



# BNP PARIBAS

(incorporated in France)

## Issue of €1,000,000,000 Perpetual Fixed Rate Resetable Additional Tier 1 Notes

The €1,000,000,000 Perpetual Fixed Rate Resetable Additional Tier 1 Notes (the “Notes”) will be issued by BNP Paribas (“BNPP” or the “Issuer”) on 6 September 2022 (the “Issue Date”). The principal and interest of the Notes will constitute direct, unsecured and deeply subordinated obligations of the Issuer, as described in Condition 4 (*Status of the Notes*) in “Terms and Conditions of the Notes”.

The Notes are deeply subordinated notes of the Issuer issued pursuant to the provisions of Article L. 228-97 of the French *Code de commerce*. The Notes will be governed by, and construed in accordance with, French law.

The Notes shall bear interest on the Prevailing Outstanding Amount (as defined in Condition 2 (*Interpretation*) in the “Terms and Conditions of the Notes”) at the applicable Rate of Interest from (and including) the Issue Date and interest shall be payable semi-annually in arrear on 6 June and 6 December in each year commencing on 6 June 2023 (each an “Interest Payment Date”). The amount of interest per Calculation Amount payable on each Interest Payment Date in relation to an Interest Period falling in the period from (and including) the Issue Date to (but excluding) the Interest Payment Date falling on or about 6 December 2029 (the “First Call Date”) will be €6,875.00. There will be a long first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date (i.e. 6 June 2023), amounting to €10,293.72 per Calculation Amount.

The rate of interest will reset on the First Call Date and on each five-year anniversary thereafter (each, a “Reset Date”). The rate of interest for each Interest Period occurring after each Reset Date will be equal to the Reset Rate of Interest which amounts to the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin (4.645 per cent.), converted from an annual basis to a semi-annual basis as determined by the Calculation Agent, except that if the sum is less than zero, the Reset Rate of Interest will be equal to zero as described in “Terms and Conditions of the Notes”.

The Issuer may elect or may be required to cancel the payment of interest on the Notes (in whole or in part) on any Interest Payment Date as set out in “Terms and Conditions of the Notes – Cancellation of Interest Amounts”. Interest that is cancelled will not be due on any subsequent date, and the non-payment will not constitute a default by the Issuer.

The Notes are perpetual obligations and have no fixed maturity date. Noteholders do not have the right to call for their redemption. The Issuer is not required to make any payment of the principal amount of the Notes at any time prior to the time a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason. The Issuer may, subject to the prior approval of the Relevant Regulator, redeem the Notes in whole, but not in part, on any Reset Date at their Original Principal Amount or at any time following the occurrence of a Capital Event or a Tax Event at the Prevailing Outstanding Amount (each term as defined in “Terms and Conditions of the Notes”).

**The Prevailing Outstanding Amount of the Notes will be written down if the Group CET1 Ratio on a consolidated basis falls below 5.125 per cent. (each term as defined in Condition 2 (*Interpretation*) in “Terms and Conditions of the Notes”). Noteholders may lose some or all of their investment as a result of a Write-Down. Following such reduction, some or all of the principal amount of the Notes may, at the Issuer’s discretion, be reinstated, up to the Original Principal Amount, if certain conditions are met. See Condition 6 (*Write-Down and Reinstatement*) in “Terms and Conditions of the Notes”.**

The Notes will, upon issue on the Issue Date, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Notes—Form, Denomination and Title”) including Euroclear Bank SA/NV (“Euroclear”) and the depositary bank for Clearstream Banking, S.A. (“Clearstream”).

The Notes will be in dematerialised bearer form (*au porteur*) in the denomination of €200,000 each. The Notes will at all times be represented in book entry form (*inscriptions en compte*) in the books of the Account Holders in compliance with Articles L.211-3 *et seq.* and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

Application has been made for the Notes to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended. Such admission to trading is expected to occur as of the Issue Date or as soon as practicable thereafter.

The Notes are expected to be rated BBB- by S&P Global Ratings Europe Limited (“**S&P**”), Ba1 by Moody's Investors Service Ltd. (“**Moody's**”) and BBB by Fitch Ratings Ireland Limited (“**Fitch**”).

The Issuer's long-term credit ratings are A+ with a stable outlook (Standard & Poor's), Aa3 with a stable outlook (Moody's), AA- with a stable outlook (Fitch) and AA (low) with a stable outlook (DBRS Rating GmbH (“**DBRS Morningstar**”). Each of S&P, Fitch and DBRS Morningstar is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). The ratings issued by Moody's have been endorsed by Moody's France SAS in accordance with the CRA Regulation. Moody's France SAS is established in the European Union and registered under the CRA Regulation. As such each of Standard & Poor's, Moody's France SAS, Fitch and DBRS Morningstar is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation as of the date of this Prospectus. Moody's is established in the United Kingdom (the “**UK**”) and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”). Moody's is included in the list of credit rating agencies published by the Financial Conduct Authority on its website (<https://register.fca.org.uk>) in accordance with the UK CRA Regulation as of the date of this Prospectus. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Copies of this Prospectus will be available (a) free of charge from the head office of the Issuer at the address given at the end of this Prospectus and (b) on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)).

This document (the “**Prospectus**”) constitutes a prospectus for the purposes of Article 6 of Regulation (EU) 2017/1129 of 14 June 2017, as amended (the “**Prospectus Regulation**”). This Prospectus has been approved by the *Autorité des marchés financiers* (the “**AMF**”) in its capacity as competent authority in France pursuant to Prospectus Regulation after having verified that the information it contains is complete, coherent and comprehensible. Such approvals should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

*An investment in the Notes involves certain risks. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. For a discussion of these risks see “Risk Factors” below.*

*Global Coordinator, Sole Bookrunner and Lead Manager*

**BNP PARIBAS**

*Co-Managers*

**BARCLAYS**

**COMMERZBANK**

**LA BANQUE POSTALE**

**NYKREDIT BANK A/S**

**CITIGROUP**

**HSBC**

**MIZUHO**

**SWEDBANK**

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

*The Managers (as defined in “Subscription and Sale” below) have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Managers nor any of their respective affiliates as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes. The Managers accept no liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes.*

*No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any further information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Managers.*

*In connection with the issue and sale of Notes, neither the Issuer nor its affiliates will, unless agreed to the contrary in writing, act as a financial adviser to any Noteholder.*

*Neither this Prospectus nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as recommendations by the Issuer or any of the Managers that any recipient of this Prospectus should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase the Notes.*

*The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date of this Prospectus or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes. Prospective investors should review, inter alia, the most recently published audited annual consolidated financial statements, unaudited semi-annual interim consolidated financial statements and quarterly financial results of the Issuer, when deciding whether or not to purchase the Notes.*

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

*The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of the Notes in the European Economic Area (“EEA”) (and certain member states thereof), the United Kingdom and the United States (see “Subscription and Sale” below).*

*The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act (“Regulation S”) (see “Subscription and Sale” below).*

*This Prospectus has been prepared on the basis that any offer of the Notes in any member State of the European Economic Area (each, a “Member State”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in that Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer neither the Issuer nor any Manager have authorised, nor do they authorise, the making of any offer of the Notes in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.*

*This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The*

distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and/or the Managers do not represent that this Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer and/or the Managers which is intended to permit a public offering of Notes or distribution of this Prospectus in any jurisdiction where an action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including France) and the United Kingdom, see “Subscription and Sale” below.

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

In this Prospectus, references to “euro”, “EURO”, “Euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union and as amended by the Treaty of Amsterdam.

**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**PRIPs Regulation / Prohibition of sales to EEA retail investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

**PRIPs Regulation / Prohibition of sales to UK retail investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014, as it forms part of

domestic law by virtue of the EUWA (as amended, the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Prohibition on marketing and sales to retail investors**

- (a) The Notes discussed in this Prospectus are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).
- (b) (A) In the UK, the FCA COBS requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a “**retail client**”) in the UK.
- (B) In October 2018, the Hong Kong Monetary Authority (the “**HKMA**”) issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features (such as the Notes) and related products (the “**HKMA Circular**”). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments, are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any subsidiary legislations or rules made under the SFO, “**Professional Investors**”) only and are generally not suitable for retail investors in either the primary or secondary markets.
- (C) Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the securities described in the Prospectus (or any beneficial interests therein), including COBS and the HKMA Circular.
- (D) Investors in Hong Kong should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are generally not suitable for retail investors.
- (E) Certain or all of the Managers are required to comply with COBS and/or the HKMA Circular.
- (F) By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or the Managers each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Managers that (i) it is not a retail client in the UK; (ii) if it is in Hong Kong, it is a Professional Investor; (iii) whether or not it is subject to COBS or the HKMA Circular, it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or retail investors in Hong Kong; or (iv) communicate (including the distribution of the Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK or any customer in Hong Kong who is not a Professional Investor.
- (G) In selling or offering the Notes or making or approving communications relating to the Notes you may not rely on the limited exemptions set out in COBS.
- (c) The obligations in paragraph (b) above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA, the UK or Hong Kong) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), whether or not specifically mentioned in the Prospectus, including (without limitation) any requirements under MiFID II, the UK FCA Handbook or the HKMA Circular as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Managers the

foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

**Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the SFC Code — Important Notice to Prospective Investors**

Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Managers, are “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“**OCs**”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a “proprietary order”. If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)**

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**The Notes are complex instruments that may not be a suitable investment for all investors.**

The Notes are complex financial instruments and may not be a suitable investment for all investors; the Notes may also be difficult to compare with other similar financial instruments due to a lack of fully harmonised structures, trigger points and loss absorption mechanisms among Additional Tier 1 instruments. Each prospective investor in the Notes must determine the suitability of such investment in light of its own circumstances and have sufficient financial resources and liquidity to bear the risks of an investment in the Notes, including the possibility that the entire amount invested in the Notes could be lost. A prospective investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of a Write-Down or meeting the conditions for resolution (See “*The principal amount of the Notes may by their terms be reduced to absorb losses and, may (as a matter of law and contract) be subject to a write-down (including to zero), variation, suspension or conversion to equity either in the context of, or outside of, a resolution procedure applicable to the Issuer.*”) and value of the Notes, and the impact of this investment on the prospective investor’s overall investment portfolio. These risks may be difficult to evaluate given their discretionary or unknown nature. Each potential investor must determine the suitability of any investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (d) understand thoroughly the Terms and Conditions of the Notes, such as the provisions governing a Write-Down and cancellation of interest, understand under what circumstances a Trigger Event will or may be deemed to occur, be familiar with the behaviour of financial markets and their potential impact on the likelihood of a Trigger Event, a Capital Event or a Tax Event occurring, and of any financial variable which might have an impact on the return on the Notes; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment, the Write-Down of the Notes and its ability to bear the applicable risks.

Prospective purchasers should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes.

## TABLE OF CONTENTS

Risk Factors.....	9
General Description of the Notes.....	42
Documents Incorporated by Reference .....	47
Terms and Conditions of the Notes .....	51
Description of the Issuer.....	75
Use of Proceeds.....	76
Taxation.....	77
Subscription and Sale .....	79
General Information.....	84
Responsibility Statement.....	90



## RISK FACTORS

**Prospective purchasers of Notes should carefully consider the following information in conjunction with the other information contained in this Prospectus (including the documents incorporated by reference see “Documents Incorporated by Reference” below) before purchasing Notes.**

Prior to making an investment decision, prospective investors should consider carefully all of the information set out and incorporated by reference in this Prospectus, including in particular the following risk factors. This section is not intended to be exhaustive and prospective investors should make their own independent evaluations of all risk factors and also read the detailed information set out elsewhere in this Prospectus and in the Documents Incorporated by Reference herein. In each category, the Issuer sets out first the most material risks, in its assessment, taking into account the expected magnitude of the negative impact of such risks and the probability of their occurrence.

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

### **Risks Relating to the Issuer and its Operations**

Unless otherwise indicated, the information and financial elements contained in these risk factors specifically include the activity of BancWest to reflect a prudential vision. They are, therefore, presented excluding the effects of the application of IFRS 5 on groups of assets and liabilities held for sale. This Prospectus includes a reconciliation between the operational vision presented excluding the application of IFRS 5 and the consolidated financial statements applying IFRS 5 in Chapter 3 (*2021 Review of Operations*) of the BNPP Universal Registration Document as at 31 December 2021.

The main categories of risk inherent to the Issuer’s (together with its consolidated subsidiaries, the “**BNP Paribas Group**”) business are presented below. They may be measured through risk-weighted assets or other quantitative or qualitative indicators, to the extent risk-weighted assets are not relevant (for example, for liquidity and funding risk).

<i>Risks weighted assets in billions of euros</i>	<b>30.06.22</b>	<b>31.12.21</b>	<b>31.12.20</b>
Credit risk	581	554	527
Counterparty credit risk	48	40	41
Securitisation risk in the banking book	16	14	14
Operational risk	62	63	71
Market risk	29	25	25
Amounts below the thresholds for deduction (subject to 250% risk weight)	20	18	17
<b>Total</b>	<b>756</b>	<b>714</b>	<b>696</b>

More generally, the risks to which the BNP Paribas Group is exposed may arise from a number of factors related, among others, to changes in its macroeconomic or regulatory environment or factors related to the implementation of its strategy and its business.

The material risks specific to the BNP Paribas Group’s business, determined based on the circumstances known to the management as of the date of this Prospectus, are thus presented below under 7 main categories: credit risk, counterparty risk and securitisation risk in the banking book; operational risk; market risk; liquidity and funding risk; risks related to the macroeconomic and market environment; regulatory risks; and risks related to the BNP Paribas Group’s growth in its current environment.

The Group’s risk management policies have been taken into account in assessing the materiality of these risks; in particular, risk-weighted assets factor in risk mitigation elements to the extent eligible in accordance with applicable banking regulations.

These risk factors are described in detail below.

## **1. Credit risk, counterparty risk and securitisation risk in the banking book**

BNP Paribas Group's credit risk is defined as the probability of a borrower or counterparty defaulting on its obligations to the BNP Paribas Group. Probability of default along with the recovery rate of the loan or debt in the event of default are essential elements in assessing credit quality. In accordance with the European Banking Authority recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities. At 31 December 2021, the BNP Paribas Group's credit risk exposure broke down as follows: corporates (41%), central governments and central banks (27%), retail customers (25%), credit institutions (4%), other items (2%) and equities (1%). At 31 December 2021, 32% of the BNP Paribas Group's credit exposure was comprised of exposures in France, 16% in Belgium and Luxembourg, 9% in Italy, 19% in other European countries, 13% in North America, 6% in Asia and 5% in the rest of the world. The BNP Paribas Group's risk-weighted assets subject to this type of risk amounted to EUR 554 billion at 31 December 2021, or 78% of the total risk-weighted assets of the BNP Paribas Group, compared to EUR 527 billion at 31 December 2020 and EUR 581 billion at 30 June 2022, or 77% of the total risk-weighted assets of the BNP Paribas Group.

BNP Paribas Group's counterparty risk arises from its credit risk in the specific context of market transactions, investments, and/or settlements. BNP Paribas Group's exposure to counterparty risk, excluding CVA (Credit Valuation Adjustment) risk at 31 December 2021, is comprised of: 44% to the corporate sector, 19% to governments and central banks, 13% to credit institutions and investment firms, and 24% to clearing houses. By product, BNP Paribas Group's exposure, excluding CVA risk, at 31 December 2021 is comprised of: 51% in OTC derivatives, 33% in repurchase transactions and securities lending/borrowing, 10% in listed derivatives and 6% in contributions to the clearing houses' default funds. The amount of this risk varies over time, depending on fluctuations in market parameters affecting the potential future value of the covered transactions. In addition, CVA risk measures the risk of losses related to CVA volatility resulting from fluctuations in credit spreads associated with the counterparties to which the BNP Paribas Group is subject to risk. The risk-weighted assets subject to counterparty credit risk amounted to EUR 40 billion at 31 December 2021, representing 6% of the BNP Paribas Group's total risk-weighted assets, compared to EUR 41 billion at 31 December 2020 and EUR 48 billion at 30 June 2022, or 6% of the total risk-weighted assets of the BNP Paribas Group.

Securitisation risk in the banking book: securitisation is a transaction or arrangement by which the credit risk associated with a liability or set of liabilities is subdivided into tranches. Any commitment made by the BNP Paribas Group under a securitisation structure (including derivatives and liquidity lines) is considered to be a securitisation. The bulk of the BNP Paribas Group's commitments are in the prudential banking portfolio. Securitised exposures are essentially those generated by the BNP Paribas Group. The securitisation positions held or acquired by the BNP Paribas Group may also be categorised by its role: of the positions as at 31 December 2021, BNP Paribas was originator of 50%, was sponsor of 31% and was investor of 19%. The risk-weighted assets subject to this type of risk amounted to EUR 14 billion at 31 December 2021, representing 2% of the BNP Paribas Group's total risk-weighted assets, unchanged compared 31 December 2020 and EUR 16 billion at 30 June 2022, or 2% of the total risk-weighted assets of the BNP Paribas Group.

### **1.1.A substantial increase in new provisions or a shortfall in the level of previously recorded provisions exposed to credit risk and counterparty risk could adversely affect the BNP Paribas Group's results of operations and financial condition.**

Credit risk and counterparty risk impact the BNP Paribas Group's consolidated financial statements when a customer or counterparty is unable to honour its obligations and when the book value of these obligations in the BNP Paribas Group's records is positive. The customer or counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government or a government entity, an investment fund, or a natural person. If the default rate of customers or counterparties increases, the BNP Paribas Group may have to record increased charges or provisions in respect of irrecoverable or doubtful loans (Stage 3) or of performing loans (Stages 1 and 2), in response to a deterioration in economic conditions or other factors, which may affect its profitability.

As a result, in connection with its lending activities, the BNP Paribas Group regularly establishes provisions, which are recorded on its income statement in the line item Cost of Risk. These provisions amounted to EUR 2,925 billion at 31 December 2021, representing 34 basis points of outstanding customer loans (compared with 66 basis points at 31 December 2020 and 39 basis points at 31 December 2019). The significant increase in these provisions in 2020 reflects the economic consequences of the health crisis and is an example of the materialisation of this risk, while their decrease in 2021 is explained by a high base in 2020, a limited number of

defaults and write-backs of provisions on performing loans. In the first half of 2022, the cost of risk was impacted by a EUR 511 million provision for ex-ante expected losses (levels 1 and 2) related to the indirect effects of the invasion of Ukraine and the rise in inflation and interest rates, partially offset by a write-back of provisions related to the health crisis of EUR 187 million.

The BNP Paribas Group's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans or statistical analysis based on scenarios applicable to asset classes. Although the BNP Paribas Group seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses or sound receivables substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in the BNP Paribas Group's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on the BNP Paribas Group's results of operations and financial condition.

For reference, at 31 December 2021, the ratio of doubtful loans to total loans outstanding was 2.0% and the coverage ratio of these doubtful commitments (net of guarantees received) by provisions was 73.6%, against 2.1% and 71.5%, respectively, as at 31 December 2020. These two ratios are defined in Chapter 5.1 (*Annual Risk Survey - Key figures*) of the BNPP Universal Registration Document as at 31 December 2021.

While the BNP Paribas Group seeks to reduce its exposure to credit risk and counterparty risk by using risk mitigation techniques such as collateralisation, obtaining guarantees, entering into credit derivatives and entering into netting agreements, it cannot be certain that these techniques will be effective to offset losses resulting from counterparty defaults that are covered by these techniques. Moreover, the BNP Paribas Group is also exposed to the risk of default by the party providing the credit risk coverage (such as a counterparty in a derivative or a loan insurance contract) or to the risk of loss of value of any collateral. In addition, only a portion of the BNP Paribas Group's overall credit risk and counterparty risk is covered by these techniques. Accordingly, the BNP Paribas Group has very significant exposure to these risks.

## **1.2. The soundness and conduct of other financial institutions and market participants could adversely affect the BNP Paribas Group.**

The BNP Paribas Group's ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults by one or more States or financial institutions, or even rumours or questions about one or more financial institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. The BNP Paribas Group has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment banks, mutual and alternative investment funds, and other institutional clients with which it regularly executes transactions. The BNP Paribas Group may also be exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g. unregulated funds, trading venues or crowdfunding platforms). Credit and counterparty risks could be exacerbated if the collateral held by the BNP Paribas Group cannot be realised, it decreases in value or it is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the BNP Paribas Group or in the event of the failure of a significant financial market participant such as a central counterparty. For reference, counterparty risk exposure related to financial institutions was EUR 29 billion at 31 December 2021, or 13% of the BNP Paribas Group's total counterparty risk exposure, and counterparty risk exposure related to clearing houses was EUR 54 billion, or 24% of the BNP Paribas Group's total counterparty risk exposure.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the BNP Paribas Group, announced losses or exposure to losses in substantial amounts. The BNP Paribas Group remains the subject of various claims in connection with the Madoff matter; see note 6.b *Legal proceedings and arbitration* to its consolidated financial statements for the period ended 30 June 2022, which are set out in the Third Amendment to the BNPP 2021 Universal Registration Document.

Losses resulting from the risks summarised above could materially and adversely affect the BNP Paribas Group's results of operations.

## **2. Operational Risk**

BNP Paribas Group's operational risk is the risk of loss resulting from failed or inadequate internal processes (particularly those involving personnel and information systems) or external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks, etc.). BNP Paribas Group's operational risks cover fraud, human resources risks, legal and reputational risks, non-compliance risks, tax risks, information systems risks, risk of providing inadequate financial services (conduct risk), risk of failure of operational processes including credit processes, or from the use of a model (model risk), as well as potential financial consequences related to reputation risk management. From 2013 to 2021, BNP Paribas Group's main type of incidents involving operational risk were in "Clients, products and business practices", which represents more than half of the total financial impact, largely as a result of the BNP Paribas Group's agreement with US authorities regarding its review of certain dollar transactions concluded in June 2014. Process failures, including errors in execution or processing of transactions and external fraud are respectively the second and third types of incidents with the highest financial impact. Between 2013 and 2021, other types of risk in operational risk consisted of external fraud (14%), business disruption and systems failure (3%), employment practices and workplace safety (2%), internal fraud (1%) and damage to physical assets (1%).

The risk-weighted assets subject to this type of risk amounted to EUR 63 billion at 31 December 2021, representing 9% of the BNP Paribas Group's total risk-weighted assets, compared to EUR 71 billion at 31 December 2020 and EUR 62 billion at 30 June 2022, or 8% of the total risk-weighted assets of the BNP Paribas Group.

### **2.1. The BNP Paribas Group's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.**

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

### **2.2. An interruption in or a breach of the BNP Paribas Group's information systems may cause substantial losses of client or customer information, damage to the BNP Paribas Group's reputation and result in financial losses.**

As with most other banks, the BNP Paribas Group relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, the development of cloud computing, and more generally the use of new technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the BNP Paribas Group's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems or could cause the

BNP Paribas Group to incur significant costs in recovering and verifying lost data. The BNP Paribas Group cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed.

