current Treasury Regulations generally require that:

- you (or your agent) deliver to your broker (or other withholding agent, as applicable) an IRS Form W-8BEN (or successor form) or an IRS Form W-8BEN-E (or successor form), signed by you or your agent on your behalf, certifying your non-U.S. status; or
- if you hold your CDs through a securities clearing organization or certain other financial institutions, the organization or institution that holds your CDs provide a signed statement to your broker (or other withholding agent, as applicable) that is accompanied by a properly completed and duly executed IRS

Form W-8BEN (or successor form) or IRS Form W-8BEN-E (or successor form) provided by you to that same organization or institution.

Special rules apply to the certifications that must be provided by entities like partnerships, estates, trusts and intermediaries. You should consult your tax advisor regarding the application of the U.S. federal income and withholding tax rules to your particular circumstances.

In the event that you do not meet the foregoing requirements, interest on your CDs will be subject to U.S. federal withholding tax at a rate of 30%, unless reduced by an applicable income tax treaty.

Interest on your CDs that is effectively connected with your U.S. trade or business will not be subject to U.S. federal withholding tax if you have certified, generally on a properly completed and duly executed applicable IRS Form W-8ECI (or successor form), that you are exempt from withholding tax. Such interest will be subject to U.S. federal income tax on a net basis generally in the same manner as if you were a U.S. Holder, unless an applicable income tax treaty provides otherwise. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable income tax treaty rate) of your earnings and profits for the taxable year, subject to adjustments, that are effectively connected with your conduct of a trade or business in the United States. If you are eligible for the benefits of a tax treaty between the United States and your country of residence, any interest that is effectively connected with a United States trade or business will be subject to United States federal income tax generally only if such interest is attributable to a permanent establishment (or a fixed base in the case of an individual) you maintain in the United States. To claim the benefit of an income tax treaty, you will need to provide a properly completed and duly executed IRS Form W-8BEN (or successor form) or IRS Form W-8BEN-E (or successor form).

Sale of CDs

If you sell or otherwise dispose of your CDs in a transaction that is treated as a taxable sale or exchange for U.S. federal income tax purposes (including a retirement or redemption), you generally will not be subject to U.S. federal income tax on any gain you recognize on this transaction, unless:

- the gain is effectively connected with your conduct of a U.S. trade or business in the United States; or
- you are an individual who is present in the U.S. for 183 days or more in the year in which you disposed of your CDs and certain other conditions are met.

A Non-U.S. Holder described in the first bullet point above will be subject to U.S. federal income tax on the net gain derived from the sale of CDs generally in the same manner as a U.S. Holder described above. An individual Non-U.S. holder described in the second bullet point above will generally be subject to a 30% U.S. federal income tax on the gain derived from the sale.

Backup Withholding and Information Reporting

Interest (including OID) accrued or paid on the CDs in each calendar year and the amounts of tax withheld, if any, with respect to the payments will generally be required to be reported to the IRS. Non-U.S. Holders who have provided the form and certifications mentioned above and satisfied certain other requirements or who have otherwise established an exemption will generally not be subject to backup withholding tax.

Payments of proceeds from the sale of a CD held by a Non-U.S. Holder to or through a foreign office of a broker will generally not be subject to information reporting or backup withholding. However, information reporting, but not backup withholding, may apply to those payments if the broker is one of the following:

(1) a U.S. person;

(2) a controlled foreign corporation for U.S. federal income tax purposes;

(3) a foreign person 50 percent or more of whose gross income from all sources for the three-year period ending with the close of his or her taxable year preceding the payment was effectively connected with a U.S. trade or business; or

(4) a foreign partnership with specified connections to the United States.

Information reporting and backup withholding may apply to payments of the proceeds from a sale of a CD held by a Non-U.S. Holder to or through the U.S. office of a broker unless the Non-U.S. Holder establishes an exemption from one or both.

Non-U.S. Holders should consult their tax advisers regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedure for obtaining such an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against such Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided the required information is timely furnished by the Non-U.S. Holder to the IRS and other applicable requirements are satisfied.

FATCA

Under Sections 1471-1474 of the Code (along with any current or future regulations or official interpretations thereof commonly referred to as "FATCA"), withholding tax at a rate of 30% generally is imposed on U.S. source interest paid on a debt obligation issued on or after July 1, 2014, and on the gross proceeds from the sale or repayment of such a debt obligation on or after January 1, 2019, if such debt obligation is held by or through certain foreign financial institutions (including investment funds), unless such institution (x) complies with rules implementing an applicable intergovernmental agreement relating to FATCA between the United States and its home jurisdiction or (y) enters into an agreement with the IRS. In each case, such institution generally would be required to report, on an annual basis, information with respect to shares in, and accounts maintained by, the institution to the extent such shares or accounts are held by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons. FATCA also requires withholding agents making withholdable payments to certain non-financial foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or certify that they do not have any substantial U.S. owners) to withhold tax at a rate of 30%. Non-U.S. Holders are encouraged to consult with their tax advisors regarding the possible implications of these withholding requirements on their investment in the CDs.

Potential Withholding under Section 871(m) of the Code

Section 871(m) of the Code and Treasury regulations promulgated thereunder ("**Section 871(m)**") generally impose a 30% withholding tax on dividend equivalents paid or deemed paid to Non-U.S. Holders with respect to certain financial instruments linked to U.S. equities. Subject to a special exemption applicable to financial instruments issued in 2017 (described below), Section 871(m) generally will apply if, at issuance, a financial instrument either (i) has a "delta" (as determined consistent with applicable Treasury regulations) with respect to an underlying security of 0.8 or higher, if the financial instrument is a "simple" contract, or (ii) meets a "substantial equivalence" test, if the financial instrument is a "complex" contract. Section 871(m) provides certain exceptions, including for instruments linked to, or tracking, certain broad-based indices that meet requirements set forth in the applicable Treasury regulations.

In 2016, the IRS provided guidance exempting financial instruments issued in 2017 that do not have a delta of 1 ("**delta-one transactions**") from withholding under Section 871(m). Unless otherwise set forth in the relevant Supplement, based on the expected terms of the CDs, CDs issued in 2017 should not be delta-one transactions and, therefore should not be subject to withholding tax under Section 871(m). Unless otherwise set forth in the relevant Supplement, we also expect that CDs issued on or after January 1, 2018 should not have a delta of 0.8 or higher and therefore also should not be subject to withholding tax under Section 871(m).

Our determination that a CD is not subject to Section 871(m) is not binding on the IRS, and the IRS may reach a different conclusion. Moreover, Section 871(m) is complex and its application is uncertain and may depend on your particular circumstances. For example, if you enter into other transactions relating to the Reference Assets, you could be subject to withholding tax or income tax liability under Section 871(m) even if the CDs are not themselves subject to Section 871(m) as a general matter. Because of the complexity and uncertainty, withholding agents may withhold on payments on the CDs paid to a Non-U.S. Holder, generally at a rate of 30% (or reduced treaty rate). To the extent we have withholding responsibility with respect to payments on the CDs, we will withhold and will not be required to pay any additional amounts with respect to amounts withheld. In order to claim an exemption from, or a reduction in, the 30% withholding tax, you may need to comply with certification requirements to establish that you are eligible for an exemption or reduction under an applicable tax treaty.

You should consult your own tax advisor regarding the potential application of Section 871(m) to the CDs in your particular circumstances.

TABLE OF CONTENTS

Disclosure Statement	Page