In addition, the BNP Paribas Group is subject to cybersecurity risk, or risk caused by a malicious and/or fraudulent act, committed virtually, with the intention of manipulating information (confidential data, bank/insurance, technical or strategic), processes and users, in order to cause material losses to the BNP Paribas Group's subsidiaries, employees, partners and clients and/or for the purpose of extortion (ransomware). An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorised access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognised until launched against a target, the BNP Paribas Group and its third-party service providers may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in the BNP Paribas Group's information systems or those of its providers and any subsequent disclosure of confidential information related to any client, counterpart or employee of the BNP Paribas Group (or any other person) or any intrusion or attack against its communication system could cause significant losses and have an adverse effect on the BNP Paribas Group's reputation, financial condition and results of operations. Regulatory authorities now consider cybersecurity as a growing systemic risk for the financial sector. They have stressed the need for financial institutions to improve their resilience to cyber-attacks by strengthening internal IT monitoring and control procedures. A successful cyber-attack could therefore expose the Group to a regulatory fine, especially should any personal data from customers be lost.

Moreover, the BNP Paribas Group is exposed to the risk of operational failure or interruption of a clearing agent, foreign markets, clearing houses, custodian banks or any other financial intermediary or external service provider used by the BNP Paribas Group to execute or facilitate financial transactions. Due to its increased interaction with clients, the BNP Paribas Group is also exposed to the risk of operational malfunction of the latter's information systems. The BNP Paribas Group's communications and data systems and those of its clients, service providers and counterparties may also be subject to malfunctions or interruptions as a result of cyber-crime or cyber-terrorism. The BNP Paribas Group cannot guarantee that these malfunctions or interruptions in its own systems or those of other parties will not occur or that in the event of a cyber-attack, these malfunctions or interruptions will be adequately resolved. These operational malfunctions or interruptions accounted for an average of 3% of operational risk losses over the 2013-2021 period.

### **2.3. Reputational risk could weigh on the BNP Paribas Group's financial strength and diminish the confidence of clients and counterparties in it.**

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the BNP Paribas Group's ability to attract and retain customers. The BNP Paribas Group's reputation could be harmed if the means it uses to market and promote its products and services were to be deemed inconsistent with client interests. The BNP Paribas Group's reputation could also be damaged if, as it increases its client base and the scale of its businesses, its overall procedures and controls dealing with conflicts of interest fail, or appear to fail, to address them properly. Moreover, the BNP Paribas Group's reputation could be damaged by employee misconduct, fraud or misconduct by financial industry participants to which the BNP Paribas Group is exposed, a restatement of, a decline in, or corrections to its results, as well as any adverse legal or regulatory action, such as the settlement the BNP Paribas Group entered into with the US authorities in 2014 for violations of US laws and regulations regarding economic sanctions. The loss of business that could result from damage to the BNP Paribas Group's reputation could have an adverse effect on its results of operations and financial position.

### **3. Market risk**

The BNP Paribas Group's market risk is the risk of loss of value caused by an unfavourable trend in prices or market parameters. The parameters affecting the BNP Paribas Group's market risk include, but are not limited to, exchange rates, prices of securities and commodities (whether the price is directly quoted or obtained by reference to a comparable asset), the price of derivatives on an established market and all benchmarks that can be derived from market quotations such as interest rates, credit spreads, volatility or implicit correlations or other similar parameters.

BNP Paribas Group is exposed to market risk mainly through trading activities carried out by the business lines of its Corporate & Institutional Banking (“CIB”) operating division, primarily in Global Markets, which represented 14.8% of the BNP Paribas Group’s revenue in 2021. BNP Paribas Group’s trading activities are directly linked to economic relations with clients of these business lines, or indirectly as part of its market making activity.

In addition, the market risk relating to the BNP Paribas Group’s banking activities covers its interest rate and foreign exchange rate risk in connection with its activities as a banking intermediary. The “operating” foreign exchange risk exposure relates to net earnings generated by activities conducted in currencies other than the functional currency of the entity concerned. The “structural” foreign exchange risk position of an entity relates to investments in currencies other than the functional currency. In measuring interest rate risk, the BNP Paribas Group defines the concepts of standard rate risk and structural rate risk as the following: the standard rate risk corresponds to the general case, namely when it is possible to define the most appropriate hedging strategy for a given transaction, and the structural rate risk is the interest rate risk for equity and non-interest-bearing current accounts.

BNP Paribas’ market risk based on its activities is measured by Value at Risk (“VaR”) and various other market indicators (stressed VaR, Incremental Risk Charge, Comprehensive Risk Measure for credit correlation portfolio) as well as by stress tests and sensitivity analysis compared with market limits.

The risk-weighted assets subject to this type of risk amounted to EUR 25 billion at 31 December 2021, representing 3% of the BNP Paribas Group’s total risk-weighted assets, compared to EUR 25 billion, representing 4% of the total risk-weighted assets at 31 December 2020 and EUR 29 billion at 30 June 2022, or 4% of the total risk-weighted assets of the BNP Paribas Group.

### **3.1. The BNP Paribas Group may incur significant losses on its trading and investment activities due to market fluctuations and volatility.**

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

To the extent that the BNP Paribas Group owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the BNP Paribas Group has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose the BNP Paribas Group to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. The BNP Paribas Group may from time to time hold a long position in one asset and a short position in another, in order to hedge transactions with clients and/or in view of benefitting from changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the BNP Paribas Group did not anticipate or against which its positions are not hedged, it might realise a loss on those paired positions. Such losses, if significant, could adversely affect the BNP Paribas Group’s results and financial condition. In addition, the BNP Paribas Group’s hedging strategies may not be suitable for certain market conditions.

If any of the variety of instruments and strategies that the BNP Paribas Group uses to hedge its exposure to various types of risk in its businesses is not effective, the Group may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the BNP Paribas Group holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the BNP Paribas Group’s risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the BNP Paribas Group’s hedging strategies, as shown by the losses incurred by the Group’s equity derivatives activities in the first quarter of 2020, due in particular to the market environment, and the ECB decisions on

dividend distributions. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the BNP Paribas Group's reported earnings.

The BNP Paribas Group uses a "Value at Risk" (VaR) model to quantify its exposure to potential losses from market risks, and also performs stress testing with a view to quantifying its potential exposure in extreme scenarios (see in Chapter 5.7 (*Market risk - Market Risk Stress Testing Framework*) of the BNPP Universal Registration Document as at 31 December 2021). However, these techniques rely on statistical methodologies based on historical observations, which may turn out to be unreliable predictors of future market conditions. Accordingly, the BNP Paribas Group's exposure to market risk in extreme scenarios could be greater than the exposures predicted by its quantification techniques.

### **3.2. The BNP Paribas Group may generate lower revenues from commission and fee-based businesses during market downturns and declines in activity.**

Commissions represented 23% of the BNP Paribas Group's total revenues in 2021. Financial and economic conditions affect the number and size of transactions for which the BNP Paribas Group provides securities underwriting, financial advisory and other Investment Banking services. These revenues, which include fees from these services, are directly related to the number and size of the transactions in which the BNP Paribas Group participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the fees that the BNP Paribas Group charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues it receives from its asset management, equity derivatives and Private Banking businesses. Independently of market changes, the development of index portfolios or the below-market performance by the BNP Paribas Group's mutual funds may lead to reduced revenues from the BNP Paribas Group's asset management business, and increased withdrawals and reduced inflows for these vehicles. A reduced level of revenues from the abovementioned commission and fee-based businesses may have a material adverse impact on the BNP Paribas Group's financial results.

### **3.3. Adjustments to the carrying value of the BNP Paribas Group's securities and derivatives portfolios and the BNP Paribas Group's own debt could have an adverse effect on its net income and shareholders' equity.**

The carrying value of the BNP Paribas Group's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. As at 31 December 2021, on the assets side of the BNP Paribas Group's balance sheet, financial instruments at fair value through profit or loss, derivative financial instruments used for hedging purposes and financial assets at fair value through shareholders' equity amounted to EUR 683 billion, EUR 9 billion and EUR 46 billion respectively. In the liabilities column, financial instruments at fair value through profit or loss and derivative financial instruments used for hedging purposes amounted to EUR 714 billion and EUR 10 billion, respectively, at 31 December 2021. Most of the adjustments are made on the basis of changes in fair value of the BNP Paribas Group's assets or debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect the BNP Paribas Group's consolidated revenues and, as a result, its net income. A downward adjustment of the fair value of the BNP Paribas Group's securities and derivatives portfolios may lead to reduced shareholders' equity, and to the extent not offset by opposite changes in the value of the BNP Paribas Group's liabilities, the BNP Paribas Group's capital adequacy ratios may also be lowered. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

## **4. Liquidity and funding risk**

### **4.1. The BNP Paribas Group's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in sovereign credit spreads or other factors.**

The financial crisis, the euro-zone sovereign debt crisis as well as the general macroeconomic environment, at times adversely affected the availability and cost of funding for European banks around ten years ago. This was due to several factors, including a sharp increase in the perception of bank credit risk due to exposure to

sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the BNP Paribas Group, at various points during these periods experienced restricted access to wholesale debt markets for institutional investors and to the interbank market, as well as a general increase in their cost of funding. In the context of the health crisis, the European Central Bank (“**ECB**”) also set up refinancing facilities designed to foster the banks’ financing of the economy (Targeted Longer-Term Refinancing Options or “**TLTRO**”), on which the BNP Paribas Group has drawn. Such adverse credit market conditions may reappear in the event of a recession, prolonged stagnation of growth, deflation, “stagflation” (sluggish growth accompanied by inflation), a resurgence of the financial crisis, another sovereign debt crisis, new forms of financial crises, factors relating to the financial industry or the economy in general (including the economic consequences of the health crisis or the invasion of Ukraine and its impact on the world economy (including inflation)) or to the BNP Paribas Group in particular. In this case, the effect on the liquidity of the European financial sector in general or the BNP Paribas Group in particular could be materially adverse and have a negative impact on the BNP Paribas Group’s results of operations and financial condition.

**4.2. Protracted market declines can reduce the BNP Paribas Group’s liquidity, making it harder to sell assets and possibly leading to material losses. Accordingly, the BNP Paribas Group must ensure that its assets and liabilities properly match in order to avoid exposure to losses.**

In some of the BNP Paribas Group’s businesses, particularly Global Markets (which represented 14.8% of the BNP Paribas Group’s revenue in 2021) and Asset/Liability Management, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the BNP Paribas Group cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that the BNP Paribas Group calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant unanticipated losses (see Chapter 5.8 (*Liquidity Risk - Stress tests and liquidity reserve*) of the BNPP Universal Registration Document as at 31 December 2021).

The BNP Paribas Group is exposed to the risk that the maturity, interest rate or currencies of its assets might not match those of its liabilities. The timing of payments on certain of the BNP Paribas Group’s assets is uncertain, and if the BNP Paribas Group receives lower revenues than expected at a given time, it might require additional market funding in order to meet its obligations on its liabilities. While the BNP Paribas Group imposes strict limits on the gaps between its assets and its liabilities as part of its risk management procedures, it cannot be certain that these limits will be fully effective to eliminate potential losses arising from asset and liability mismatches.

**4.3. Any downgrade of the Group’s credit ratings could weigh heavily on the profitability of the Group.**

Credit ratings have a significant impact on the BNP Paribas Group’s liquidity. On 24 June 2021, Standard & Poor’s confirmed the long-term rating of BNP Paribas SA’s deposits and senior preferred debt rating as A+, confirmed its short-term rating as A-1 and revised the outlook from negative to stable. On 23 September 2021, Fitch maintained its long-term deposits and senior preferred debt rating for BNP Paribas SA at AA- and F1+ and revised its outlook to stable. On 5 July 2022, Moody’s confirmed its long-term deposits and senior preferred debt rating as Aa3, and confirmed its short-term rating as P-1, with a stable outlook. On 28 June 2022, DBRS confirmed BNP Paribas SA’s senior preferred debt rating as AA(low), as well as its short-term rating as R-1(middle) with a stable outlook. A downgrade in the BNP Paribas Group’s credit rating could affect the liquidity and competitive position of the Group. It could also increase the BNP Paribas Group’s borrowing costs, limit access to the capital markets or trigger additional obligations under its covered bonds or under certain bilateral provisions in some trading, derivative or collateralised financing contracts.

In addition, the BNP Paribas Group’s cost of obtaining long-term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase the BNP Paribas Group’s cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of the BNP Paribas Group’s creditworthiness. Furthermore, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to



the BNP Paribas Group's debt obligations, which are influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of the BNP Paribas Group.

## **5. Risks related to the macroeconomic and market environment**

### **5.1. Adverse economic and financial conditions have in the past had and may in the future have an impact on the BNP Paribas Group and the markets in which it operates.**

The BNP Paribas Group's business is sensitive to changes in the financial markets and more generally to economic conditions in France (32% of the Group's revenues at 31 December 2021), other countries in Europe (45% of the Group's revenues at 31 December 2021) and the rest of the world (23% of the Group's revenues at 31 December 2021, including 5% related to activities of Bank of the West in the United States). A deterioration in economic conditions in the markets in the countries where the BNP Paribas Group operates and in the economic environment could in the future have some or all of the following impacts:

- adverse economic conditions affecting the business and operations of the BNP Paribas Group's customers, reducing credit demand and trading volume and resulting in an increased rate of default on loans and other receivables, in part as a result of the deterioration of the financial capacity of companies and households;
- a decline in market prices of bonds, equities and commodities affecting the businesses of the BNP Paribas Group, including in particular trading, Investment Banking and asset management revenues;
- macroeconomic policies adopted in response to actual or anticipated economic conditions having unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn can affect the BNP Paribas Group's businesses that are most exposed to market risk;
- perceived favourable economic conditions generally or in specific business sectors resulting in asset price bubbles and the subsequent corrections when conditions become less favourable;
- a significant economic disruption (such as the global financial crisis of 2008, the European sovereign debt crisis of 2011, the recession caused since 2020 by COVID-19 or high inflation and rising interest rates as well as geopolitical shocks (such as, the invasion of Ukraine in 2022)) having a substantial impact on all of the BNP Paribas Group's activities, particularly if the disruption is characterised by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all. These disruptions could also lead to a decline in transaction commissions and consumer loans;
- a significant deterioration of market and economic conditions resulting from, among other things, adverse political and geopolitical events such as natural disasters, geopolitical tensions, health risks such as the coronavirus pandemic and its aftermath, the fear or recurrence of new epidemics or pandemics, acts of terrorism, societal unrest, cyber-attacks, military conflicts or threats thereof and related risks (in particular, the ongoing war in Ukraine and related sanctions), may affect the operating environment for the BNP Paribas Group episodically or for extended periods.

Since 2020, economies and financial markets have continued to be particularly sensitive to a number of factors, including the evolution of the coronavirus pandemic and its economic consequences, in particular the increase in sovereign and corporate debt that pre-dated the health crisis and has been aggravated by it, as well as the strength and staying power of the economic recovery following the crisis' peak, which is itself dependent on a number of factors (see risk factor 7.1, *Epidemics and pandemics, including the ongoing coronavirus (Covid-19) pandemic and their economic consequences may adversely affect the Group's business, operations, results and financial condition*, below).

In addition, numerous factors are currently affecting and may continue to affect the economy and the financial markets in the coming months or years, in particular geopolitical tensions or shocks (notably in Eastern Europe, and in particular, the invasion of Ukraine as discussed below), political risks directly affecting Europe, general trends in consumer and commodity prices characterised by very high inflation, corresponding trends in wages, supply chain pressures, the changing economic situation in certain countries or regions that contribute to overall global economic growth, tensions around international trade and, as discussed below, the evolution of monetary policy and interest rates (these elements themselves being affected by the above-mentioned factors).

In particular, the invasion of Ukraine, as well as the reaction of the international community, have been, continue to be, and could continue to be a source of instability for the BNP Paribas Group, depressing stock market indices, inflating commodity prices (notably oil, gas and agricultural products, such as wheat), aggravating supply chain disruption and causing an increase in production costs and inflation more generally. These events have had, and are expected to continue to have, economic and financial repercussions that will increase inflation and decrease global growth and the BNP Paribas Group and its clients could be adversely affected as a result.

More generally, the volatility of financial markets could adversely affect the BNP Paribas Group's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in other investments. For reference, Global Markets accounted for 14.8% of the BNP Paribas Group's revenues in 2021. Severe market disruptions and extreme market volatility have occurred often in recent years and may occur again in the future, which could result in significant losses for the BNP Paribas Group. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products. The volatility of financial markets makes it difficult to predict trends and implement effective trading strategies.

It is difficult to predict economic or market declines or other market disruptions, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or global markets more generally, deteriorate or become increasingly volatile, the BNP Paribas Group's operations could be disrupted, and its business, results of operations and financial condition could be adversely affected.

## **5.2. Significant interest rate changes could adversely affect the BNP Paribas Group's revenues or profitability. There are risks associated with exiting or remaining in a prolonged low interest rate environment.**

The net interest income recorded by the BNP Paribas Group during any given period significantly affects its overall revenues and profitability for that period. Interest rates are highly sensitive to many factors beyond the BNP Paribas Group's control, such as the rate of inflation, country-specific monetary policies and certain decisions concerning regulatory capital. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently from the interest rates paid on interest-bearing liabilities. Increases in the interest rates at which the BNP Paribas Group's short-term funding is available and maturity mismatches may adversely affect its profitability. Conversely, any adverse change in the yield curve could cause a decline in net interest income generated by the BNP Paribas Group's lending activities.

After a long period of low interest rates (in France, Europe and globally) which intensified during the initial phases of the coronavirus pandemic – due, in particular, to the very accommodating central bank monetary policies – the central banks have been tightening monetary policy since the beginning of 2022, faced with the emergence of stronger and more lasting inflation than initially expected, leading in turn to a rapid and significant rise in market interest rates. For example, on 15 June 2022, the US Federal Reserve stated that it raised its main benchmark interest rate to 1.75% and plans to continue acting in view of reducing inflation to 2%. At the same time, the ECB initiated a first increase of 0.50% on 21 July 2022 and approved the creation of a new "transmission protection instrument". It ended its emergency pandemic purchase programme (EPPP) in March 2022 and its longer-term refinancing operations (TLTRO 3) in June 2022.

Normalisation or tightening of monetary policy following a prolonged period of low interest rates creates risks. Tightening more than expected or more quickly than expected could have a negative impact on the economy and lead to a recession. In the euro zone, which has up until now been characterised by a unified monetary policy despite the varying risk profiles of the component countries, the widening of the spread between sovereign bonds could have an impact on the financing of countries experiencing the greatest rate increases and, in the long term, could have more serious macroeconomic consequences. In addition, a general increase in key interest rates could prompt holders of low-interest debt or assets to switch to higher-interest bearing assets and further reduce the value of portfolios of fixed-interest debt or assets with lower interest rates. If the BNP Paribas Group's hedging strategies prove ineffective or provide only a partial hedge against this decline in value, the BNP Paribas Group could incur losses. Policy decisions to increase the rate of return on regulated savings (already underway in France) should increase the positive inflow of funds into such investments and, conversely, lead to a shift away from unregulated products, which earn lower rates of return or no returns. Such a scenario, combined with the fact that regulated savings would continue to be remunerated at a higher level than the level received by the BNP Paribas Group for these same deposits, could result in additional costs related to the amount of outstanding deposits and lead to a decrease in the funding resources of the BNP Paribas Group.

With respect to the financing granted by the BNP Paribas Group, this could in particular test the resilience of the BNP Paribas Group's loan and bond portfolio and possibly lead to an increase in non-performing loans and loan defaults. In addition, rising interest rates increase the cost of the BNP Paribas Group's funding resources and lead to higher market rates for originated loans under the combined effects of a possible decline in new production and increased competition.

More generally, the gradual evolution of monetary policies, as currently implemented by central banks, has contributed to, and could continue to contribute to, the correction of certain markets or market sectors (for example, non-investment grade borrowers and sovereign borrowers, and certain equity and real estate markets) and impact market participants who have particularly benefited from a prolonged environment of low interest rates and abundant liquidity. These corrections have, and could continue to, spread to all financial markets, particularly due to a significant increase in volatility.

A return in the medium-term to a low interest rate environment, or a decline in interest rates, particularly following a recession, cannot be ruled out. Such a development would be likely to weigh significantly on the profitability of banks, as was the case during the recent long period of low interest rates. The relative impact on banks depends in particular on the proportion of revenues generated by net interest income: this proportion was 46% for the BNP Paribas Group in 2021 (see the "Reconciliation Table - IFRS 5" in Chapter 3 of the BNPP Universal Registration Document as at 31 December 2021). During periods of low interest rates, interest rate spreads tend to tighten, and the BNP Paribas Group may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. Net interest income amounted to EUR 21,312 million in 2020 and EUR 21,209 million in 2021, respectively. On an indicative basis, over one-, two- and three-year timeframes, the sensitivity of revenues at 31 December 2021 to a parallel, instantaneous and definitive increase in market rates of +50 basis points (+0.5%) across all currencies had an impact of + EUR 127 million, + EUR 537 million and + EUR 694 million, respectively, or +0.3%, +1.2% and +1.5% of the BNP Paribas Group's net banking income. The negative interest rate environment in which banks are charged for cash deposited with central banks, where banks typically do not charge clients for deposits, weighs significantly on banks' margins. In addition, the BNP Paribas Group has been facing and may continue to face an increase in early repayment and refinancing of mortgages and other fixed rate consumer and corporate loans as clients take advantage of relatively low borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted and may continue to result in a decrease in the average interest rate of the BNP Paribas Group's portfolio of loans thereby causing a decline in its net interest income from lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the BNP Paribas Group from its funding activities. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility. Low interest rates may also affect the profitability and even the solvency of the insurance activities of French banks, including the BNP Paribas Group, particularly due to the prevalence in the market of life insurance contracts backed by euro-denominated funds, which may not be able to generate sufficient returns to be competitive with other investment products. Low interest rates may also adversely affect commissions charged by the BNP Paribas Group's asset management subsidiaries on money market and other fixed income products. A reduction in credit spreads and decline in retail banking income resulting from lower portfolio interest rates may adversely affect the profitability of the BNP Paribas Group's retail banking operations.

### **5.3. Given the global scope of its activities, the BNP Paribas Group is exposed to country risk and to changes in the political, macroeconomic or financial contexts of a region or country.**

The BNP Paribas Group is subject to country risk, meaning the risk that economic, financial, political or social conditions in a given foreign country in which it operates could adversely affect the BNP Paribas Group's operations, or its results, or its financial condition, or its business. The BNP Paribas Group monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. In addition, factors specific to a country or region in which the BNP Paribas Group operates could make it difficult for it to carry out its business and lead to losses or impairment of assets.

At 31 December 2021, the BNP Paribas Group's loan portfolio consisted of receivables from borrowers located in France (32%), Belgium and Luxembourg (16%), Italy (9%), other European countries (19%), North America, including Bank of the West, (13%), Asia (6%) and the rest of the world (5%). Adverse conditions that

particularly affect these countries and regions would have a significant impact on the BNP Paribas Group. In addition, the BNP Paribas Group has significant exposures in countries outside the OECD, which are subject to risks that include political instability, unpredictable regulation and taxation, expropriation and other risks that are less present in more developed economies.

In addition, the BNP Paribas Group is present in Ukraine, a country invaded in February 2022, through its subsidiary UkrSibbank in which it holds a 60% stake alongside the European Bank for Reconstruction and Development (40%). At 31 December 2021, UkrSibbank's balance sheet totalled approximately 0.08% of that of the BNP Paribas Group. The total equity of the subsidiary represented approximately 0.15% of consolidated equity of BNP Paribas Group share. At 31 December 2021, the BNP Paribas Group generated less than 0.5% of its pre-tax profit in Ukraine (see Chapter 8.6 (*Information on locations and businesses in 2021*) of the BNPP Universal Registration Document as at 31 December 2021). The BNP Paribas Group's total gross on- and off-balance sheet exposures to Ukraine (which are concentrated on UkrSibbank) represented less than 0.09% of the Group's gross exposures. The situation in Ukraine has profoundly changed the continuing operations of local banks, which – since 24 February 2022 – are focused on the provision of payment instruments and services critical to the economy within the framework of the new regulations introduced by the central bank. In this context, the BNP Paribas Group has estimated that as of 31 March 2022, it exerts significant influence over the entity within the meaning of the applicable accounting standards. Consequently, in accordance with applicable accounting standards, the BNP Paribas Group has recorded, as of 31 March 2022, a 90% impairment of its shares amounting to EUR -159 million, as well as a loss of EUR 274 million relating to the recycling of the conversion reserve.

With regard to Russia, which is subject to severe economic sanctions imposed notably by the European Union, USA and UK, gross on- and off-balance sheet exposures represented less than 0.07% of the BNP Paribas Group's gross exposures. The amount of net residual exposures, both in Russia and Ukraine, is more limited given the way in which the BNP Paribas Group operates in these two markets and how it secures its activities, with guarantees and collateral. In addition, various customers or counterparties of the BNP Paribas Group, in particular financial institutions and corporates, conduct business in these countries or have exposure to borrowers in these countries or have significant suppliers in those countries and could see their financial position weakened by the conflict and its consequences, particularly due to the cessation of their business in Ukraine and/or Russia or the reduction or termination (voluntarily or involuntarily) of their supplies from these countries. The Group is diligently monitoring developments in the situation in conjunction with the authorities concerned and, in particular, the reactions of the international community with regard to economic sanctions.

## **6. Regulatory Risks**

### **6.1. Laws and regulations adopted in recent years, as well as current and future legislative and regulatory developments, may significantly impact the BNP Paribas Group and the financial and economic environment in which it operates.**

Laws and regulations have been enacted in the past few years, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the measures has changed substantially the environment in which the BNP Paribas Group and other financial institutions operate.

The measures that have been adopted include:

- more stringent capital and liquidity requirements (particularly for global systemically important banks such as the BNP Paribas Group), as well as changes to the risk-weighting methodologies and the methods of using internal models that have led, could have led, or could lead to increased capital requirements;
- restrictions on certain types of activities considered as speculative undertaken by commercial banks that are prohibited or need to be ring-fenced in subsidiaries (particularly proprietary trading) and are subject to prudential requirements and autonomous funding;
- prohibitions or restrictions on fees for certain types of financial products or activities;
- enhanced recovery and resolution regimes, in particular the Bank Recovery and Resolution Directive of 15 May 2014 (the “**BRRD**”), as amended from time to time, which strengthens powers to prevent and resolve banking crises in order to ensure that losses are borne largely by the creditors and shareholders of the banks and in order to keep the costs incurred by taxpayers to a minimum;

- the establishment of the national resolution funds by the BRRD and the creation of the Single Resolution Board (the “**SRB**”) by the European Parliament and Council of the European Union in a resolution dated 15 July 2014 (the “**SRM Regulation**”), as amended from time to time, which can initiate resolution proceedings for banking institutions such as the BNP Paribas Group, and the Single Resolution Fund (the “**SRF**”), the financing of which by the BNP Paribas Group (up to its annual contribution) can be significant;
- the establishment of national deposit guarantee schemes and a proposed European deposit guarantee scheme or deposit insurance which will gradually cover all or part of the guarantee schemes of participating countries;
- increased internal control and reporting requirements with respect to certain activities;
- the implementation of regulatory stress tests (including in relation to climate change risk) which could lead to additional regulatory capital requirements (see Chapter 5.7 (*Market Risk - Stress Testing Framework*) of the BNPP Universal Registration Document as at 31 December 2021);
- greater powers granted to the relevant authorities to combat money laundering and terrorism financing;
- more stringent governance and conduct of business rules and restrictions and increased taxes on employee compensation over specified levels;
- measures to improve the transparency, efficiency and integrity of financial markets and in particular the regulation of high frequency trading, more extensive market abuse regulations, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives);
- the taxation of financial transactions;
- enhanced protection of personal data and cybersecurity requirements;
- enhanced disclosure requirements, including through the introduction of new disclosure requirements on (i) how banking groups providing asset management services such as the BNP Paribas Group integrate sustainability risks or negative impacts, sustainable investment objectives or the promotion of environmental or social attributes when making investment decisions, and (ii) how and to what extent banking groups themselves finance or develop economic activities that can be considered environmentally sustainable as defined in the European Taxonomy;
- the introduction of new requirements for the integration of climate risk into the risk measurement and management systems of banking groups, including through the publication of proposals for banks to manage and disclose climate risk; and
- strengthening the powers of supervisory bodies, such as the French Prudential Supervision and Resolution Authority (the “**ACPR**”) and the creation of new authorities, including the adoption of the Single Resolution Mechanism (the “**SRM**”) in October 2013, pursuant to which the BNP Paribas Group is under the direct supervision of the ECB.

These measures may have a significant adverse impact. For example, the introduction of a required contribution to the Single Resolution Fund resulted in a substantial additional expense for the BNP Paribas Group (the Group made a EUR 967 million contribution to the Single Resolution Fund in 2021).

Measures relating to the banking sector could be further amended, expanded or strengthened. Moreover, additional measures could be adopted in other areas. It is impossible to predict what additional measures will be adopted or what their exact content will be, and, given the complexity of the issues and the uncertainty surrounding them, to determine their impact on the BNP Paribas Group. The effect of these measures, whether already adopted or that may be adopted in the future, has been and could continue to be a decrease in the BNP Paribas Group’s ability to allocate its capital and capital resources to financing, limit its ability to diversify risks, reduce the availability of certain financing and liquidity resources, increase the cost of financing, increase the cost of compliance, increase the cost or reduce the demand for the products and services offered by the BNP Paribas Group, require the BNP Paribas Group to proceed with internal reorganisations, structural changes or reallocations, affect the ability of the BNP Paribas Group to carry on certain activities or to attract and/or retain talent and, more generally, affect its competitiveness and profitability, which could have an impact on its

activities, financial condition and operating results. As a recent example, on 27 October 2021, the European Commission presented a legislative package to finalise the implementation within the European Union of the Basel III agreement adopted by the Group of Central Governors and Heads of Supervision (GHOS) on 7 December 2017. This legislative package will in the next stage be discussed by the European Parliament and Council with a view to agreeing on a final text. In the impact assessment accompanying the legislative package, the European Commission estimated, on the basis of an EBA impact study dated December 2020 and of additional European Commission estimates for some EU specific adjustments, that the implementation of the final Basel III standards may result in an average increase in total minimum capital requirements ranging between 6.4% and 8.4% after full implementation of the reform. On the basis of the EBA's updated impact analysis taking into account the combined effect of the reform and the potential consequences of the health crisis, the European Commission opted to apply the new capital requirements to EU banks as from 1 January 2025, with a phase-in period during which the requirements will be gradually increased through 2030 (and 2032 for certain requirements). On this basis, the Group has indicated a potential increase of 8% in its risk-weighted assets at the date of the first application announced for 1 January 2025, which implies a potential 8% increase in total minimum capital requirements resulting from the finalisation of Basel 3 (fully loaded). This estimate is subject to change depending on potential changes in the draft text, in the Group and the macroeconomic context.

The BNP Paribas Group is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates. The BNP Paribas Group faces the risk of changes in legislation or regulation in all of the countries in which it operates, including, but not limited to, the following: monetary, liquidity, interest rate and other policies of central banks and regulatory authorities; changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the BNP Paribas Group operates; changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks; changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations; changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds; changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems; changes in the regulation of payment services, crowdfunding and fintech; changes in the regulation of protection of personal data and cybersecurity; changes in tax legislation or the application thereof; changes in accounting norms; changes in rules and procedures relating to internal controls, risk management and compliance; and expropriation, nationalisation, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the BNP Paribas Group and have an adverse effect on its business, financial condition and results of operations. Certain reforms not directed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect the BNP Paribas Group's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

Finally, the regulatory accommodations implemented temporarily by national and European regulatory authorities in the context of the health crisis have either lapsed or are expected to lapse gradually, although their remaining course is not currently certain (see risk factor 7.1, *Epidemics and pandemics, including the ongoing coronavirus (Covid-19) pandemic and their economic consequences may adversely affect the Group's business, operations, results and financial condition* below).

## **6.2. The BNP Paribas Group may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.**

The BNP Paribas Group is exposed to regulatory compliance risk, i.e. the failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to the BNP Paribas Group's reputation and private rights of action (including class actions), non-compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licenses. This risk is further exacerbated by continuously increasing regulatory scrutiny of financial institutions as well as substantial

increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, the BNP Paribas Group faces significant legal risk in its operations, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further. The BNP Paribas Group may record provisions in this respect as indicated in Note 4.m (*Provisions for contingencies and charges*) to the consolidated financial statements for the period ended 30 June 2022, which are set out in the Third Amendment to the BNPP 2021 Universal Registration Document.

In this respect, on 30 June 2014 the BNP Paribas Group entered into a series of agreements with, and was the subject of several orders issued by, US federal and New York state government agencies and regulatory authorities in settlement of investigations into violations of US laws and regulations regarding economic sanctions. The fines and penalties imposed on the BNP Paribas Group as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to USD 8.97 billion (EUR 6.6 billion) and guilty pleas by BNP Paribas SA, the parent company of the BNP Paribas Group, to charges of having violated US federal criminal law and New York State criminal law. Following this settlement, the BNP Paribas Group remains subject to increased scrutiny by regulatory authorities (including via the presence of an independent consultant within the BNP Paribas Group) who are monitoring its compliance with a remediation plan agreed with them.

The BNP Paribas Group is currently involved in various litigations and investigations as summarised in Note 6b (*Legal proceedings and arbitration*) to the consolidated financial statements for the period ended 30 June 2022 which are set out in the Third Amendment to the BNPP 2021 Universal Registration Document. It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on the BNP Paribas Group's operating results for any particular period.

**6.3. The BNP Paribas Group could experience an unfavourable change in circumstances, causing it to become subject to a resolution proceeding: BNP Paribas Group security holders could suffer losses as a result.**

The BRRD, SRM Regulation and the Ordinance of 20 August 2015, as amended from time to time, confer upon the ACPR or the SRB the power to commence resolution proceedings for a banking institution, such as the BNP Paribas Group, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalise or restore the viability of the institution. These powers are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as Tier 1 and Tier 2 (such as subordinated bonds), then by the holders of non-preferred senior debt and finally by the holders of senior preferred debt, all in accordance with the order of their claims in normal insolvency proceedings. For reference, the BNP Paribas Group's medium- to long-term wholesale financing at 31 December 2021 consisted of the following: EUR 10 billion in hybrid Tier 1 debt, EUR 23 billion in Tier 2 subordinated debt, EUR 70 billion in senior unsecured non-preferred debt, EUR 69 billion in senior unsecured preferred debt and EUR 17 billion in senior secured debt.

Resolution authorities have broad powers to implement resolution measures with respect to institutions and groups subject to resolution proceedings, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a special manager (*administrateur spécial*).

Certain powers, including the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of additional capital instruments qualifying as Tier 1 and Tier 2 (such as subordinated bonds), can also be exercised as a precautionary measure, outside of resolution proceedings and/or pursuant to the European Commission's State Aid framework if the institution requires exceptional public financial support.

The implementation of these tools and powers with respect to the BNP Paribas Group may result in significant structural changes to the BNP Paribas Group (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write-down, modification or variation of claims of shareholders and creditors. Such powers may also result, after any transfer of all or part of the BNP Paribas Group's business or separation of any of its assets, in the holders of securities (even in the absence of any such write-down or conversion) being left as the creditors of the BNP Paribas Group whose remaining business or assets are insufficient to support the claims of all or any of the creditors of the Group.

## **7. Risks related to the BNP Paribas Group's growth in its current environment**

### **7.1. Epidemics and pandemics, including the ongoing coronavirus (Covid-19) pandemic, and their economic consequences may adversely affect the Group's business, operations, results and financial condition.**

A global pandemic linked to a novel strain of coronavirus (Covid-19) has severely disrupted economies and financial markets worldwide since 2020. The introduction of lockdown measures and other restrictions initially caused economies in many regions to contract, trade to decline, production capacity to decrease, growth forecasts to be cut and supply chains to be disrupted. In a second phase, the roll-out of vaccination campaigns and the adaptation of economic actors allowed the gradual adaptation of these measures and restrictions, leading to a recovery in economic activity. As a result, various growth forecasts converge on a strong economic recovery.

Nevertheless, uncertainties remain as to the strength and sustainability of the recovery of the public health situation (e.g., the appearance of new strains of the virus and the reaction to the containment measures adopted by some Asian countries in the first half of 2022), which could lead to a further deterioration of the situation. Various complicating factors will continue to affect the trajectory of economic recovery. International supply chains – which had been strained severely by the pandemic-related mobility restrictions – remain heavily disrupted, generating shortages of certain consumer goods (such as a dearth of semiconductors causing delays in the production of telephones and automobiles) and oil and gas supply and labour market constraints, having both specific (e.g. raw materials price increases) and general (i.e. inflation rate) effects on prices.

Further, while various governments and central banks implemented and supplemented measures to support the economy and its recovery – in order to mitigate the adverse economic and market consequences of the pandemic – there can be no assurance that such measures will suffice to redress the pandemic's negative impact on the regional or global economy over time, entirely compensate for or mitigate regional or global recessions (which occurred and could recur), or fully and over time prevent possible disruptions to the financial markets. The lifting of government support measures could also harm economic activity and the financial strength of economic actors. Overall, the crisis has impacted and may continue to impact the economies of the principal countries where the BNP Paribas Group operates, particularly its Domestic Markets (France, Italy, Belgium and Luxembourg), which collectively represented 57% of its total gross credit exposures as of 31 December 2021. The Group's results and financial condition have been and could continue to be adversely impacted by the effects of the crisis related to the pandemic and the resulting disruption of economic activity in the Group's principal markets. In particular, the crisis significantly affected the Group's cost of risk in 2020, reflecting macroeconomic projections based on various scenarios applying the framework in place prior to the crisis. Under this framework, macroeconomic projections – specifically GDP estimates and forecasts – are key to calculating the cost of risk, and the consequences of the health crisis included a decrease in GDP growth estimates for many of the Group's markets. The cost of risk calculation also takes into account the specific dynamics of the crisis in 2020, along with anticipated future impacts on credit and counterparty risk, including the consequences of lockdown measures on economic activity and the impact of government support measures and decisions. These factors contributed to the substantial increase in the Group's cost of risk in 2020 (66 basis points).

The 2021 financial year showed an improvement with an increase in revenues of 4.4% to EUR 46,235 million and an increase in net income attributable to the Group, due to the increase in Domestic Markets revenues (+5.2% compared to 2020) with the rebound of the economy and the resilience of CIB revenues (+3.4% compared to 2020), but also by the decrease in the cost of risk (-48.8% compared to 2020), particularly in connection with improving economic forecasts. Nevertheless, revenues in the International Financial Services businesses remain impacted by the consequences of the health crisis (-1.2% compared 2020). However, developments in the current health crisis and market conditions have characteristics that could increase the



probability and magnitude of various existing risks faced by the Group such as: i) pressure on revenues due in particular to (a) the consequences of the low interest rate environment of the last few years (even if this is gradually being reversed) and (b) lower revenues from fees and commissions; ii) renewed heightened risk linked to an economic slowdown due to inflationary pressures (energy prices, labour market tensions), supply chain disruption or withdrawal of government support measures; iii) risk of financial market disruption in the event of poorly anticipated changes in monetary policies and iv) higher risk-weighted assets due to the deterioration of risk parameters, hence affecting the Group's capital position.

The Group's results and financial condition could also be harmed by negative trends in the financial markets, to the extent that the pandemic initially caused extreme market conditions (volatility spikes, a sharp drop in equity markets, tensions on spreads, specific asset markets on hold, etc.). Uncertainties about the scope and durability of the economic recovery, the easing or strengthening of government support measures, and the pressures linked to supply chains and raw material procurement have generated and could generate unfavourable market conditions. Thus, unfavourable market conditions have had and could have an adverse impact on the Group's market activities, which accounted for 14.8% of its consolidated revenues in 2021, resulting in trading or other market-related losses, as seen in 2020, following restrictions implemented on short-selling and dividend distributions (notably EUR 184 million in the first quarter of 2020 related to the European authorities' restrictions on 2019 dividends). Further, certain of the Group's investment portfolios (for example, in its insurance subsidiaries) are accounted for on a mark-to-market basis and were impacted by adverse market conditions, particularly in the second quarter of 2020 and could continue to be impacted again in the future.

The extent to which the short, medium and long-term economic consequences of the pandemic will continue to affect the Group's results and financial condition will indeed depend largely on i) the intensity and duration of restrictive measures that have been put in place or their periodic reintroduction, depending on the evolution of the health situation, ii) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, iii) the effects of the measures taken to date or future measures that may be taken by governments and central banks to attenuate the economic fallout of the pandemic or the terms and conditions for lifting these measures and iv) the duration and extent of the pandemic's remaining course, including the prospect of new waves or the appearance of new strains of the virus and, consequently, a reinstatement or strengthening of lockdown measures or other restrictions, such as in relation to travel, in the Group's various markets, as well as the pace and mechanisms of deployment of immunisation programmes. In addition, while the actions of European Union and member states' authorities (in particular, central banks and governments) in response to the pandemic have to date helped and may well continue to help attenuate its adverse economic and market consequences, the authorities have also issued and may continue to issue additional restrictions or recommendations in respect of banks' actions. In particular, in 2020 and 2021 they limited banks' flexibility in managing their business and taking action in relation to capital distribution, capital allocation and compensation policies.

Due to the unprecedented environment generated by the Covid-19 crisis, various pandemic-related uncertainties around public health, society and the economy, persist. The consequences for the Group will depend on the duration of the impact of the crisis, the measures taken by governments and central banks, and the ability of society to recover, and are therefore difficult to predict.

**7.2. Should the BNP Paribas Group fail to implement its strategic objectives or to achieve its published financial objectives, or should its results not follow stated expected trends, the trading price of its securities could be adversely affected.**

In connection with its annual results announced on 8 February 2022, the BNP Paribas Group announced a strategic plan for the 2022-2025 period. The plan includes financial and operational objectives, on a constant scope basis, as well as the expected impact of the redeployment of proceeds from the sale of Bank of the West, after adjusting for the dilution effect of the disposal on the Group's results. The BNP Paribas Group's actual results could vary significantly from these trends for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section, in particular as a result of the consequences of the Covid-19 health crisis which have had and could continue to have major repercussions on the economic outlook and cause financial market disruptions. If the BNP Paribas Group's results do not follow these trends, its financial condition and the value of its securities, as well as its financing costs, could be affected.

Additionally, the Group is pursuing an ambitious corporate social responsibility ("CSR") policy and is committed to making a positive impact on society with concrete achievements. In 2021, BNP Paribas strengthened its commitment to a sustainable economy and accelerated decarbonisation strategies, with the

signing of the Net Zero Banking Alliance, the Net Zero Asset Owner Alliance, and the Net Zero Asset Manager initiative. The Group is thus taking strong positions, as a founding member of the United Nations Principles for Responsible Banking, which commits it to align its strategy with the Paris Agreement and the Sustainable Development Goals (“SDGs”). As part of the Group’s 2022-2025 strategic plan, it aims to mobilise EUR 350 billion in ESG-related loans and bond issuances (loans to companies, institutionals and individuals covering environmental and social issues and annual sustainable bonds issuances) and to have EUR 300 billion in sustainable responsible investments under management by 2025 (BNP Paribas Asset Management European open funds classified open Articles 8 and 9 as defined by SFDR). If the Group fails to meet these targets, which depend in part on factors beyond its control, its reputation could be harmed.

### **7.3. The BNP Paribas Group may experience difficulties integrating businesses following acquisition transactions and may be unable to realise the benefits expected from such transactions.**

The BNP Paribas Group engages in acquisition and combination transactions on a regular basis. The BNP Paribas Group’s most recent major such transactions were the integration of the Group’s Prime Services and Electronic Equities platform of Deutsche Bank in 2019, the acquisition of 100% of Exane, previously 50% owned by BNP Paribas, finalised on 13 July 2021, and the acquisition of 100% of Floa, a subsidiary of Casino and Crédit Mutuel Alliance Fédérale (via the Banque Fédérative du Crédit Mutuel - BFCM) and one of the French leaders in innovative payments, finalised on 1 February 2022. These operational integration activities resulted, in 2021, in restructuring costs of EUR 164 million. Successful integration and the realisation of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realisation. Moreover, the integration of the BNP Paribas Group’s existing operations with those of the acquired operations could interfere with its respective businesses and divert management’s attention from other aspects of the BNP Paribas Group’s business, which could have a negative impact on the BNP Paribas Group’s business and results. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although the BNP Paribas Group undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. In the event that the BNP Paribas Group is unable to conduct comprehensive due diligence prior to an acquisition, it may acquire doubtful or troubled assets or businesses that may be unprofitable or have certain potential risks that only materialise after the acquisition. The acquisition of an unprofitable business or a business with materialised risks may have a significant adverse effect on the BNP Paribas Group’s overall profitability and may increase its liabilities.

### **7.4. The BNP Paribas Group’s current environment may be affected by the intense competition amongst banking and non-banking operators, which could adversely affect the BNP Paribas Group’s revenues and profitability.**

Competition is intense in all of the BNP Paribas Group’s primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area, as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms, as well as the continuing evolution of consumer habits in the banking sector. While the BNP Paribas Group has launched initiatives in these areas, such as the debut of Hello bank! and its acquisition of Nickel or Floa, competitors subject to less extensive regulatory requirements or to less strict capital requirements (e.g. debt funds, shadow banks), or benefiting from economies of scale, data synergies, technological innovation (e.g. internet and mobile operators, digital platforms, fintechs), or free access to customer financial data could be more competitive by offering lower prices and more innovative services to address the new needs of consumers. New technologies that facilitate or transform transaction processes and payment systems, such as blockchain technologies and related services, or that could significantly impact the fundamental mechanisms of the banking system, such as central bank digital currencies, have been developed in recent years or could be developed in the near future. While it is difficult to predict the effects of these developments and the regulations that apply to them, the use of such technology could nevertheless reduce the market share of banks, including the BNP Paribas Group, secure investments that otherwise would have used technology used by more established financial institutions, such as the BNP Paribas Group or, more broadly,

lead to the emergence of a different monetary system in which the attractiveness of using established financial institutions such as the BNP Paribas Group would be affected. If such developments continue to gain momentum, particularly with the support of governments and central banks, if the BNP Paribas Group is unable to respond to the competitive environment in France or in its other major markets by offering more attractive, innovative and profitable product and service solutions than those offered by current competitors or new entrants or if some of these activities were to be carried out by institutions other than banks, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the BNP Paribas Group and its competitors. It is also possible that the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions that new players may not be subject to could lead to distortions in competition in a manner adverse to large private-sector institutions such as the BNP Paribas Group.

#### **7.5. The BNP Paribas Group could experience business disruption and losses due to climate change risks such as transition risks, physical risks or liability risks.**

The BNP Paribas Group is exposed to risks related to climate change, either directly through its own operations or indirectly through its financing and investment activities. There are two main types of risks related to climate change: (i) transition risks, which result from changes in the behaviour of economic and financial actors in response to the implementation of energy policies or technological changes; (ii) physical risks, which result from the direct impact of climate change on people and property through extreme weather events or long-term risks such as rising water levels or increasing temperatures. In addition, liability risks may arise from both categories of risk. They correspond to the damages that a legal entity would have to pay if it were found to be responsible for global warming. BNP Paribas is progressively integrating the assessment of these risks into its risk management system. The Group monitors these risks in the conduct of its business, in the conduct of its counterparties' business, and in its investments on its own behalf and on behalf of third parties. In this respect, the specific credit policies and the General Credit Policy have been enhanced since 2012 and 2014, respectively, with the addition of relevant clauses in terms of social and environmental responsibility. In addition, the development of regulatory requirements in this area could lead to an increase in the litigation financial institutions face in connection with climate change and other related issues. The BNP Paribas Group could thus be held liable for failures in the execution of some of its operations, for example in the event of its inadequate assessment of the environmental, social and governance criteria of certain financial products.

Sector-specific policies and policies excluding certain environmental, social and governance (“ESG”) sectors from financing have also been put in place. In 2019, as part of the fight against climate change, the BNP Paribas Group made new commitments to reduce its exposure to thermal coal to zero by 2030 in the OECD and by 2040 for the rest of the world.

The Group is thus taking strong positions, as a founding member of the United Nations Principles for Responsible Banking, which commits it to aligning its strategy with the Paris Agreement and the Sustainable Development Goals (SDGs). As part of the Group's 2022-2025 strategic plan, it aims to mobilise EUR 350 billion in ESG-related loans and bond issuances (loans to companies, institutions and individuals covering environmental and social issues and annual sustainable bonds issuances) and to have EUR 300 billion in sustainable responsible investments under management by 2025 (BNP Paribas Asset Management European open funds classified in Articles 8 and 9 as defined by SFDR). By the end of 2015, BNP Paribas had already significantly strengthened its criteria for financing and investing in the coal sector, and in 2017, it was the first bank to announce the cessation of its financing activities for companies that derive most of their revenues from non-conventional hydrocarbons, measures that remain to date among the most advanced in the sector. These decisions are also reflected in the energy mix that the BNP Paribas Group finances. In 2022, the BNP Paribas Group published its first climate alignment report and its targets for reducing carbon emission intensity by 2025. The BNP Paribas Group also supports its clients, both individuals and businesses, in their transition to a low-carbon economy. The BNP Paribas Group also aims to reduce the environmental footprint of its own operations. Despite the actions taken by the BNP Paribas Group to monitor risks and combat climate change, the physical, transitional or liability risks related to climate change, or any delay or failure to implement the BNP Paribas Group's actions, could have a material adverse effect on the BNP Paribas Group's business or financial condition, and could result in litigation.

## **7.6. Changes in certain holdings in credit or financial institutions could have an impact on the BNP Paribas Group's financial position.**

Certain classes of assets may carry a high risk-weight of 250%. These assets include: credit or financial institutions consolidated under the equity method within the prudential scope (excluding insurance); significant financial interest in credit or financial institutions in which the BNP Paribas Group holds a stake of more than 10%; and deferred tax assets that rely on future profitability and arise from temporary differences.

The risk-weighted assets carrying a risk-weight of 250% amounted to EUR 18 billion at 31 December 2021, or 2% of the total risk-weighted assets of the BNP Paribas Group. They amounted to EUR 20 billion, representing 3% of the BNP Paribas Group's total risk-weighted assets at 30 June 2022. If the BNP Paribas Group increases the amount of heavy risk-weighted assets (either by increasing the proportion of such heavy risk-weighted assets in its overall asset portfolio or due to an increase of the regulatory risk-weighting applicable to these assets), its capital adequacy ratios may be lowered.

### **Risk Factors Relating to the Notes**

In addition to the risks relating to the Issuer (including the default risk) that may affect the Issuer's ability to fulfil its obligations under the Notes there are certain factors which are material for the purpose of assessing the risks associated with an investment in the Notes.

#### **1. Risks relating to the structure of the Notes**

##### **1.1. The principal amount of the Notes may by their terms be reduced to absorb losses and, may (as a matter of law and contract) be subject to a write-down (including to zero), variation, suspension or conversion to equity either in the context of, or outside of, a resolution procedure applicable to the Issuer.**

If a Trigger Event occurs, the Prevailing Outstanding Amount of the Notes will be written down by the Write-Down Amount, as further described in Condition 6.1 (*Write-Down*) and 6.2 (*Consequence of a Write-Down*). As a result the Noteholders would lose all or part of their investment, at least on a temporary basis. A Trigger Event will occur if the Group's CET1 Ratio falls below 5.125 per cent. If the amount by which the Prevailing Outstanding Amount is written down, when taken together with the write-down of any other Loss Absorbing Instruments, is insufficient to cure the Trigger Event, the Prevailing Outstanding Amount of the Notes will be written-down substantially (or nearly entirely). The Prevailing Outstanding Amount of the Notes may be subject to Write-Down even if holders of the Issuer's shares continue to receive dividends.

Although Condition 6.3 (*Reinstatement*) will allow the Issuer in its full discretion to reinstate written-off principal amounts up to the Maximum Reinstatement Amount if there is a Reinstatement and provided certain other conditions are met, the Issuer is under no obligation to do so. Moreover, the Issuer's ability to write up the principal amount of the Notes depends on there being sufficient Group Net Income and (provided the conditions for its determination are met) a sufficient Maximum Distributable Amount (after taking into account other payments and distributions of the type contemplated in Article 141(2) of the CRD IV or in provisions of the Relevant Rules relating to other limitations on payments or distributions). No assurance can be given that these conditions will ever be met. Furthermore, any write up would have to be done on a pro rata basis with any other Additional Tier 1 Capital instruments providing for a reinstatement of principal amount in similar circumstances (see definition of Discretionary Temporary Loss Absorption Instruments in Condition 2 (*Interpretation*)). If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason prior to the Notes being written up in full pursuant to Condition 6.3 (*Reinstatement*), Noteholders' claims for principal will be based on the reduced Prevailing Outstanding Amount of the Notes. As a result, if a Trigger Event occurs, Noteholders may lose some or substantially all of their investment in the Notes. Any actual or anticipated indication that a Trigger Event is likely to occur, including any indication that the Group's CET1 Ratio is approaching 5.125 per cent., will have a significant adverse effect on the trading price of the Notes. Further, upon the occurrence of a Capital Event or a Tax Event during any period of Write-Down, the Notes may be redeemed (subject as provided herein) at the Prevailing Outstanding Amount, which will be lower than the Original Principal Amount and result in a significant loss by the Noteholders of their investment in the Notes.

The Prevailing Outstanding Amount of the Notes may also be subject to write-down or conversion to equity in certain circumstances under the BRRD, as transposed into French law by a decree-law dated 20 August 2015 and as amended to implement the changes subsequently made to the EU text by a decree-law dated 21

December 2020. Pursuant to the BRRD, resolution authorities have the power to place a financial institution in resolution at the point at which the resolution authority determines that (i) the institution is failing or likely to fail, (ii) there is no reasonable prospect that private action would prevent the failure and (iii) a resolution action is necessary in the public interest.

The BRRD currently contains four resolution tools and powers which could be applied to the Issuer:

- (a) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;
- (b) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a “bridgebank” (a public controlled entity holding such business or part of a business with a view to reselling it);
- (c) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and
- (d) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including the Notes to equity, which equity could also be subject to any future application of the bail-in.

If the institution is placed in resolution, resolution authorities have the power inter alia to ensure that capital instruments (including Qualifying Notes), eligible liabilities and non-excluded liabilities, such as Disqualified Notes, absorb losses of the issuing institution, through the write-down or conversion to equity of such instruments (the “**Bail In Tool**”).

In addition, the BRRD provides that the resolution authorities must exercise the write-down of capital instruments or the conversion into Common Equity Tier 1 instruments of Additional Tier 1 Instruments (such as the Qualifying Notes) and tier 2 instruments if the institution has not yet been placed in resolution but any of the following conditions are met: (i) where the determination has been made that conditions for resolution have been met, before any resolution action is taken, (ii) the appropriate authority determines that unless that power is exercised in relation to the relevant capital instruments, the institution or the group will no longer be viable or (iii) extraordinary public financial support is required by the institution. The Conditions contain provisions giving effect to the Bail In Tool and the write-down or conversion of capital instruments (such as the Qualifying Notes) outside the placement in resolution. See Condition 16 (*Recognition of Bail-in and Loss Absorption*).

As a result, the Bail In Tool or the above provisions may provide for additional circumstances, beyond those contemplated in the Conditions, in which the Notes might be written down (or converted to equity at a time when the Issuer’s share price is likely to be significantly depressed). The Qualifying Notes might, in such circumstances, be converted into equity and could also be subject to reduction, cancellation or conversion (such reduction or cancellation being first on Common Equity Tier 1 instruments, thereafter the reduction, cancellation or conversion being on Additional Tier 1 instruments issued before 28 December 2020 and Additional Tier 1 instruments issued after 28 December 2020 so long as they remain totally or partially qualified as such, such as the Qualifying Notes, and thereafter the reduction, cancellation or conversion being on Disqualified Notes (see “*Noteholders of deeply subordinated notes (such as the Notes) generally face an enhanced performance risk compared to holders of notes that rank senior to them as well as an enhanced risk of loss in the event of the Issuer’s insolvency*”).

The use of the Bail In Tool and/or the write-down or conversion of capital instruments outside the placement in resolution could result in the full or partial write-down or conversion to equity of the Notes, or in a variation of the terms of the Notes which may result in Noteholders losing some or all of their investment. Any such statutory write-down or conversion will be permanent, regardless of whether a Reinstatement subsequently occurs in respect of the Notes. The exercise of any power under the BRRD as applied to the Issuer or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. In addition, if the Issuer’s financial condition deteriorates, the existence of the Bail In Tool and/or the write-down or conversion of capital instruments outside the placement in resolution could cause the trading price of the Notes to decline more rapidly than would be the case in the absence of such tools. Finally, Noteholders may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant resolution

authority to exercise its resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

Several legislative texts amending a number of key EU banking directives and regulations, including CRD IV, CRR, BRRD and the Single Resolution Mechanism were published in the Official Journal of the European Union on 7 June 2019 (the “**Risk Reduction Legislations**”) (for a more detailed description of the Risk Reduction Legislations, see “*Government supervision and regulation of credit institutions in France*”), and implemented under French law thereafter by decree-law no. 2020-1635 of 21 December 2020 for the amended version of the CRD and by decree-law no. 2020-1636 of 21 December 2020 for the BRRD. These Risk Reduction Legislations give, among other things, effect to the FSB TLAC Term Sheet and modify the requirements applicable to the “minimum requirement for own funds and eligible liabilities” (“**MREL**”). They also introduce a moratorium tool, i.e. the power to temporarily suspend payments or the entry into or performance of obligations, outside of insolvency or resolution proceedings. It is not yet possible to assess the full impact on the Issuer of these Risk Reduction Legislations. There can be no assurance that the interpretation of these Risk Reduction Legislations by the relevant regulator or the taking of any actions contemplated in the Risk Reduction Legislations will not adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to fully and timely satisfy its obligations under the Notes.

It is not certain how the contractual write-down mechanism (and the related provisions on return to financial health) contemplated in the Conditions would interact with the statutory write-down and conversion mechanisms contemplated under the recovery and resolution regime, if both mechanisms were triggered (particularly if the contractual mechanisms in the Conditions were triggered first). In any case, the Noteholders’ rights would be materially and adversely affected by any such write-down or conversion.

**1.2. Noteholders of deeply subordinated notes (such as the Notes) generally face an enhanced performance risk compared to holders of notes that rank senior to them as well as an enhanced risk of loss in the event of the Issuer’s insolvency.**

The Issuer’s obligations in respect of principal and interest of the Notes are direct, unsecured and deeply subordinated and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs*, Eligible Subordinated Obligations and Unsubordinated Obligations issued by the Issuer, all as more fully described in Condition 4 (*Status of the Notes*).

Article 48(7) of the BRRD provides that Member States of the EEA shall ensure that all claims resulting from own funds instruments, as defined by the CRR (the “**Own Funds**”) (such as the Notes for so long as they qualify as Own Funds) have, in normal insolvency proceedings, a lower priority ranking than any claim that does not result from Own Funds. Article L.613-30-3 I of the French Monetary and Financial Code as amended by Ordinance No. 2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector has implemented Article 48(7) of the BRRD under French law, and it is reflected in Condition 4.2 (*Ranking of Notes Disqualified as Own Funds*) and Condition 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as T2*). Consequently, should any Additional Tier 1 Capital instruments issued by the Issuer on or after 28 December 2020 pursuant to the above-mentioned Ordinance subsequently lose such treatment, claims related to such Additional Tier 1 Capital instruments shall have a higher priority ranking than the Notes. As a result, Additional Tier 1 Capital instruments issued after 28 December 2020 will, if they are no longer recognised as Additional Tier 1 Capital instruments, change ranking (by operation of law and their terms) so they rank or will rank senior to the Notes.

Condition 4 (*Status of the Notes*) provides that if a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, in the event of the voluntary liquidation (*liquidation amiable*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the Noteholders will be subordinated to the payment in full of present and future unsubordinated creditors of the Issuer and any other creditors whose claims rank senior to the Notes (including, as mentioned in Condition 4.2 (*Ranking of Notes Disqualified as Own Funds*) and Condition 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as T2*), instruments initially ranking *pari passu* with the Notes, such as any Additional Tier 1 Capital instruments issued by the Issuer after 28 December 2020 which lost their treatment as Additional Tier 1 Capital and which have, consequently, changed ranking) and, consequently, the risk of non-payment for the Notes which are recognised as Additional Tier 1 Capital instruments would be increased. In the event of incomplete payment of

unsubordinated creditors or other creditors whose claims rank in priority to the Notes upon the liquidation of the Issuer, the obligations of the Issuer in connection with the principal of the Notes will be terminated by operation of law.

Therefore, although the Notes may pay a higher rate of interest than notes that rank senior to the Notes, there is a substantial risk that investors in deeply subordinated notes such as the Notes will lose all or some of their investment if the Issuer becomes insolvent. Thus, Noteholders face a significantly enhanced performance risk compared to holders that are not deeply subordinated.

**1.3. The Issuer may cancel all or some of the interest payments at its discretion for any reason or be required to cancel all or some of such interest payments in certain cases.**

As the Notes are intended to qualify as Additional Tier 1 Capital instruments under the CRD IV Rules, the Issuer may elect pursuant to Condition 5.11 (*Cancellation of Interest Amounts*), at its full discretion, to cancel permanently some or all of the Interest Amounts otherwise scheduled to be paid on an Interest Payment Date.

In addition, the Issuer will be required to cancel permanently some or all of such Interest Amounts if and to the extent that one of the following occurs:

- Payment of the scheduled Interest Amount, when aggregated with distributions on all Tier 1 Capital instruments paid or scheduled for payment in the then current financial year, would exceed the amount of Distributable Items then applicable to the Issuer. Tier 1 Capital instruments include other instruments that qualify as Tier 1 Capital (including the Notes and other Additional Tier 1 Capital instruments).
- Payment of the scheduled Interest Amount, when aggregated with any other distributions or payments of the kind referred to in Article 141(2) of the CRD IV or in provisions of the Relevant Rules relating to other limitations on distributions or payments, would cause any Maximum Distributable Amount to be exceeded. Distributions referred to in Article 141(2) of the CRD IV include dividends, payments, distributions and write-up amounts on all Tier 1 instruments (including the Notes and other Additional Tier 1 Capital instruments), and certain bonuses paid to employees. The Maximum Distributable Amount imposes a cap on the Issuer's ability to pay interest on the Notes, and on the Issuer's ability to reinstate the Prevailing Outstanding Amount of the Notes following a Write Down upon the occurrence of a Trigger Event. As of the date of this Prospectus, the Maximum Distributable Amount will apply if certain capital buffers are not maintained on top of (i) minimum capital requirements (the "Pillar 1" capital requirements, or "P1R") and additional capital requirements ("Pillar 2" capital requirements, or "P2R") (the "MDA") and (ii) since 1 January 2022, fully-loaded TLAC requirements and intermediate MREL requirements (the "M-MDA"). As from 1 January 2023, the Maximum Distributable Amount will also apply if a leverage ratio buffer is not maintained on top of the leverage ratio requirements (the "L-MDA"). The Maximum Distributable Amount is generally equal to a percentage of the current period's net income, group share, with the percentage ranging between 0% and 60% depending on the extent of the breach of buffer requirements.

As at 30 June 2022, the Issuer's distance to MDA restrictions based on the 2021 Supervisory Review and Evaluation Process ("SREP") (as confirmed by the final notification received from the ECB) is EUR 15.4 billion (based on capital requirements applicable as at 30 June 2022 and EUR 756 billion of risk-weighted assets as at 30 June 2022)<sup>1</sup>.

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<sup>1</sup> BNP Paribas calculates a distance to MDA restrictions, equal to the lowest of the following three differences, each based on the 2021 SREP requirements:

- The difference between the CET1 Capital Ratio and the sum of the Group's Pillar 1, P2R and combined buffer requirements. As of June 30, 2022, such distance to MDA restrictions is approximately 280 basis points higher than the CET1 requirement (i.e., EUR 21.0 billion).
- The difference between the Tier 1 capital ratio and the sum of the Group's Pillar 1, P2R combined buffer requirements. As of June 30, 2022, such distance to MDA restrictions is approximately 205 basis points higher than the Tier 1 capital requirement (i.e., EUR 15.4 billion).
- The difference between the Total Capital ratio (including Tier 1 and Tier 2) and the sum of the relevant Group's Pillar 1, P2R, combined buffer requirements. As of June 30, 2022, such distance to MDA restrictions is approximately 220 basis points higher than the Total Capital requirement (i.e., EUR 16.6 billion).

- The Relevant Regulator notifies the Issuer that it has determined, in its sole discretion, that the Interest Amount should be cancelled in whole or in part based on its assessment of the financial and solvency situation of the Issuer.

As of 31 December 2021, distributable retained earnings (considered by the Issuer to be equivalent to Distributable Items as used in the Conditions) of the Issuer amounted to EUR 34.3 billion.

Any cancellation of an Interest Amount or the perception that the Issuer will need to cancel an Interest Amount would have a significant adverse effect on the trading price of the Notes and would negatively impact Noteholders' returns. In addition, as a result of the interest cancellation provisions, the trading price of the Notes may be more volatile than the trading prices of other interest bearing debt securities that are not subject to such interest cancellation provisions. As a result, the trading price of the Notes may be more sensitive generally to adverse changes in the Issuer's financial condition than such other securities and Noteholders may receive less interest than initially anticipated.

The Maximum Distributable Amount is a complex concept and its determination is subject to considerable uncertainty. Such uncertainty has been increased by the introduction by the new version of the BRRD, as implemented under French law, and Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, as amended ("SRMR") of restrictions on distributions in case of a failure to meet the TLAC/MREL requirements (M-MDA), and will be further increased once the requirement to maintain a leverage ratio buffer enters into force as of 1 January 2023, as a failure to meet this buffer will also entail restrictions on distributions under the new version of the CRD, as implemented under French law (L-MDA). The Issuer and the Group's capital and MREL requirements are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. These factors include, among others, (i) a decision of the relevant authorities to apply certain capital buffers, (ii) the definition by the competent authorities of P2R which the institution must maintain in addition to the P1R, and (iii) a decision of the relevant authorities to increase the MREL requirements. They may change over time and are subject to the ongoing evolution of applicable regulations. In addition, any increase in the applicable requirements, for instance as a result of the imposition by supervisors of additional capital or MREL requirements (due to stricter legislation, any imposition or increase of capital buffers or any increase in the P2R or MREL applicable to the Issuer) increases the likelihood of the Issuer not being permitted to pay all or part of an Interest Amount or any other amount falling due on the Notes due to the operation of any Maximum Distributable Amount. Noteholders may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and principal) on the Notes being prohibited from time to time as a result of the operation of Article 141(2) or provisions of the Relevant Rules relating to other limitations on distributions or payments (including due to the application of the M-MDA). Moreover, the introduction of additional requirements could impact the Issuer's ability to meet its capital and leverage buffers, which in turn, might impact its ability to make payments on the Notes (which could affect the trading price of the Notes). These issues and other possible issues of interpretation make it difficult to determine how the Maximum Distributable Amount will apply as a practical matter to limit interest payments on the Notes and the reinstatement of the Prevailing Outstanding Amount of the Notes following a Write Down. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

In any event, the Issuer will have discretion as to how the Maximum Distributable Amount will be applied if insufficient to meet all expected distributions and payments and, in this respect, is not obliged to take the interest of the Noteholders into account. Moreover, payments made earlier in the year will reduce the remaining Maximum Distributable Amount available for payments later in the year, and the Issuer will have no obligation

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Accordingly, as of June 30, 2022, the distance to MDA restrictions was that indicated in the second bullet point above, i.e., 205 basis points – Tier 1 Capital that is EUR 15.4 billion higher than the level at which the limitations on distributions set forth in Article 141(3) of the CRD IV would apply, as of June 30, 2022. As at June 30, 2022, the distance to M-MDA based on the TLAC component is greater than the distance based on capital requirements noted above.

As from January 1, 2022 the distance to MDA restrictions is calculated with reference to a further component: a minimum MREL requirement. Based on the requirement applicable as at June 30, 2022, the distance above the M-MDA is greater than the distance to MDA restrictions calculated based on capital requirements alone, as set out above. In addition, as from January 1, 2023, the distance to MDA restrictions will incorporate a leverage ratio component, known as the L-MDA.



to preserve any portion of the Maximum Distributable Amount for payments scheduled to be made later in a given year. Even if the Issuer attempts to do so, there can be no assurance that it will be successful, because the Maximum Distributable Amount will depend on the amount of net income earned during the course of the year, which will necessarily be difficult to predict.

Furthermore, because the Issuer is entitled to cancel Interest Amounts at its full discretion, it may do so even if it could make such payments without exceeding the limits above. Interest Amounts on the Notes may be cancelled while junior securities remain outstanding and the holders thereof continue to receive payments. In determining any proposed dividend and the appropriate payout ratio, however, the Issuer will consider, among other things, the expectation of servicing more senior securities. The Notes are senior in rank to ordinary shares. It is the Issuer's current intention that, whenever exercising its discretion to declare ordinary share dividends, or its discretion to cancel interest on the Notes, the Issuer will take into account, among other factors, the relative ranking of these instruments in the capital structure. Under the Conditions, however, Interest Amounts on the Notes could conceivably be cancelled while holders of the Issuer's shares continue to receive dividends.

Once an Interest Amount has been cancelled, it will no longer be payable by the Issuer or considered accrued or owed to the Noteholders and Noteholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. Cancelled Interest Amounts will not be reinstated or paid upon a Reinstatement, in liquidation or otherwise. Cancellation of Interest Amounts will not constitute a default under the Notes for any purpose or give the Noteholders any right to petition for the insolvency or dissolution of the Issuer. Any actual or anticipated cancellation of interest on the Notes is likely to have a significant adverse effect on the trading price of the Notes.

In addition, to the extent that the Notes trade on Euronext Paris or other trading systems with accrued interest, purchasers of the Notes in the secondary market may pay a price that reflects an expectation of the payment of accrued interest. If the Interest Amount scheduled to be paid on an Interest Payment Date is cancelled in whole or in part, such purchasers will not receive the relevant portion of the Interest Amount. Cancellation of interest, or an expectation of cancellation may adversely affect the trading price or liquidity of the Notes.

**1.4. The Issuer's Common Equity Tier 1 capital ratio and the Maximum Distributable Amount will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the Noteholders.**

The occurrence of a Trigger Event, and therefore a write-down of the Prevailing Outstanding Amount of the Notes, is inherently unpredictable and depends on a number of factors, many of which may be outside the Issuer's control. The calculation of the Group's CET1 Ratio and of the Maximum Distributable Amount could be affected by a wide range of factors, including, among other things, factors affecting the level of the Group's earnings, the mix of its businesses, its ability to effectively manage the risk-weighted assets in both its ongoing businesses and those it may seek to exit, losses in its commercial banking, investment banking or other businesses, or any of the factors described in "*Risks Relating to the Issuer and its Operations*". The calculation of the Group's CET1 Ratio also may be affected by changes in applicable accounting rules and the manner in which accounting policies are applied, including the manner in which permitted discretion under the applicable accounting rules is exercised and regulatory changes (including CET1 capital and risk weighted asset), revisions to models used by the Issuer to calculate its capital requirements (or revocation of, or amendments to, the regulatory permissions for using such models). Because the occurrence of a Trigger Event will be difficult to predict, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication that the Group's CET1 Ratio is approaching the level that would trigger a Trigger Event (whether actual or perceived) may have an adverse effect on the trading price and liquidity of the Notes. Under such circumstances, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

Because the Relevant Regulator may require the CET1 Ratio to be calculated as of any date, a Trigger Event could occur at any time, if the Issuer determines that the Group's CET1 Ratio is less than 5.125 per cent. The Issuer currently publicly reports the Group's CET1 Ratio only as of each quarterly period end, and therefore, during the quarterly period, there is no published updating of the Group's CET1 Ratio and there may be no prior warning of adverse changes in the Group's CET1 Ratio.

The Issuer and the Group will have no obligation to consider the interests of Noteholders in connection with their strategic decisions, including in respect of capital management, that may directly affect the Noteholders'

interests. The Issuer may decide not to raise capital at a time when it is feasible to do so, even if the failure to do so would result in the occurrence of a Trigger Event. It may decide not to propose to its shareholders to reallocate share premium to a reserve account (which is necessary in order for share premium to be included in Distributable Items). Moreover, in order to avoid the use of public resources, the Relevant Regulator may decide that the Issuer should allow a Trigger Event to occur or cancel an interest payment at a time when it is feasible to avoid this. Noteholders will not have any claim against the Issuer or any other entity of the Group relating to decisions that affect the capital position of the Group, regardless of whether they result in the occurrence of a Trigger Event or a lack of Distributable Items or Maximum Distributable Amount. Such decisions could cause Noteholders to lose the amount of their investment in the Notes. See Condition 6 (*Write Down and Reinstatement*).

#### **1.5. The Notes are perpetual obligations in respect of which there is no fixed redemption date.**

Pursuant to Condition 7.1 (*No fixed redemption*), the Notes are perpetual obligations in respect of which there is no fixed redemption date. The Issuer is under no obligation to redeem the Notes at any time and, in any event, subject always to the prior consent of the Relevant Regulator (as defined in “Terms and Conditions of the Notes”). The Noteholders will have no right to require the redemption of the Notes except as provided in Condition 11 (*Enforcement*) if a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason.

Therefore, prospective investors may be required to bear material financial risks of an investment in the Notes for an indefinite period and may not recover their investment in the foreseeable future. The only means through which a Noteholder can realise value from the Notes prior to an early redemption is to sell them at their then trading price in an available secondary market. As a result, in the absence of a secondary market for the Notes, an investor may not recover all or part of its investment in the foreseeable future. The principal amount of the Notes may not be repaid to the Noteholders and, as a result, they may lose the value of their investment.

#### **1.6. There are no events of default under the Notes.**

Unlike unsubordinated and certain subordinated debt securities, the Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Furthermore, any Write-Down of the Notes (See “*The principal amount of the Notes may by their terms be reduced to absorb losses and, may (as a matter of law and contract) be subject to a write-down (including to zero), variation, suspension or conversion to equity either in the context of, or outside of, a resolution procedure applicable to the Issuer.*”) shall also not constitute any event of default or a breach of the Issuer’s obligations or duties or a failure to perform by the Issuer in any manner whatsoever and shall not entitle holders to petition for the insolvency or dissolution of the Issuer.

The absence of events of default increases the risk that investors may lose all or part of their investment.

#### **1.7. The Conditions of the Notes contain no negative pledge or covenants and the Issuer is not prohibited from issuing further debt, which may rank *pari passu* with or senior to the Notes.**

Condition 4 (*Status of the Notes*) provides that there is no negative pledge in respect of the Notes. Accordingly, there are no restrictions in the Terms and Conditions of the Notes on the amount of debt that the Issuer may issue or guarantee that ranks senior to the Notes, or on the amount of securities it may issue that rank *pari passu* with the Notes. An increase of the outstanding amount of such securities or other liabilities may if such outstanding amount were to exceed the assets of the Issuer materially reduce the amount recoverable by Noteholders upon liquidation of the Issuer and Noteholders could suffer loss of their entire investment if the Issuer were liquidated (whether voluntarily or not). If the amount of interests due under such securities or other liabilities increases it significantly increase the likelihood of cancellation of interest payments under the Notes

and as a result Noteholders could suffer a significant reduction in the return of the Notes. In addition, additional issues of securities ranking *paripassu* with the Notes may increase the aggregate amount of distributions on Tier 1 Capital instruments, thereby increasing the risk that Interest Amounts are cancelled if the Maximum Distributable Amount are insufficient and as a result Noteholders could suffer a significant reduction in the return of the Notes.

Since the Notes do not contain a negative pledge provision, the Issuer is generally permitted to sell or otherwise dispose of any or substantially all of its assets to another corporation or other entity under the Conditions. If the Issuer decides to dispose of a large amount of its assets, Noteholders will not be entitled to declare an acceleration of the maturity of the Notes, and those assets will no longer be available to support the Notes.

In addition, the Notes do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer's ability to service its debt obligations, including those of the Notes.

As a result of the above, the trading price of the Notes and the liquidity of the Notes on the secondary market may be materially and adversely affected and the Noteholders may lose all or part of their investment in the Notes.

#### **1.8. The Conditions include a waiver of set-off rights.**

As provided in Condition 8.5 (*Waiver of set-off*), by subscribing or acquiring Notes, each Noteholder shall be deemed to have irrevocably waived any actual and potential right of or claim to deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Notes at any time (for the avoidance of doubt, both before and during any winding-up, liquidation or administration of the Issuer) to the fullest extent permitted by applicable law. As a result, a Noteholder which is also a debtor of the Issuer cannot set-off its payment obligation against any sum due to it by the Issuer under the Notes. This waiver of set-off could therefore have an adverse impact on the counterparty risk for a Noteholder in the event that the Issuer were to become insolvent.

#### **1.9. The Notes may be redeemed at the Issuer's option on each Reset Date or upon the occurrence of a Tax Event or Capital Event.**

Subject as provided herein, in particular to the provisions of Condition 7 (*Redemption and Purchase*), the Issuer may, at its option, subject to the prior approval of the Relevant Regulator, redeem all, but not some only, of the Notes on any Reset Date at their Original Principal Amount, together with accrued interest thereon. The Issuer may also, at its option, redeem all, but not some only, of the Notes at any time at their Prevailing Outstanding Amount, together with accrued interest thereon, upon the occurrence of a Tax Event or a Capital Event, subject to approval by the Relevant Regulator.

A Tax Event includes, among other things, any change in French laws or regulations (or their application or official interpretation) that would reduce the tax deductibility of interest on the Notes for the Issuer, or that would result in withholding tax requiring the Issuer to pay additional amounts as provided in Condition 9 (*Taxation*).

The Issuer considers the Notes to be debt for French tax purposes based on their characteristics and accounting treatment and therefore expects that interest payments under the Notes will be fully deductible by the Issuer and (other than in respect of payments to individuals fiscally domiciled in France) exempt from withholding tax if they are not held by shareholders of the Issuer and remain admitted to a recognised clearing system. Neither the French courts nor the French tax authorities have, as of the date of this Prospectus, expressed a position on the tax treatment of instruments such as the Notes, however, and there can be no assurance that they will take the same view as the Issuer.

In June 2018, the European Commission took the position that the tax deductibility of interest on certain hybrid regulatory capital instruments issued by banks in the Netherlands raises State aid concerns and could therefore be incompatible with European law, because it was available only for instruments issued by banks and insurance companies, and not by other Dutch companies. The Dutch Finance law for 2019 abolished such tax deductibility as a consequence of the European Commission position. In contrast to the situation in the Netherlands, the deductibility in France of interest on Additional Tier 1 instruments (such as the Notes) does not present the same

discriminatory characteristics, as it is based on common French legal, accounting and tax law principles rather than legislation specific to banks and insurance companies, and tax deductions on similar instruments are recorded by French companies that are neither banks nor insurance companies. The Issuer is not aware of any proposal to specifically limit the deductibility of interest on Additional Tier 1 instruments in France. The consequences of this development, however, are not foreseeable. The Notes may be subject to early redemption if, among other things, interest ceases to be fully deductible or withholding taxes were to apply as a result of a change in French law or regulations or a change in the application or interpretation of French law by the French tax authorities, which was not reasonably foreseeable as of the issue date of the Notes.

An optional redemption feature may limit the trading price of the Notes and result in the Noteholders losing a significant part of their investment in the Notes. During any period when the Issuer may elect to redeem the Notes, the trading price of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Should the Notes at such time be trading above or well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant.

The Issuer may be expected to redeem the Notes when its cost of borrowing in respect of capital instruments is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

**1.10. The Issuer will not be required to redeem the Notes if it is prohibited by French law from paying additional amounts.**

In the event that the Issuer is required to withhold amounts in respect of French taxes from payments of interest on the Notes, the Conditions provide that, subject to certain exceptions, the Issuer will pay additional amounts so that the Noteholders will receive the amount they would have received in the absence of such withholding. Under French tax law, there is some uncertainty as to whether the Issuer may pay such additional amounts. French debt instruments typically provide that, if an issuer is required to pay additional amounts but is prohibited by French law from doing so, the issuer must redeem the debt instruments in full. Under Article 52 of the CRR, however, mandatory redemption clauses are not permitted in a Tier 1 instrument such as the Notes. As a result, the Conditions provide for redemption at the option of the Issuer in such a case (subject to approval of the Relevant Regulator), but not for mandatory redemption. If the Issuer does not exercise its option to redeem the Notes in such a case, Noteholders will receive less than the full amount due under the Notes, and the trading price of the Notes will be adversely affected.

**1.11. Noteholders' returns may be limited or delayed by the insolvency of the Issuer under French Insolvency Law.**

The Issuer is a *société anonyme* with its corporate seat in France. In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of France to the extent that, where applicable, the “*centre of main interests*” (as construed under Regulation (EU) 2015/848, as amended) of the Issuer is located in France.

The Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 has been implemented into French law by the Ordonnance 2021-1193 dated 15 September 2021. Such *ordonnance*, which has applied since 1<sup>st</sup> October 2021, amends French insolvency laws notably with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this *ordonnance*, “affected parties” (including notably creditors, and therefore the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes will be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient common interest based on verifiable criteria. Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, Noteholders will be treated in the same way as other affected parties and will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may be overridden by a cross-class cramdown.

Neither the scope of Directive (EU) 2019/1023 nor the scope of the ordonnance cover financial institutions, unless the competent authority chooses to make them applicable. As a consequence, the application of French insolvency law to a credit institution, such as the Issuer is also subject to the prior permission of the ACPR before the opening of any safeguard, judicial reorganisation or liquidation procedures. This limitation will affect the ability of the Noteholders to recover their investments in the Notes

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the trading price of the Notes issued by the Issuer. As a consequence, any decisions taken by a class of affected parties could negatively and significantly impact the Noteholders and could result in a loss of some or all of their investment, should they not be able to recover some or all of the amounts due to them from the Issuer.

### **1.12. Transactions on the Notes could be subject to a future European financial transaction tax.**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”) and which, if enacted, could apply under certain circumstances to transactions involving the Notes. The issuance and subscription should, however, be exempt. Estonia has since officially announced its withdrawal from the negotiations.

Following the lack of consensus in the negotiations on the Commission’s Proposal, the Participating Member States (excluding Estonia) and the scope of such tax is uncertain. Based on public statements dated 2019, the Participating Member States (excluding Estonia which withdrew) have agreed to continue negotiations on the basis of a proposal that would reduce the scope of the FTT and would only concern listed shares of companies whose head office is in a member state of the European Union and with a market capitalisation exceeding EUR 1 billion on December 1 of the year preceding the taxation year. According to this revised proposal the applicable tax rate would not be less than 0.20%. Such proposal remains subject to change until a final approval and it may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw (in addition to Estonia which already withdrew).

Prospective holders of Notes are advised to seek their own professional advice in relation to the consequences of the FTT that could be associated with subscribing for, purchasing, holding and disposing of the Notes.

### **1.13. Modification and waivers**

Condition 12 (*Meeting and Voting Provisions*) contains provisions for calling meetings (including by way of conference call or by use of a video conference platform) of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting, Noteholders who did not consent to the Written Resolutions and Noteholders who voted in a manner contrary to the majority. Noteholders will not be grouped in a *masse* having legal personality governed by the provisions of the French *Code de commerce* and will not be represented by a representative of the *masse*.

General meetings or written consultations may deliberate on any proposal relating to the modification of the conditions of the Notes, subject to the limitations provided by French law. Condition 12 (*Meeting and Voting Provisions*) provides that the provisions of Article L.228-65 I. 1°, 3°, 4° and 6° of the French *Code de commerce* and the related provisions of the French *Code de commerce* shall not apply to the Notes and consequently a Resolution may not be passed to decide on any proposal relating to (i) the modification of the objects or form of the Issuer, (ii) the issue of notes benefiting from a security over assets (*surêté réelle*) which will not benefit to the Noteholders, (iii) the potential merger (*fusion*) or demerger (*scission*) including partial transfers of assets (*apports partiels d'actifs*) under the demerger regime of or by the Issuer; (iv) the transfer of the registered office of a European Company (*Societas Europaea* – SE) to a different Member State of the European Union. As a result of these exclusions, the prior approval of the Noteholders will not have to be obtained on any such matters which may affect their interests generally.

While it is not possible to assess the likelihood that the Conditions will need to be amended during the term of the Notes by a meeting of the Noteholders, if a decision is adopted by a majority of Noteholders and such modifications impair or limit the rights of Noteholders, this may negatively affect the market value of the Notes, although the probability of such a decision being taken by Noteholders is considered to be low.

**1.14. The regulation and reform of “benchmarks” may adversely affect the value of Notes or alter the determination of the 5-Year Mid-Swap Rate (or component thereof).**

Following the First Call Date and in accordance with Condition 5.3 (*Interest from (and including) the First Call Date*), interest amounts payable under the Notes are calculated by reference to the 5-Year Mid-Swap Rate, which appears on the Bloomberg screen page “EUAMDB05 Index”.

This 5-Year Mid-Swap Rate (or component thereof) and, in particular, the Euro Interbank Offered Rate (“**EURIBOR**”) underlying the floating leg of the 5-Year Mid-Swap Rate are deemed “benchmarks” (each a “**Benchmark**” and together, the “**Benchmarks**”) which have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

In particular, Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”) applies since 1 January 2018. The Benchmarks Regulation could have a material impact on the Notes and in particular in any of the following circumstances:

- an index which is a “benchmark” may not be used by a supervised entity (including the Issuer) in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- the methodology or other terms of the “benchmark” could be changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing or increasing the rate or level or otherwise affecting the volatility of the published rate or level of the “benchmark” and as a consequence, Noteholders could lose part of their investment or receive less income than would have been the case without such change.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

Such factors may have the following effects on certain “benchmarks” (including the Benchmarks): (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark” or (iii) lead to the disappearance of the “benchmark”.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

If the 5-Year Mid-Swap Rate has been discontinued or a Benchmark Event occurs and no alternative rate has been selected in accordance with 5.10(b)(i), the Issuer or the Calculation Agent, as applicable, shall use its reasonable endeavours to appoint the 5-Year Mid-Swap Rate Determination Agent in accordance with Condition 5.10(b)(i). The 5-Year Mid-Swap Rate Determination Agent shall endeavour to determine a Replacement 5-Year Mid-Swap Rate to be used in place of the 5-Year Mid-Swap Rate. The use of any such Replacement 5-Year Mid-Swap Rate to determine the Reset Rate of Interest is likely to result in Notes initially linked to or referencing the 5-Year Mid-Swap Rate performing differently (which may include payment of a lower Reset Rate of Interest) than they would do if the 5-Year Mid-Swap Rate (or component thereof) were to continue to apply in its current form.

If the Issuer is unable to appoint a 5-Year Mid-Swap Rate Determination Agent or, the 5-Year Mid-Swap Rate Determination Agent fails to determine a Replacement 5-Year Mid-Swap Rate for the life of the Notes, or if a Replacement 5-Year Mid-Swap Rate is not adopted in accordance with Condition 5.10(d), *inter alia*, because it would result in all or part of the aggregate outstanding nominal amount of the Notes being excluded from the Additional Tier 1 Capital of the Group or reclassified as a lower quality form of own funds of the Group, then the 5-Year Mid-Swap Rate applicable to such Reset Interest Period shall be equal to the 5-Year Mid-Swap Rate that appeared on the most recent Screen Page that was available (which may be, for as long as no Replacement 5-Year Mid-Swap Rate has been determined in accordance with Condition 5.10 (*5-Year Mid-Swap Rate replacement*), each subsequent Reset Interest Period). This will result in the Reset Rate of Interest, in effect, becoming fixed rate of interest. Investor in Notes may, in such circumstances, be materially affected and receive a lower interest as they would have expected if an 5-Year Mid-Swap Rate Determination Agent had been

appointed or if such 5-Year Mid-Swap Rate Determination Agent did not failed to determine such Replacement 5-Year Mid-Swap Rate.

Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 has amended the existing provisions of the Benchmarks Regulation by extending the transitional provisions applicable to material benchmarks and third-country benchmarks until the end of 2021. The existing provisions of the Benchmarks Regulation were further amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 published in the Official Journal of the European Union on 12 February 2021 (the “**Amending Regulation**”).

The Amending Regulation introduces a harmonised approach to deal with the cessation or wind-down of certain benchmarks by conferring the power to designate a statutory replacement for certain benchmarks on the European Commission, such replacement being limited to contracts and financial instruments. These provisions could have a negative impact on the value or liquidity of, and return on the Notes in the event that the fallback provisions in the Terms and Conditions of the Notes are deemed unsuitable. However, there are still uncertainties about the exact implementation of this provision pending the implementing acts of the European Commission. In addition, the transitional provisions applicable to third-country benchmarks are extended until the end of 2023. The European Commission is empowered to further extend this period until the end of 2025, if necessary. The Amending Regulation applies as of 13 February 2021.

### **1.15. Risks related to the intragroup merger of BNP Paribas Securities Services SCA and its parent company, BNP Paribas SA**

BNPP and BNP Paribas Securities Services SCA (“**BP2S**”) are implementing an intragroup reorganisation pursuant to which BNPP, as the "absorbing entity", will merge with BP2S, as the "absorbed entity", pursuant to the simplified merger regime (*fusion simplifiée*), which is governed by Articles L. 236-1 *et seq.* of the French Commercial Code (*Code de commerce*).

As of the date of this Prospectus, BP2S acts as Fiscal Agent, Principal Paying Agent, Calculation Agent and Paying Agent under the Notes.

As of the date of this Prospectus, the intragroup merger is due to take place on 1 October 2022, subject to ongoing consultation with local work councils in some countries. BP2S is currently a distinct legal entity within the BNP Paribas Group, although it is wholly owned by BNPP. The intragroup merger will see this distinct legal entity cease to exist and the business of BP2S will instead be provided via BNPP. Following the intragroup merger, BNPP will become Fiscal Agent, Principal Paying Agent, Calculation Agent and Paying Agent under the Notes.

The intragroup merger could impact the continuity of business operations, particularly when unrelated companies are involved. Since BP2S is a consolidated subsidiary of BNPP, the intragroup merger is not expected to have any material adverse effect on the business of BP2S or BNPP.

## **2. Risks related to the trading markets and the rating of the Notes**

### **2.1. There will be no prior market for the Notes.**

Application will be made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris. However, there is currently no existing market for the Notes, and there can be no assurance that any market will develop for the Notes or that Noteholders will be able to sell their Notes in the secondary market. Although no assurance can be given that a liquid trading market for the Notes will develop, the Notes will be admitted to trading on Euronext Paris. There is no obligation on the part of any party to make a market in the Notes. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected.

Moreover, although pursuant to Condition 7.5 (*Purchase*) the Issuer can purchase Notes at any time (subject to regulatory approval), the Issuer is not obligated to do so. Purchases made by the Issuer could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can sell these Notes on the secondary market.

The absence of liquidity may have a significant material adverse effect on the value of the Notes. In addition, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and in extreme circumstances such investors could suffer loss of their entire investment.

**2.2. The trading price of the Notes may be volatile and may be adversely impacted by many events affecting the market perception of the Issuer's creditworthiness.**

The trading price of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer. The Issuer's long-term credit ratings are A+ with a stable outlook (Standard & Poor's), Aa3 with a stable outlook (Moody's), AA- with a stable outlook (Fitch) and AA (low) with a stable outlook (DBRS Morningstar). A withdrawal of, or a reduction in, the rating accorded to outstanding debt securities of the Issuer by one of these or other rating agencies could materially and adversely affect the trading price of the Notes.

Ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies. Changes in credit rating agencies' views of the level of implicit sovereign support for European banks and their groups are likely to lead to ratings downgrades. Upon issuance, it is expected that the Notes will be rated by credit rating agencies and may in the future be rated by additional credit rating agencies, although the Issuer is under no obligation to ensure that the Notes are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these risk factors and other factors that may affect the liquidity or trading price of the Notes.

The market for debt securities issued by banks (such as the Notes) is also influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other industrialised countries and areas. There can be no assurance that events in France, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect. Such factors may favourably or adversely affect the trading price of the Notes. The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder and accordingly such Noteholder may suffer a significant financial loss.

**2.3. Exchange rate risks and exchange controls.**

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than Euros. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or Euros may impose or modify exchange controls that could adversely affect an applicable exchange rate. An appreciation in the value of the Investor's Currency relative to Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent trading price of the Notes. This may result in a significant loss on any capital invested from the perspective of an investor whose domestic currency is not the Euro.

**2.4. The interest rate on the Notes will reset on each relevant Reset Date, which may affect the market value of the Notes.**

Interest on the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. A Noteholder is exposed to the risk that the market value of the Notes could fall as a result of changes in the market interest rate. While the nominal interest rate of the Notes specified herein is a fixed rate of 6.875 per cent. *per annum* up to (but excluding) the First Call Date (as specified in Condition 5 (*Interest*)), the current interest rate on the capital markets ("market interest rate") typically varies on a daily basis. As the market interest rate changes, the market value of the Notes would typically change in the opposite direction. If the market interest rate increases, the market value of the Notes would typically fall, until the yield of such Notes is approximately equal to the market interest rate. If the market interest rate falls, the market value of the Notes would typically increase, until the yield of such Notes is approximately equal to the market interest rate. The degree to which the market interest rate may vary is uncertain and presents a significant risk to the market value of the Notes if an investor were to dispose of the Notes.



In accordance with Condition 5 (*Interest*), the Interest Rate in respect of the Notes will be reset as from the First Call Date and on each Reset Date thereafter. Such Interest Rate will be determined two (2) Business Days before the First Call Date and before each Reset Date thereafter and as such is not pre-defined at the date of issue of the Notes. Each Reset Interest Rate may be different from the Initial Interest Rate and may negatively impact the return under the Notes and result in a reduced market value of the Notes if an investor were to dispose of the Notes.

Following the First Call Date, the interest rate of the Notes will be reset as from the First Call Date and then every five years on each subsequent Reset Date and shall be calculated on the basis of the mid swap rates for EUR swap transactions with a maturity of five years. These mid swap rates are not predefined for the lifespan of the Notes. Lower mid swap rates for EUR swap transactions mean a lower interest under the Notes.

In addition, due to the varying interest income on the Notes, potential investors are not able to determine a definite yield of the Notes at the time they purchase the Notes and accordingly their return on investment cannot be compared with that of investments having longer fixed interest periods.

## GENERAL DESCRIPTION OF THE NOTES

This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see the “Terms and Conditions of the Notes”.

Issuer:	BNP Paribas.
Legal Entity Identifier (LEI):	R0MUWSFPU8MPRO8K5P83
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfill its obligations under the Notes. In addition, there are certain factors that are material for the purpose of assessing the risks associated with investing in the Notes. The risks that the Issuer currently believes to be the most significant are set out under “ <i>Risk Factors</i> ”.
Notes:	€1,000,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes.
Global Coordinator, Sole Bookrunner and Lead Manager:	BNP Paribas.
Co-Managers:	Barclays Bank Ireland PLC, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, HSBC Continental Europe, La Banque Postale, Mizuho Securities Europe GmbH, Nykredit Bank A/S and Swedbank AB (publ).
Principal Paying Agent:	Prior to the Merger Date: BNP Paribas Securities Services. From and including the Merger Date: BNP Paribas.
Calculation Agent:	Prior to the Merger Date: BNP Paribas Securities Services. From and including the Merger Date: BNP Paribas.
Issue Date:	6 September 2022.
Maturity Date:	The Notes will have no scheduled maturity date.
Issue Price:	100.00 percent.
Form of Notes and denomination:	The Notes are in dematerialised bearer form ( <i>au porteur</i> ) in the denomination of €200,000.
Status and subordination of the Notes:	The Notes constitute “obligations” under French law. It is the intention of the Issuer that the proceeds of the issue of the Notes be treated at issuance for regulatory purposes as Additional Tier 1 Capital. The Notes are deeply subordinated notes of the Issuer issued pursuant to the provisions of Article L.228-97 of the French Code de commerce.  (i) Subject as provided in Condition 4.2 ( <i>Ranking of Notes Disqualified as Own Funds</i> ) and Condition 4.3 ( <i>Ranking of Notes Disqualified as AT1 but Qualified as T2</i> ), the obligations of the Issuer in respect of principal and interest of the Qualifying Notes constitute direct, unsecured and Deeply Subordinated Obligations of the Issuer and rank <i>pari passu</i> and without any preference among themselves and rateably with all other present or future

Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs*, Eligible Subordinated Obligations and Unsubordinated Obligations issued by the Issuer, as more fully described in Condition 4.1 (*Ranking of Qualifying Notes*).

(ii) Should the Notes be Notes Disqualified as Own Funds, they will no longer constitute Deeply Subordinated Obligations, and will constitute direct, unconditional, unsecured and subordinated obligations (in accordance with Paragraph 5° of Article L.613-30-3 I of the French Monetary and Financial Code created by Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector implementing Article 48(7) of the BRRD under French law) of the Issuer and rank and will rank *pari passu* (a) among themselves and (b) with any and all instruments that have (or will have) such rank (including for the avoidance of doubt instruments issued on or after 28 December 2020 initially treated as Tier 2 Capital and which subsequently lost such treatment), as more fully described in Condition 4.2 (*Ranking of Notes Disqualified as Own Funds*).

(iii) Should the Notes be Notes Disqualified as AT1 but Qualified as T2, they will no longer constitute Deeply Subordinated Obligations and will become Eligible Subordinated Obligations and rank *pari passu* with any and all instruments that are treated as Tier 2 Capital, as more fully described in Condition 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as T2*).

Interest Rate: The rate of interest for each Interest Period from (and including) the Issue Date to (but excluding) the First Call Date is 6.875 per cent. *per annum*.

There will be a long first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date (i.e. 6 June 2023), amounting to €10,293.72 per Calculation Amount.

The rate of interest for each Reset Interest Period beginning on or after the First Call Date will be equal to the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin, converted from an annual basis to a semi-annual basis according to market convention, except that if the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin is less than zero, the Reset Rate of Interest will be equal to zero.

First Call Date: The Interest Payment Date falling on or about 6 December 2029.

Reset Date: The First Call Date and every Interest Payment Date which falls on or about five (5), or a multiple of five (5), years after the First Call Date;

Interest Payment Dates: Interest shall be payable semi-annually in arrear on 6 June and 6 December in each year from (and including) 6 June 2023, subject in any case as provided in Condition 5.11 (*Cancellation of Interest Amounts*) and Condition 8 (*Payments*).

Cancellation of Interest Amounts: The Issuer may elect at its full discretion to cancel (in whole or in part), and in certain circumstances will be required to cancel (in whole or in part) the Interest Amount otherwise scheduled to be paid on an Interest Payment Date. See Condition 5.11 (*Cancellation of Interest Amounts*).

Write-Down and Reinstatement: The Prevailing Outstanding Amount of the Notes will be written down if the Group CET1 Ratio falls below 5.125 per cent. (all as defined in Condition 2 (*Interpretation*)).

in “Terms and Conditions of the Notes”). Noteholders may lose some or all of their investment as a result of a Write-Down. Following such reduction, some or all of the principal amount of the Notes may, at the Issuer’s discretion, be reinstated, up to the Original Principal Amount, if certain conditions are met. See Condition 6 (*Write-Down and Reinstatement*) in “Terms and Conditions of the Notes”.

Optional Redemption Dates: Means each of the Reset Dates.

Optional Redemption on the Optional Redemption Date: The Issuer may (at its option but subject to Condition 7.7 (*Conditions to Redemption and Purchase*)) redeem the then outstanding Notes, on the relevant Optional Redemption Date in whole at their Original Principal Amount, together with accrued interest.

Optional Redemption by the Issuer upon the occurrence of a Capital Event or Tax Event: Subject as provided herein, in particular to the provisions of Condition 7.7 (*Conditions to Redemption and Purchase*), upon the occurrence of a Capital Event or a Tax Event, the Issuer may, at its option at any time, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount together with accrued interest thereon.

“**Capital Event**” means the determination by the Issuer, that as a result of a change in the Relevant Rules becoming effective on or after the Issue Date, which change was not reasonably foreseeable by the Issuer as at the Issue Date, it is likely that all or part of the aggregate outstanding nominal amount of the Notes will be, excluded from the own funds of the Group or reclassified as a lower quality form of own funds of the Group.

“**Tax Event**” means a Tax Deduction Event, a Withholding Tax Event or a Gross-Up Event.

Purchase: The Issuer may, but is not obliged to, subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below, purchase Notes at any price in the open market or otherwise at any price in accordance with applicable laws and regulations.

Conditions to Redemption and Purchase: The Notes may only be redeemed or purchased if the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable) and the other conditions required by Articles 77 and 78 of the CRR (as applicable on the date of such redemption or purchase) are met.

(a) As at the Issue Date, the following conditions are required by Articles 77 and 78 of the CRR:

(i) on or before such redemption or purchase (as applicable) of the Notes, the Issuer replaces the Notes with capital instruments of an equal or higher quality on terms that are sustainable for its income capacity; or

(ii) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its own funds and eligible liabilities would, following such redemption or purchase (as applicable), exceed the requirements laid down in the CRD IV Rules and the BRRD by a margin that the Relevant Regulator considers necessary on the basis set out in the CRD IV Rules for it to determine the appropriate

level of capital of an institution; and

- (b) in the case of redemption before the fifth anniversary of the Issue Date, if:
- (i) the conditions listed in paragraphs (a)(i) or (a)(ii) above are met; and
  - (ii)
    - (A) in the case of redemption due to the occurrence of a Capital Event, (x) the Relevant Regulator considers such change to be sufficiently certain and (y) the Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of issuance of the Notes; or
    - (B) in the case of redemption due to the occurrence of a Tax Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Tax Event is material and was not reasonably foreseeable at the time of issuance of the Notes and the Issuer has delivered a certificate signed by one of its senior officers to the Principal Paying Agent (and copies thereof will be available at the Principal Paying Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Tax Event has occurred or will occur no more than ninety (90) calendar days following the date fixed for redemption, as the case may be; or
    - (C) the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Relevant Regulator has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
    - (D) the Notes are repurchased for market making purposes.

Events of Default: None.

Cross Default: None.

Negative Pledge: None.

Waiver of set-off: No Noteholder may at any time exercise or claim any Waived Set-Off Rights (as defined below) against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort or any non-contractual obligations, in each case whether or not relating to such Note) and each

such Noteholder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

“**Waived Set-Off Rights**” means any and all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any such Note.

**Meeting and Voting Provisions:** The Terms and Conditions of the Notes contain provisions relating to General Meetings of Noteholders. Pursuant to Article L. 213-6-3 I of the French *Code monétaire et financier*, the Noteholders shall not be grouped in a *masse* having separate legal personality. The Issuer is entitled in lieu of holding a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution.

**Taxation:** All payments of principal and interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In the event a payment of interest by the Issuer in respect of the Notes is subject to French Taxes by way of withholding or deduction, the Issuer shall, save in certain exceptions provided in Condition 9 (*Taxation*), pay such additional amounts as will result in receipt by the Noteholders of such amounts of interest as would have been received by them had no such withholding or deduction been required.

**Further Issues:** Subject to the prior information of the Relevant Regulator, the Issuer may from time to time without the consent of the Noteholders issue further notes, such further notes forming a single series with the Notes so that such further notes and the Notes carry rights identical in all respects (or in all respects save for their issue date, interest commencement date, issue price and/or the amount and date of the first payment of interest thereon). Such further notes shall be assimilated (*assimilables*) to the Notes as regards their financial service provided that the terms of such further notes provide for such assimilation.

**Admission to trading:** Application has been made for the Notes to be admitted to trading on Euronext Paris.

**Settlement:** Euroclear France, Euroclear and Clearstream.

**Governing law:** The Notes will be governed by, and construed in accordance with, French law.

**Ratings:** The Notes are expected to be rated BBB- by Standard & Poor's, Ba1 by Moody's and BBB by Fitch.

The Issuer's long-term credit ratings are A+ with a stable outlook (Standard & Poor's), Aa3 with a stable outlook (Moody's), AA- with a stable outlook (Fitch) and AA (low) with a stable outlook (DBRS Morningstar).

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time.

**Use of Proceeds:** The net proceeds of the Notes, estimated to be €990,000,000.00, will be applied for the general financing purposes of the Issuer and to increase its own funds.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the English version of the first Amendment to the 2021 Universal Registration Document, published by the Issuer and filed with the AMF on 3 May 2022 under with filing number D.22-0156-A01 (the “**First Amendment to the BNPP 2021 Universal Registration Document**”) available on the website of the Issuer at <https://invest.bnpparibas/en/document/1st-amendment-to-the-2021-universal-registration-document>, other than Chapter 6 (*Person Responsible for the Universal Registration Document*) and Chapter 7 (*Tables of Concordance*).
- (b) the English version of the second Amendment to the 2021 Universal Registration Document, published by the Issuer and filed with the AMF on 28 June 2022 under with filing number D.22-0156-A02 (the “**Second Amendment to the BNPP 2021 Universal Registration Document**”) available on the website of the Issuer at <https://invest.bnpparibas/en/document/2nd-amendment-to-the-2021-universal-registration-document>, other than Chapter 4 (*Person Responsible for the Universal Registration Document*) and Chapter 5 (*Tables of Concordance*).
- (c) the English version of the third Amendment to the 2021 Universal Registration Document, published by the Issuer and filed with the AMF on 29 July 2022 under with filing number D.22-0156-A03 (the “**Third Amendment to the BNPP 2021 Universal Registration Document**”) available on the website of the Issuer at <https://invest.bnpparibas/en/document/3rd-amendment-to-the-2021-universal-registration-document>, other than Chapter 6 (*Person Responsible for the Universal Registration Document*) and Chapter 7 (*Tables of Concordance*).
- (d) the English version of the fourth Amendment to the 2021 Universal Registration Document, published by the Issuer and filed with the AMF on 4 August 2022 under with filing number D.22-0156-A04 (the “**Fourth Amendment to the BNPP 2021 Universal Registration Document**”) available on the website of the Issuer at <https://invest.bnpparibas/en/document/4th-amendment-to-the-2021-universal-registration-document>, other than Chapter 5 (*Person Responsible for the Universal Registration Document*) and Chapter 6 (*Tables of Concordance*).
- (e) the English version of the Universal Registration Document as at 31 December 2021 and annual financial report (*Document d’enregistrement universel et rapport financier annuel au 31 décembre 2021*), published by the Issuer and filed with the AMF on 25 March 2022 under n°D.22-0156 (the “**BNPP Universal Registration Document as at 31 December 2021**”) available on the website of the Issuer at <https://invest.bnpparibas/en/groupe-de-document/universal-registration-document-and-annual-financial-report-2021>, other than Chapter 3.6 (*Outlook*), Chapter 6 (*Information on the Parent Company Financial Statements at 31 December 2021*), Chapter 7 (*A Committed Bank: Information on the Economic, Social, Civic and Environmental Responsibility of BNP Paribas*), Chapter 8 (*General Information*), Chapter 10 (*Person Responsible for the Universal Registration Document*) and Chapter 11 (*Table of Concordance*) thereof which are not incorporated herein.
- (f) the English version of the Universal Registration Document as at 31 December 2020 and annual financial report (*Document d’enregistrement universel et rapport financier annuel au 31 décembre 2020*), published by the Issuer and filed with the AMF on 12 March 2021 under n°D.21-0114 (“**BNPP Universal Registration Document as at 31 December 2020**”) available on the website of the Issuer at <https://invest.bnpparibas/en/document/universal-registration-document-and-annual-financial-report-2020>, other than Chapter 3.6 (*Outlook*), Chapter 6 (*Information on the Parent Company Financial Statements at 31 December 2020*), Chapter 7 (*A Committed Bank: Information on the Economic, Social, Civic and Environmental Responsibility of BNP Paribas*), Chapter 8 (*General Information*), Chapter 10 (*Person Responsible for the Universal Registration Document*) and Chapter 11 (*Table of Concordance*) thereof which are not incorporated herein.

Notwithstanding the foregoing, the following statements shall not be deemed incorporated herein:

- any section entitled “Person Responsible”, “Articles of Association” or “Cross-Reference Table” in any of the foregoing documents;

- any reference to a completion letter (*lettre de fin de travaux*) included in any of the foregoing documents; and
- any quantitative financial projections, targets or objectives included in any of the foregoing documents.

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

The Documents Incorporated by Reference are available on the website of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)). Unless otherwise explicitly incorporated by reference into this Prospectus in accordance with paragraph (a) to (f) above, the information contained on the website of the Issuer shall not be deemed incorporated by reference herein.

The following table cross references the pages of the Documents Incorporated by Reference with the main headings required under Annex 7 of the Commission Regulation (EU) No. 2019/980 supplementing the Prospectus Regulation. Any information not listed in the cross reference list below shall be considered as additional information, not required by the schedules of the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation. Furthermore, any information in the website of the Issuer ([www.bnpparibas.com](http://www.bnpparibas.com)) does not form any part of this Prospectus unless that information is incorporated by reference into this Prospectus.

<i>Extracts of Annex VII of the European Regulation (EU) 2019/980 of 14 March 2019</i>		<i>BNPP Universal Registration Document as at 31 December 2020</i>	<i>BNPP Universal Registration Document as at 31 December 2021</i>	<i>First Amendment to the BNPP 2021 Universal Registration Document</i>	<i>Second Amendment to the BNPP 2021 Universal Registration Document</i>	<i>Third Amendment to the BNPP 2021 Universal Registration Document</i>	<i>Fourth Amendment to the BNPP 2021 Universal Registration Document</i>
4.	INFORMATION ABOUT THE ISSUER						
4.1	History and development of the Issuer.	5	6	N/A	N/A	N/A	N/A
4.1.1	The legal and commercial name of the Issuer.	645	695	N/A	N/A	N/A	N/A
4.1.2	The place of registration of the issuer, its registration number and legal entity identifier ('LEI').	645 and 670 (back cover)	695	N/A	N/A	N/A	N/A
4.1.3	The date of incorporation and the length of life of the Issuer, except where the period is indefinite.	645	695	N/A	N/A	N/A	N/A
4.1.4	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer.	645 and 670 (back cover)	695 and 704 (back cover)	N/A	N/A	N/A	N/A
4.1.5	Any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency.	282, 325 to 334 and 637	157 to 160 and 669	110	N/A	N/A	N/A
5.	BUSINESS OVERVIEW						
5.1	Principal activities	6 to 17, 202 to 205 and 638 to 644	7 to 18, 218 to 221 and 670 to 676	N/A	N/A	3	N/A
5.1.1	A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed.	6 to 17, 202 to 205 and 638 to 644	7 to 18, 218 to 221 and 670 to 676	N/A	N/A	N/A	N/A
5.1.2	The basis for any statements made by the Issuer regarding its competitive position.	6 to 17 and 122 to 138	7 to 18 and 132 to 148	N/A	N/A	N/A	N/A
6.	ORGANISATIONAL STRUCTURE						
6.1	If the Issuer is part of a group, a brief description of the group and the Issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if	4, 6 and 622 to 623	4 and 650 to 651	N/A	N/A	3	N/A



<i>Extracts of Annex VII of the European Regulation (EU) 2019/980 of 14 March 2019</i>		<i>BNPP Universal Registration Document as at 31 December 2020</i>	<i>BNPP Universal Registration Document as at 31 December 2021</i>	<i>First Amendment to the BNPP 2021 Universal Registration Document</i>	<i>Second Amendment to the BNPP 2021 Universal Registration Document</i>	<i>Third Amendment to the BNPP 2021 Universal Registration Document</i>	<i>Fourth Amendment to the BNPP 2021 Universal Registration Document</i>
	this helps to clarify the structure.						
6.2	If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	263 to 270, 524 to 530 and 638 to 643	281 to 289, 562 to 569 and 670 to 675	N/A	N/A	193-216	113-136
9.	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>						
9.1	Names, business addresses and functions within the Issuer of the following persons and an indication of the principal activities performed by them outside of that Issuer where these are significant with respect to that Issuer:  (a) members of the administrative, management or supervisory bodies;  (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	33 to 45 and 102	35 to 50 and 114	N/A	N/A	237-239	N/A
9.2	Administrative, management, and supervisory bodies conflicts of interests Potential conflicts of interests between any duties to the Issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	49 to 50, 63 to 64 and 74 to 97	55 to 56, 70 to 71 and 81 to 110	N/A	N/A	N/A	N/A
10.	<b>MAJOR SHAREHOLDERS</b>						
10.1	To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	19	19 and 20	N/A	N/A	236	N/A
10.2	A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.	19	20	N/A	N/A	N/A	N/A
11.	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>						
11.1	<u>Historical financial information.</u>						
11.1.1	Historical financial information covering the latest two financial years (or such shorter period as the Issuer has been in operation), and the audit report in respect of each year.	4, 21, 121 to 271, 493 to 531 and 659	5, 23, 132 to 290 and 532 to 570	63 to 74 and 77 and 78	N/A	4-79; 83-216	3-136
11.1.3	Accounting standards  The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.	170 to 190	186 to 206				
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:  (a) the balance sheet;  (b) the income statement;  (c) the accounting policies and explanatory notes.	166  165  170 to 271	182  181  186 to 290	N/A  N/A  N/A	N/A  N/A  N/A	89  87  93-216	9  7  13-136

<i>Extracts of Annex VII of the European Regulation (EU) 2019/980 of 14 March 2019</i>		<i>BNPP Universal Registration Document as at 31 December 2020</i>	<i>BNPP Universal Registration Document as at 31 December 2021</i>	<i>First Amendment to the BNPP 2021 Universal Registration Document</i>	<i>Second Amendment to the BNPP 2021 Universal Registration Document</i>	<i>Third Amendment to the BNPP 2021 Universal Registration Document</i>	<i>Fourth Amendment to the BNPP 2021 Universal Registration Document</i>
11.1.5	Consolidated financial statements  If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	161 to 271 and 493 to 538	186 to 290 and 291 to 296	N/A	N/A	83-216	3-136
11.2	Auditing of historical financial information (Auditors' report)	272 to 278 and 532 to 537	291 to 296 and 571 to 576	N/A	N/A	N/A	137-138
11.3	Legal and arbitration proceedings	250 to 251	266 to 267	110 to 111	N/A	182-183	102-103
11.4	Significant change in the Issuer's financial position	637	669	110	2	240	202
12.	<b>MATERIAL CONTRACTS</b>						
12.1	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.	636	668	N/A	N/A	N/A	N/A

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes will be as follows:

### 1. Introduction

The issue of the €1,000,000,000 Perpetual Fixed Rate Resetable Additional Tier 1 Notes (the “Notes”) of BNP Paribas (the “Issuer”) has been authorised by a resolution of the Board of Directors (*Conseil d’administration*) of the Issuer held on 22 February 2022 and a decision of Lars Machenil, Chief Financial Officer of the Issuer dated 31 August 2022.

The Issuer will enter into an agency agreement (the “Agency Agreement”) to be dated on or about 2 September 2022 with BNP Paribas Securities Services (which, from and including the Merger Date (as defined below), will be substituted with BNP Paribas) as fiscal agent, principal paying agent and calculation agent. The fiscal agent and principal paying agent, the calculation agent and the paying agent for the time being are respectively referred to in these Conditions as the “Fiscal Agent”, the “Principal Paying Agent”, the “Calculation Agent” and the “Paying Agent” (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the “Agents”. Copies of the Agency Agreement are available for inspection at the specified offices of the Paying Agent.

BNPP and BNP Paribas Securities Services SCA are implementing an intragroup reorganisation pursuant to which BNPP, as the “absorbing entity”, will merge with BNP Paribas Securities Services SCA, as the “absorbed entity”, pursuant to the simplified merger regime (*fusion simplifiée*), which is governed by Articles L. 236-1 *et seq.* of the French Commercial Code (*Code de commerce*) (the “Intragroup Merger”). The Intragroup Merger will take effect on 1 October 2022 or such other date as shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) (the “Merger Date”).

References to “Conditions” are, unless the context otherwise requires, to the numbered paragraphs below.

### 2. Interpretation

2.1 *Definitions:* In these Conditions the following expressions have the following meanings:

“30/360” means the number of days in the relevant period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year expressed as a number, in which the first day of the relevant period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the relevant period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the relevant period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the relevant period falls;

“D1” is the first calendar day, expressed as a number, of the relevant period, unless such number is 31 in which case D1, will be 30; and

“D2” is the calendar day expressed as a number immediately following the last day included in the relevant period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

“5-Year Mid-Swap Rate” means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest Period the mid-swap rate (expressed as a percentage rate *per annum*) for euro swaps with a term of five (5) years which appears on the Screen Page as of 11.00 a.m. (Central European time) (the “Relevant Time”) on such Reset Rate of Interest Determination Date.

**“5-Year Mid-Swap Rate Quotations”** means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (a) has a term of five (5) years commencing on the relevant Reset Date;
- (b) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (c) has a floating leg (calculated on an Actual/360 day count basis) based on six (6) month EURIBOR;

**“Account Holders”** shall have the meaning attributed thereto in Condition 3 (*Form, Denomination and Title*);

**“Actual/360”** means the actual number of days in the relevant period divided by 360;

**“Additional Tier 1 Capital”** has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules;

**“Agency Agreement”** shall have the meaning attributed thereto in Condition 1 (*Introduction*);

**“Bail-in or Loss Absorption Power”** has the meaning set forth in Condition 16 (*Recognition of Bail-in and Loss Absorption*);

**“Benchmark Event”** means, in relation to 5-Year Mid-Swap Rate, any of the following:

- (a) the 5-Year Mid-Swap Rate ceasing to exist or ceasing to be published for a period of at least six (6) consecutive Business Days or having been permanently or indefinitely discontinued;
- (b) the making of a public statement or publication of information (provided that, at the time of any such event, there is no successor administrator that will provide 5-Year Mid-Swap Rate) by or on behalf of (i) the administrator of the 5-Year Mid-Swap Rate, or (ii) the supervisor, insolvency official, resolution authority, central bank or competent court having jurisdiction over such administrator stating that (x) the administrator has ceased or will cease permanently or indefinitely to provide the 5-Year Mid-Swap Rate, (y) the 5-Year Mid-Swap Rate has been or will be permanently or indefinitely discontinued, or (z) the 5-Year Mid-Swap Rate has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally, or in respect of the Notes, provided that, if such public statement or publication mentions that the event or circumstance referred to in (x), (y) or (z) above will occur on a date falling later than three (3) months after the relevant public statement or publication, the Benchmark Event shall be deemed to occur on the date falling three (3) months prior to such specified date (and not the date of the relevant public statement);
- (c) it has or will prior to the next Reset Rate of Interest Determination Date, become unlawful for the Calculation Agent or any other party responsible for determining the 5-Year Mid-Swap Rate to calculate any payments due to be made to any Noteholder using the 5-Year Mid-Swap Rate (including, without limitation, under BMR, if applicable); or
- (d) the making of a public statement or publication of information that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the 5-Year Mid-Swap Rate, or the administrator of the 5-Year Mid-Swap Rate has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the use of the 5-Year Mid-Swap Rate is not or will not be permitted under any applicable law or regulation, such that the Calculation Agent or any other party responsible for determining the 5-Year Mid-Swap Rate is unable to perform its obligations in respect of the Notes,

in each case, as determined by the Calculation Agent or the Issuer.

A change in the methodology of the 5-Year Mid-Swap Rate shall not, absent the occurrence of one of the above, be deemed a Benchmark Event;

“**BMR**” means the EU Benchmark Regulation (Regulation (EU) 2016/1011) as amended from time to time;

“**BRRD**” means the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended from time to time including by the Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019;

“**Calculation Agent**” shall have the meaning attributed thereto in Condition 1 (*Introduction*);

“**Calculation Amount**” means the lower of €200,000 and the Prevailing Outstanding Amount;

“**Capital Event**” means the determination by the Issuer, that as a result of a change in the Relevant Rules becoming effective on or after the Issue Date, which change was not reasonably foreseeable by the Issuer as at the Issue Date, it is likely that all or part of the aggregate outstanding nominal amount of the Notes will be, excluded from the own funds of the Group or reclassified as a lower quality form of own funds of the Group;

“**CDR**” means Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing the CRR with regard to regulatory technical standards for own funds requirements for institutions (Capital Delegated Regulation), as amended from time to time;

“**Clearstream**” shall have the meaning attributed thereto in Condition 3 (*Form, Denomination and Title*);

“**Code**” shall have the meaning attributed thereto in Condition 8 (*Payments*);

“**CRD IV**” means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended from time to time including by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019;

“**CRD IV Implementing Measures**” means any regulatory capital rules implementing the CRD IV or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Relevant Regulator, which are applicable to the Issuer and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer;

“**CRD IV Rules**” means any or any combination of the CRD IV, the CRR and any CRD IV Implementing Measures;

“**CRR**” means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms, as amended from time to time including by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019;

“**Day Count Fraction**” means the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last);

“**Deeply Subordinated Obligations**” means deeply subordinated obligations of the Issuer, whether in the form of notes or loans or otherwise, which rank *pari passu* among themselves and with the Notes, senior to any classes of share capital issued by the Issuer, and junior to the present and future *prêts participatifs* granted to the Issuer, the present and future *titres participatifs* issued by the Issuer, Eligible Subordinated Obligations and Unsubordinated Obligations;

“**Discretionary Temporary Loss Absorption Instruments**” means at any time any instrument (other than the Notes and the Issuer Shares) issued directly or indirectly by the Issuer which at such time (a) qualifies as Additional Tier 1 Capital of the Issuer, (b) has had all or some of its principal amount written-down, (c) has terms providing for a reinstatement of its principal amount at the Issuer’s discretion and (d) is not subject to any transitional arrangements under the Relevant Rules;

“**Distributable Items**” shall have the meaning given to such term in the CRR, as interpreted and applied in accordance with the Relevant Rules;

“**Eligible Subordinated Obligations**” means subordinated obligations of the Issuer, whether in the form of notes or loans or otherwise, which rank or are expressed to rank senior to the Notes (to the extent the Notes constitute Additional Tier 1 Capital for regulatory purposes), including, but not limited to, obligations or instruments of the Issuer that are treated as Tier 2 Capital securities;

“**Euroclear**” shall have the meaning attributed thereto in Condition 3 (*Form, Denomination and Title*);

“**Euroclear France**” shall have the meaning attributed thereto in Condition 3 (*Form, Denomination and Title*);

“**First Call Date**” means the Interest Payment Date falling on or about 6 December 2029;

“**French Taxes**” shall have the meaning attributed thereto in Condition 9 (*Taxation*);

“**Gross-Up Event**” shall have the meaning attributed thereto in Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*);

“**Group**” means the Issuer together with its consolidated subsidiaries taken as a whole;

“**Group CET1 Ratio**” means the Group’s Common Equity Tier 1 ratio pursuant to Article 92(1)(a) of the CRR calculated, on a consolidated basis, in accordance with Article 92(2)(a) of the CRR;

“**Group Net Income**” means the consolidated net income after the Issuer has taken a formal decision confirming the final amount thereof;

“**Initial Period**” means the period from (and including) the Issue Date to (but excluding) the First Call Date;

“**Initial Rate of Interest**” means 6.875 per cent *per annum*;

“**Interest Amount**” means the amount of interest payable on each Note for any Interest Period and

“**Interest Amounts**” means, at any time, the aggregate of all Interest Amounts payable at such time;

“**Interest Payment Date**” means 6 June and 6 December in each year from (and including) 6 June 2023;

“**Interest Period**” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“**Issue Date**” means 6 September 2022;

“**Issuer**” shall have the meaning attributed thereto in Condition 1 (*Introduction*);

“**Issuer Shares**” means any classes of share capital or other equity securities issued by the Issuer (including but not limited to *actions de préférence* (preference shares));

“**Loss Absorbing Instrument**” means, at any time, any Additional Tier 1 Capital instrument (other than the Notes) issued directly or indirectly by the Issuer which contains provisions pursuant to which all or part of its principal amount may be written-down (whether on a permanent or temporary basis) or may otherwise absorb losses (in each case in accordance with its terms) on the occurrence, or as a result, of a trigger event set by reference to the Group CET1 Ratio;

“**Margin**” means 4.645 percent.;

“**Maximum Distributable Amount**” means any maximum distributable amount required to be calculated in accordance with Article 141 of the CRD IV or other provisions of the Relevant Rules, in particular the CRD IV and the BRRD (or any provision of French law transposing or implementing the CRD IV and/or the BRRD) that may be applicable to the Issuer from time to time;

“**Maximum Reinstatement Amount**” means, with respect to a Reinstatement of the principal amount of the Notes pursuant to Condition 6.3 (*Reinstatement*), the Relevant Group Net Income multiplied by the sum of (A) the Original Principal Amount of the Notes and (B) the initial principal amount of all outstanding Written Down Additional Tier 1 Instruments, divided by the Tier 1 Capital of the Group as at the date of the relevant Reinstatement;

“**Notes**” shall have the meaning attributed thereto in Condition 1 (*Introduction*);

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

“**Optional Redemption Date**” means each of the Reset Dates;

“**Original Principal Amount**” means the notional amount of the Notes as of the Issue Date;

“**Paying Agents**” and “**Principal Paying Agent**” shall have the meaning attributed thereto in Condition 1 (*Introduction*);

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in France and a day which is a day on which the Target2 System is open;

“**Prevailing Outstanding Amount**” means for each Note, its notional amount outstanding at any given time, adjusted for any reduction pursuant to a Write-Down or any increase pursuant to a Reinstatement;

“**Rate of Interest**” means:

- (i) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or
- (ii) in the case of each Interest Period falling in a Reset Interest Period, the relevant Reset Rate of Interest,

all as determined by the Calculation Agent in accordance with Condition 5 (*Interest*);

“**Reference Date**” means the accounting date at which the applicable Relevant Group Net Income was determined;

“**Regulated Market**” means a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU), as amended or replaced from time to time;

“**Reinstatement**” shall have the meaning attributed thereto in Condition 6.3 (*Reinstatement*);

“**Relevant Group Net Income**” shall have the meaning attributed thereto in Condition 6.3 (*Reinstatement*);

“**Relevant Nominating Body**” means, in respect of the 5-Year Mid-Swap Rate:

- (i) the European Central Bank, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for euro, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the 5-Year Mid-Swap Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof;

“**Relevant Regulator**” means the European Central Bank and any successor or replacement thereto, or other authority including, but not limited to any resolution authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the application of the Relevant Rules to the Issuer and the Group;

“**Relevant Resolution Authority**” has the meaning set forth in Condition 16 (*Recognition of Bail-in and Loss Absorption*);

“**Relevant Rules**” means at any time the laws, regulations, requirements, guidelines and policies of the Relevant Regulator relating to capital adequacy and then in effect in France and applicable to the Issuer from time to time including, for the avoidance of doubt, applicable rules contained in, or implementing the CRD IV Rules and/or the BRRD (as may be amended or replaced from time to time);

“**Reset Date**” means the First Call Date and every Interest Payment Date which falls on or about five (5), or a multiple of five (5), years after the First Call Date;

“**Reset Interest Period**” means each period from (and including) any Reset Date and ending on (but excluding) the next Reset Date;

“**Reset Rate of Interest**” means the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin, converted from an annual basis to a semi-annual basis according to market convention, except that if the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin is less than zero, the Reset Rate of Interest will be equal to zero;

“**Reset Rate of Interest Determination Date**” means, in relation to a Reset Interest Period, the day falling two (2) Business Days prior to the Reset Date on which such Reset Interest Period commences;

“**Reset Reference Banks**” means five (5) leading swap dealers in the Euro-zone interbank market selected by the Calculation Agent;

“**Screen Page**” means the display page on the relevant Bloomberg information service designated as the “EUAMDB05 Index” page or such other page as may replace it on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information (or as the case may be the Calculation Agent), for the purpose of displaying equivalent or comparable rates to the 5-Year Mid-Swap Rate;

“**Target2 System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto;

“**Tax Deduction Event**” shall have the meaning attributed thereto in Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*);

“**Tax Event**” means a Tax Deduction Event, a Withholding Tax Event or a Gross-Up Event;

“**Tier 1 Capital**” has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules;

“**Tier 2 Capital**” has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules;

“**Trigger Event**” shall occur if, at any time, the Group CET1 Ratio is less than the Trigger Level;

“**Trigger Level**” means 5.125 per cent.;

“**Unsubordinated Obligations**” means unsubordinated obligations, whether in the form of loans, notes or other instruments, of the Issuer that rank senior to Eligible Subordinated Obligations or any other obligation expressed to rank junior to Unsubordinated Obligations;

“**Withholding Tax Event**” shall have the meaning attributed thereto in Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*);

“**Write-Down**” or “**Written Down**” shall have the meaning attributed thereto in Condition 6.1 (*Write-Down*);

“**Write-Down Amount**” is the amount of the write down of the Prevailing Outstanding Amount of the Notes on the Write-Down Date and will be equal to the lower of:

- (a) the amount necessary to generate sufficient Common Equity Tier 1 items (as defined in the CRR) of the Issuer under the accounting framework applicable to the Issuer to restore the Group CET1 Ratio to the Trigger Level in respect of which a Trigger Event has occurred, taking into account the *pro rata* write down or, as the case may be, conversion into equity, of the prevailing principal amount of all Loss Absorbing Instruments (if any) to be written down or converted concurrently (or substantially concurrently) with the Notes, provided that, with respect to each Loss Absorbing Instrument (if any) such *pro rata* write down or conversion shall only be taken into account to the extent required to restore the Group CET1 Ratio to the lower of (a) such Loss Absorbing Instrument's trigger level and (b) the Trigger Level in respect of which a Trigger Event has occurred, and
- (b) the amount that would reduce the Prevailing Outstanding Amount to one cent (€0.01), provided further that to the extent the reduction to, or, as the case may be, conversion of any Loss Absorbing Instrument is not, or by the relevant Write-Down Date will not be, effective for any reason:



- (i) the ineffectiveness of any such reduction or, as the case may be, conversion shall not prejudice the requirement to effect a reduction to the Prevailing Outstanding Amount pursuant to Condition 6 (*Write-Down and Reinstatement*); and
- (ii) the reduction to, or, as the case may be conversion of any Loss Absorbing Instrument which is not, or by the Write-Down Date will not be, effective shall not be taken into account in determining such reduction of the Prevailing Outstanding Amount;

“**Write-Down Date**” means the date on which the Notes will be written down, being no later than one (1) month after the occurrence of a Trigger Event pursuant to Condition 6.1 (*Write-Down*), or any earlier date as selected by the Issuer or as instructed by the Relevant Regulator, and as specified in the Write-Down Notice;

“**Write-Down Notice**” means a notice which specifies (i) that a Trigger Event has occurred, (ii) the Write-Down Amount and (iii) the Write-Down Date. Any such notice shall be accompanied by a certificate signed by two Directors of the Issuer stating that the Trigger Event has occurred and setting out the method of calculation of the relevant Write-Down Amount attributable to the Notes; and

“**Written Down Additional Tier 1 Instrument**” means at any time any instrument (excluding the Notes) issued directly or indirectly by the Issuer which qualifies as Additional Tier 1 Capital of the Group and/or the Issuer and which, immediately prior to the relevant Reinstatement at that time, has a current principal amount that is lower than the principal amount it was issued with.

## 2.2 *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the Prevailing Outstanding Amount and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 9 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) references to Notes being “outstanding” shall have the meaning attributed thereto in Condition 12.12; and
- (iv) any reference to a numbered “Condition” shall be to the relevant Condition in these Conditions.

## 3. **Form, Denomination and Title**

The Notes are issued on 6 September 2022 (the “**Issue Date**”) in dematerialised bearer form (*au porteur*) in the denomination of €200,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 of the French Code *monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French Code *monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France (“**Euroclear France**”), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (“**Euroclear**”) and the depositary bank for Clearstream Banking S.A. (“**Clearstream**”).

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

To the extent permitted by applicable French law, the Issuer may at any time request from the central depositary identification information of Noteholders such as the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, email address of such Noteholders.

## 4. **Status of the Notes**

The Notes constitute “obligations” under French law. It is the intention of the Issuer that the proceeds of the issue of the Notes be treated at issuance for regulatory purposes as Additional Tier 1 Capital. The Notes are deeply subordinated notes of the Issuer issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*.

Condition 4.1 will apply in respect of the Notes for so long as the Notes constitute Additional Tier 1 Capital of the Issuer (the “**Qualifying Notes**”). Should the Notes no longer be treated as Additional Tier 1 Capital or Tier 2 Capital of the Issuer (the “**Notes Disqualified as Own Funds**”), Condition 4.2 will automatically replace and supersede Condition 4.1 without the need for any action from the Issuer and without consultation of the holders of such Notes. Should the Notes no longer be treated as Additional Tier 1 Capital but be treated as Tier 2 Capital (the “**Notes Disqualified as AT1 but Qualified as T2**” and, with the Notes Disqualified as Own Funds, the “**Disqualified Notes**”), Condition 4.3 will automatically replace and supersede Condition 4.1 without the need for any action from the Issuer and without consultation of the holders of such Notes.

There is no negative pledge in respect of the Notes.

- 4.1 *Ranking of Qualifying Notes:* Subject as provided in Condition 4.2 and Condition 4.3 below, the obligations of the Issuer in respect of principal and interest of the Qualifying Notes constitute direct, unsecured and Deeply Subordinated Obligations of the Issuer and rank *pari passu* and without any preference among themselves and rateably with all other present or future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs*, Eligible Subordinated Obligations and Unsubordinated Obligations issued by the Issuer.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the payment obligation of the Issuer under the Qualifying Notes shall be subordinated to the payment in full of the unsubordinated creditors of the Issuer and any other creditors whose claim ranks senior to the Qualifying Notes (including any Disqualified Notes) and, subject to such payment in full, the Noteholders will be paid in priority to any Issuer Shares. After the complete payment of creditors whose claim ranks senior to the Qualifying Notes (including any Disqualified Notes) on the judicial or other liquidation of the Issuer, the amount payable by the Issuer in respect of the Qualifying Notes shall be limited to the Prevailing Outstanding Amount and any other amounts payable in respect of the Qualifying Notes (including any accrued and uncanceled interest). In the event of incomplete payment of unsubordinated creditors or other creditors whose claim ranks in priority to the Qualifying Notes (including any Disqualified Notes) on the liquidation of the Issuer, the obligations of the Issuer in connection with the Qualifying Notes shall terminate by operation of law.

- 4.2 *Ranking of Notes Disqualified as Own Funds:* Should the Notes be Notes Disqualified as Own Funds, they will no longer constitute Deeply Subordinated Obligations, and will constitute direct, unconditional, unsecured and subordinated obligations (in accordance with Paragraph 5° of Article L.613-30-3 I of the French Monetary and Financial Code created by Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector implementing Article 48(7) of the BRRD under French law) of the Issuer and rank and will rank *pari passu* (a) among themselves and (b) with any and all instruments that have (or will have) such rank (including for the avoidance of doubt instruments issued on or after 28 December 2020 initially treated as Tier 2 Capital and which subsequently lost such treatment).

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the payment obligation of the Issuer under the Disqualified Notes shall be subordinated to the payment in full of the unsubordinated creditors of the Issuer and any other creditors whose claim ranks senior to the Disqualified Notes. After the complete payment of creditors whose claim ranks senior to the Disqualified Notes on the judicial or other liquidation of the Issuer, the amount payable by the Issuer in respect of the Disqualified Notes shall be limited to the Prevailing Outstanding Amount and any other amounts payable in respect of the Disqualified Notes (including any accrued and uncanceled interest). In the event of incomplete payment of unsubordinated creditors or other creditors whose claim ranks in priority to the Disqualified Notes on the liquidation of the Issuer, the obligations of the Issuer in connection with the Disqualified Notes shall terminate by operation of law.

- 4.3 *Ranking of Notes Disqualified as AT1 but Qualified as T2:* Should the Notes be Notes Disqualified as AT1 but Qualified as T2, they will no longer constitute Deeply Subordinated Obligations and will become Eligible Subordinated Obligations and rank *pari passu* with any and all instruments of the Issuer treated as Tier 2 Capital.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the payment obligation of the Issuer under the Notes Disqualified as AT1 but Qualified as T2 shall be subordinated to the payment in full of the unsubordinated creditors of the Issuer and any other creditors whose claim ranks senior to the Notes Disqualified as AT1 but Qualified as T2 (including any Disqualified Notes as Own Funds). After the complete payment of creditors whose claim ranks senior to the Notes Disqualified as AT1 but Qualified as T2 (including any Disqualified Notes as Own Funds) on the judicial or other liquidation of the Issuer, the amount payable by the Issuer in respect of the Notes Disqualified as AT1 but Qualified as T2 shall be limited to the Prevailing Outstanding Amount and any other amounts payable in respect of the Notes Disqualified as AT1 but Qualified as T2 (including any Disqualified Notes as Own Funds). In the event of incomplete payment of unsubordinated creditors or other creditors whose claim ranks in priority to the Notes Disqualified as AT1 but Qualified as T2 (including any Disqualified Notes as Own Funds) on the liquidation of the Issuer, the obligations of the Issuer in connection with the Notes Disqualified as AT1 but Qualified as T2 shall terminate by operation of law.

## **5. Interest**

- 5.1 *Interest rate:* The Notes shall bear interest on their Prevailing Outstanding Amount at the applicable Rate of Interest from (and including) the Issue Date. Interest shall be payable semi-annually in arrears on each Interest Payment Date commencing on 6 June 2023, subject in any case as provided in Condition 5.11 (*Cancellation of Interest Amounts*) and Condition 8 (*Payments*).
- 5.2 *Interest to (but excluding) the First Call Date:* The rate of interest for each Interest Period falling in the Initial Period will be the Initial Rate of Interest. The amount of interest per Calculation Amount payable on each Interest Payment Date in relation to an Interest Period falling in the Initial Period will be €6,875.00. There will be a long first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date (i.e. 6 June 2023), amounting to €10,293.72 per Calculation Amount.
- 5.3 *Interest from (and including) the First Call Date:* The rate of interest for each Interest Period falling in the Reset Interest Period will be equal to the Reset Rate of Interest, as determined by the Calculation Agent.
- 5.4 *Accrual of interest:* Each Note will cease to bear interest from the due date for redemption unless payment of the Prevailing Outstanding Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of:
- (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
  - (ii) the day which is seven (7) calendar days after the Principal Paying Agent has notified the Noteholders in accordance with Condition 14 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh (7th) calendar day (except to the extent that there is any subsequent default in payment).
- 5.5 *Determination of Reset Rate of Interest:* The Calculation Agent will, as soon as practicable after 11:00 a.m. (Central European time) on each Reset Rate of Interest Determination Date, calculate the Reset Rate of Interest for such Reset Interest Period.
- 5.6 *Publication of Reset Rate of Interest:* The Calculation Agent will cause the Reset Rate of Interest determined by it to be notified to the Principal Paying Agent (if not the Calculation Agent) as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 14 (*Notices*).
- 5.7 *Calculation of amount of interest per Calculation Amount:* The amount of interest payable in respect of the Calculation Amount for any period shall be calculated by:
- (i) applying the applicable Rate of Interest to the Calculation Amount;
  - (ii) multiplying the product thereof by the Day Count Fraction; and
  - (iii) rounding the resulting figure to the nearest cent (€0.01) (€0.005 being rounded upwards).

5.8 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*) by the Calculation Agent or, as the case may be, any 5-Year Mid-Swap Rate Determination Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent or, as the case may be, any 5-Year Mid-Swap Rate Determination Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

5.9 *Calculation Agent:* The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert in the performance of its duties and not as agent for the Issuer or the Noteholders.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 14 (*Notices*) and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

5.10 *5-Year Mid-Swap Rate replacement:* Notwithstanding anything to the contrary in these Conditions:

- (a)
  - (i) If on any Reset Rate of Interest Determination Date, the 5-Year Mid-Swap Rate is not available or no such rate appears at the Relevant Time on the Screen Page on the relevant Reset Rate of Interest Determination Date, the Calculation Agent shall request each of the Reset Reference Banks to provide the Calculation Agent with its 5-Year Mid-Swap Rate Quotations as at the Relevant Time on the Reset Rate of Interest Determination Date in question.
  - (ii) If on any Reset Rate of Interest Determination Date, at least three of the Reset Reference Banks provide the Calculation Agent with 5-Year Mid-Swap Rate Quotations, the Reset Rate of Interest for the relevant Reset Interest Period will be the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. with 0.0005 per cent. being rounded upwards) of the relevant quotations provided, eliminating the highest quotation (or, in the event that two or more quotations are identical, one of the highest) and the lowest (or, in the event that two or more quotations are identical, one of the lowest) plus the Margin, converted from an annual basis to a semi-annual basis according to market convention, all as determined by the Calculation Agent.
  - (iii) If on any Reset Rate of Interest Determination Date only two relevant quotations are provided, the Reset Interest Rate for the relevant Reset Interest Period will be the arithmetic mean (rounded as aforesaid) of the relevant quotations provided plus the Margin, converted from an annual basis to a semi-annual basis according to market convention, all as determined by the Calculation Agent.
  - (iv) If on any Reset Rate of Interest Determination Date, only one relevant quotation is provided, the Reset Interest Rate for the relevant Reset Interest Period will be the relevant quotation provided plus the Margin, converted from an annual basis to a semi-annual basis according to market convention, all as determined by the Calculation Agent.
  - (v) If on any Reset Rate of Interest Determination Date, none of the Reset Reference Banks provides the Calculation Agent with a 5-Year Mid-Swap Rate Quotations as provided above, the Reset Interest Rate, shall be (i) in the case of the First Call Date, the last 5-Year Mid-Swap Rate available on the Screen Page or (ii) in the case of any subsequent Reset Date, the 5-Year Mid-Swap Rate as at the last preceding Reset Date or, if none, the Issue Date, in each case plus the Margin, converted from an annual

basis to a semi-annual basis according to market convention, except that if the Calculation Agent or the Issuer determines that the absence of quotations is due to the discontinuation of the 5-Year Mid-Swap Rate or the occurrence of a Benchmark Event, then the 5-Year Mid-Swap Rate will be determined in accordance with paragraph (b) below;

- (b) if the Calculation Agent or the Issuer determines at any time prior to any Reset Rate of Interest Determination Date, that the 5-Year Mid-Swap Rate has been discontinued or a Benchmark Event has occurred then the following provisions shall apply to the Notes:
- (i) the Calculation Agent will use, as a substitute for the 5-Year Mid-Swap Rate, the alternative reference rate determined by the Issuer or the Calculation Agent, as applicable, to be the alternative reference rate selected by the Relevant Nominating Body that is consistent with industry accepted standards provided that if two or more alternative reference rates are selected by the Relevant Nominating Body, the Issuer or the Calculation Agent, as applicable, shall determine which of those alternative reference rates is most appropriate to preserve the economic features of the relevant Notes. If the Issuer or the Calculation Agent, as applicable, is unable to determine such an alternative reference rate (and, in the case of the Calculation Agent, has notified the Issuer thereof), the Issuer or the Calculation Agent, as applicable, will as soon as reasonably practicable (and in any event before the Business Day prior to the applicable Reset Rate of Interest Determination Date) appoint an agent (the “**5-Year Mid-Swap Rate Determination Agent**”), which will determine whether a substitute or successor rate, which is substantially comparable to the 5-Year Mid-Swap Rate (adjusted on a semi-annual basis), is available for purposes of determining the 5-Year Mid-Swap Rate on each Reset Rate of Interest Determination Date falling on or after the date of such determination. If the 5-Year Mid-Swap Rate Determination Agent determines that there is an industry accepted successor rate, the 5-Year Mid-Swap Rate Determination Agent will notify the Issuer and, if applicable, the Calculation Agent, of such successor rate to be used by the Calculation Agent to determine the 5-Year Mid-Swap Rate.
  - (ii) If the 5-Year Mid-Swap Rate Determination Agent, the Issuer or the Calculation Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the “**Replacement 5-Year Mid-Swap Rate**”), for the purposes of determining the 5-Year Mid-Swap Rate on each Reset Rate of Interest Determination Date falling on or after such determination,
    - (A) the 5-Year Mid-Swap Rate Determination Agent, the Issuer or the Calculation Agent, as applicable, will also determine changes (if any) to the business day convention, the definition of business day, the Reset Rate of Interest Determination Date, the day count fraction, and any method for obtaining the Replacement 5-Year Mid-Swap Rate, including any adjustment factor needed to make such Replacement 5-Year Mid-Swap Rate comparable to the 5-Year Mid-Swap Rate (adjusted on a semi-annual basis) including, where applicable, to reflect any increased costs of the Issuer providing such exposure to the Replacement Mid-Swap Rate, in each case acting in good faith and in a commercially reasonable manner that is consistent with industry-accepted practices for such Replacement 5-Year Mid-Swap Rates;
    - (B) references to the 5-Year Mid-Swap Rate in these Conditions will be deemed to be references to the relevant Replacement 5-Year Mid-Swap Rate, including any alternative method for determining such rate as described in (A) above;
    - (C) the 5-Year Mid-Swap Rate Determination Agent or the Calculation Agent, if applicable, will notify the Issuer of the Replacement 5-Year Mid-Swap Rate and the details described in (A) above, as soon as reasonably practicable; and

- (D) the Issuer will give a notice to the Noteholders in accordance with Condition 14 (*Notices*) of the Replacement 5-Year Mid-Swap Rate and the details described in (A) above as soon as reasonably practicable but in any event no later than 5:00 p.m. (London time) on the Business Day prior to the applicable Reset Rate of Interest Determination Date.
- (iii) The determination of the Replacement 5-Year Mid-Swap Rate and the other matters referred to above by the 5-Year Mid-Swap Rate Determination Agent, the Issuer or the Calculation Agent will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent, the Principal Paying Agent and the Noteholders, unless the Issuer, the Calculation Agent or the 5-Year Mid-Swap Rate Determination Agent determines at a later date that the Replacement 5-Year Mid-Swap Rate is no longer substantially comparable to the 5-Year Mid-Swap Rate or does not constitute an industry accepted successor rate, in which case the Calculation Agent or the Issuer, as applicable, shall appoint or re-appoint a 5-Year Mid-Swap Rate Determination Agent, as the case may be (which may or may not be the same entity as the original 5-Year Mid-Swap Rate Determination Agent or the Calculation Agent) for the purpose of confirming the Replacement 5-Year Mid-Swap Rate or determining a substitute Replacement 5-Year Mid-Swap Rate in an identical manner as described in this paragraph (b). If the 5-Year Mid-Swap Rate Determination Agent or the Calculation Agent is unable to or otherwise does not determine a substitute Replacement 5-Year Mid-Swap Rate, then the Replacement 5-Year Mid-Swap Rate will remain unchanged.
- (c) For the avoidance of doubt, each Noteholder shall be deemed to have accepted the Replacement 5-Year Mid-Swap Rate or such other changes pursuant to this Condition 5.10.
- (d) Notwithstanding any other provision of this Condition 5.10, if
  - (i) a 5-Year Mid-Swap Rate Determination Agent is appointed by the Calculation Agent or the Issuer and such agent determines that the 5-Year Mid-Swap Rate has been discontinued but for any reason a Replacement 5-Year Mid-Swap Rate has not been determined,
  - (ii) the Issuer determines that the replacement of the 5-Year Mid-Swap Rate with the Replacement 5-Year Mid-Swap Rate or any other amendment to the Conditions necessary to implement such replacement would result in all or part of the aggregate outstanding nominal amount of the Notes being excluded from the Additional Tier 1 Capital of the Group or reclassified as a lower quality form of own funds of the Group, or
  - (iii) the Issuer determines that the replacement of the 5-Year Mid-Swap Rate with the Replacement 5-Year Mid-Swap Rate or any other amendment to the Conditions necessary to implement such replacement would result in the Relevant Regulator treating the next Reset Date as the effective maturity date of the Notes,

the Issuer may decide that no Replacement 5-Year Mid-Swap Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the 5-Year Mid-Swap Rate for the relevant Reset Interest Period in such case will be equal to the last 5-Year Mid-Swap Rate (adjusted on a semi-annual basis) available on the Screen Page as determined by the Calculation Agent.
- (e) The 5-Year Mid-Swap Rate Determination Agent may be (i) a leading bank, broker-dealer or benchmark agent active in the Euro-zone interbank market as appointed by the Calculation Agent or the Issuer, (ii) such other entity that the Issuer in its sole and absolute discretion determines to be competent to carry out such role or (iii) an affiliate of the Issuer or the Calculation Agent, as applicable. The 5-Year Mid-Swap Rate Determination Agent may not be the Issuer or an affiliate of the Issuer or the Calculation Agent, unless such affiliate is a regulated investment services provider.

## 5.11 Cancellation of Interest Amounts:

### (i) Optional cancellation

The Issuer may elect at its full discretion to cancel (in whole or in part) the Interest Amount otherwise scheduled to be paid on an Interest Payment Date notwithstanding it has Distributable Items or the Maximum Distributable Amount is greater than zero.

Interest Amounts on the Notes will be non-cumulative. Accordingly, if any Interest Amounts (or part thereof) is not paid in respect of the Notes as a result of any election of the Issuer to cancel such Interest Amount pursuant to this paragraph (i) or of the limitations on payment set out in paragraph (ii) below, then (x) the right of the Noteholders to receive the relevant Interest Amount (or part thereof) in respect of the relevant Interest Period will be extinguished and the Issuer will have no obligation to pay such Interest Amount (or part thereof) accrued for such Interest Period or to pay any interest thereon and (y) it shall not constitute an event of default in respect of the Notes or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and it shall not entitle Noteholders to petition for the insolvency or dissolution of the Issuer.

### (ii) Mandatory cancellation

The Issuer will cancel the payment of an Interest Amount (in whole or, as the case may be, in part) if the Relevant Regulator notifies in writing the Issuer that, in accordance with the Relevant Rules, it has determined that the Interest Amount (in whole or in part) should be cancelled based on its assessment of the financial and solvency situation of the Issuer.

In any case, the maximum Interest Amounts (including any additional amounts payable pursuant to Condition 9 (*Taxation*)) that may be payable (in whole or, as the case may be, in part) under the Notes will not exceed an amount that:

- when aggregated together with any interest payment or distributions which have been paid or made or which are required to be paid or made on other own funds items in the then current financial year (excluding any such interest payments on Tier 2 Capital instruments and/or which have already been provided for, by way of deduction, in the calculation of Distributable Items), is higher than the amount of Distributable Items (if any) then available to the Issuer; and
- when aggregated together with other distributions or payments of the kind referred to in Article L.511-41-1 A X of the French *Code monétaire et financier* (implementing Article 141(2) of the CRD IV), or in provisions of the Relevant Rules relating to other limitations on distributions or payments, as amended or replaced, would cause any Maximum Distributable Amount then applicable to be exceeded (to the extent the limitation in Article 141(3) of the CRD IV, or any other limitation related to the Maximum Distributable Amount in the CRD IV or the BRRD, is then applicable).

### (iii) Notice of cancellation of Interest Amounts

Notice of any cancellation of payment of a scheduled Interest Amount will be given to the Noteholders (in accordance with Condition 14 (*Notices*)) and the Principal Paying Agent as soon as possible, but not more than 60 calendar days, prior to the relevant Interest Payment Date (provided that any failure to give such notice shall not affect the cancellation of any such Interest Amount in whole or in part by the Issuer and shall not constitute a default on the part of the Issuer for any purpose).

## 6. Write-Down and Reinstatement

- 6.1 *Write-Down*: If a Trigger Event occurs, the Issuer shall (i) immediately notify the Relevant Regulator of the occurrence of the Trigger Event, (ii) give a Write-Down Notice to Noteholders (in accordance with Condition 14 (*Notices*)) and the Principal Paying Agent, and (iii) irrevocably (without the need for the consent of Noteholders), reduce on the Write-Down Date the then Prevailing Outstanding Amount of each Note by the relevant Write-Down Amount (such reduction being referred to as a “**Write-Down**”, and “**Written Down**” being construed accordingly). Notwithstanding the foregoing, failure to give such notice shall not prevent the Issuer from effecting a Write-Down. Furthermore, if a notice of a Trigger Event has been given pursuant to this Condition 6.1, no notice of redemption may be given

pursuant to Condition 7.2 (*Optional Redemption from the First Call Date*), Condition 7.3 (*Optional Redemption upon the occurrence of a Capital Event*) or Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*) until such Trigger Event has been cured.

- 6.2 *Consequence of a Write-Down:* A Trigger Event may occur on more than one occasion and the Notes may be Written Down on more than one occasion. For the avoidance of doubt, the principal amount of a Note may never be reduced to below one cent (€0.01).

Write-Down of all or part of the Prevailing Outstanding Amount shall not constitute a default in respect of the Notes or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and shall not entitle Noteholders to petition for the insolvency or dissolution of the Issuer.

Following a Write-Down of all or part of the Prevailing Outstanding Amount, Noteholders will be automatically deemed to waive irrevocably their rights to receive, and no longer have any rights against the Issuer with respect to, interest on and repayment of the Write-Down Amount (but without prejudice to their rights in respect of any reinstated principal amount following a Reinstatement).

- 6.3 *Reinstatement:* Following a reduction of the Prevailing Outstanding Amount in accordance with Condition 6.1 (*Write-Down*), the Issuer may, if a positive Group Net Income (the "**Relevant Group Net Income**") is recorded, at any time while the Prevailing Outstanding Amount is less than the Original Principal Amount, at its discretion, reinstate some or all of the principal amount of the Notes (a "**Reinstatement**"), subject to compliance with the Relevant Rules (including the Maximum Distributable Amount (if any)) and, for such purpose, the amount of such Reinstatement shall be aggregated together with other distributions or payments of the Issuer and the Group of the kind referred to in Article L.511-41-1 A X of the French *Code monétaire et financier* (implementing Article 141(2) of the CRD IV), or in provisions of the Relevant Rules relating to other limitations on distributions or payments, as amended or replaced, on a *pro rata* basis with all other Discretionary Temporary Loss Absorption Instruments (if any) which would, following such Reinstatement, constitute Additional Tier 1 Capital.

For the avoidance of doubt, at no time may the Prevailing Outstanding Amount exceed the Original Principal Amount of the Notes.

To the extent that the principal amount of the Notes has been reinstated as described in this Condition, interest shall begin to accrue on the reinstated principal amount of the Notes, and become payable in accordance with these Conditions, as from the date of the relevant Reinstatement.

Unless the Relevant Rules provide otherwise, a Reinstatement of the principal amount of the Notes pursuant to this Condition will not be effected at any time in circumstances where the aggregate amount of the principal of the Notes to be so reinstated combined with the sum of:

- (i) any previous Reinstatement of the Notes out of the Relevant Group Net Income since the Reference Date;
- (ii) the aggregate amount of any interest on the Notes that has been paid since the Reference Date on the basis of a Prevailing Outstanding Amount that is lower than the Original Principal Amount;
- (iii) the aggregate amount of the increase in principal amount of the Written Down Additional Tier 1 Instruments to be written-up out of the Relevant Group Net Income concurrently with the Reinstatement and (if applicable) any previous increase in principal amount of such Written Down Additional Tier 1 Instruments out of the Relevant Group Net Income since the Reference Date; and
- (iv) the aggregate amount of any interest on such Written Down Additional Tier 1 Instruments that has been paid since the Reference Date on the basis of a prevailing principal amount that is lower than the original principal amount at which such Written Down Additional Tier 1 Instruments were issued;

would exceed the Maximum Reinstatement Amount.



## 7. Redemption and Purchase

- 7.1 *No fixed redemption*: The Notes are perpetual obligations in respect of which there is no fixed redemption date.
- 7.2 *Optional Redemption from the First Call Date*: The Issuer may (at its option but subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below), subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' prior notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable) and the Fiscal Agent, redeem the then outstanding Notes, on the relevant Optional Redemption Date in whole, but not in part, at their Original Principal Amount (provided that if at any time a Write-Down Notice has been given and/or the Notes have been Written Down pursuant to Condition 6.1 (*Write-Down*), the Issuer shall not be entitled to exercise its option under this Condition 7.2 until the principal amount of the Notes so Written Down has been fully reinstated pursuant to Condition 6.3 (*Reinstatement*)), together with all interest accrued to (but excluding) the relevant Optional Redemption Date (if any).
- 7.3 *Optional Redemption upon the occurrence of a Capital Event*: Upon the occurrence of a Capital Event, the Issuer may (at its option but subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below) at any time subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable) and the Fiscal Agent, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any).
- 7.4 *Optional Redemption upon the occurrence of a Tax Event*:
- (i) If by reason of a change in, or in the official interpretation or administration of, any laws or regulations of France or any political subdivision or any authority thereof or therein having power to tax becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 9 (*Taxation*) (a "**Withholding Tax Event**"), the Issuer may (at its option but subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below), at any time, subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' notice to the Noteholders (in accordance with Condition 14 (*Notices*)) (which notice shall be irrevocable) and the Principal Paying Agent, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any), provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of interest without withholding or deduction for French Taxes or, if such date has passed, as soon as practicable thereafter.
  - (ii) If the Issuer would, on the next payment of interest in respect of the Notes, be prevented by French law from making payment to the Noteholders of the full amount then due and payable (including any additional amounts which would be payable pursuant to Condition 9 (*Taxation*) but for the operation of such French law) (a "**Gross-Up Event**"), then, the Issuer may (subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below) upon giving not less than seven (7) nor more than forty-five (45) calendar days' prior notice to the Noteholders (in accordance with Condition 14 (*Notices*)) (which notice shall be irrevocable) and the Principal Paying Agent, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable without withholding or deduction for French Taxes or, if such date has passed, as soon as practicable thereafter.
  - (iii) If by reason of any change in the French laws or regulations, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after the Issue Date, the tax regime applicable to any interest payment under the Notes is modified and such modification results in the amount of the interest payable by the Issuer under the Notes that is

tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes being reduced (a “**Tax Deduction Event**”), the Issuer may, subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below, at its option, at any time, subject to having given no less than thirty (30) nor more than forty-five (45) calendar days’ notice to the Principal Paying Agent and the Noteholders (in accordance with Condition 14 (*Notices*)) redeem all, but not in part, of the then outstanding Notes at the Prevailing Outstanding Amount together with all interest accrued to the date fixed for redemption (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to the same extent as it was on the Issue Date.

The Issuer will not give notice under this Condition unless (i) it has demonstrated to the satisfaction of the Relevant Regulator that the change referred to in paragraphs (i), (ii) and (iii) above is material and was not reasonably foreseeable at the time of issuance of the Notes or (ii) it otherwise complies, to the satisfaction of the Relevant Regulator, with the requirements applicable to redemption for tax reasons under the Relevant Rules.

- 7.5 *Purchase*: The Issuer may, but is not obliged to, subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below, purchase Notes at any price in the open market or otherwise at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations. Any purchase for market making purposes is further subject to the conditions set out in Article 29 of the CDR, in particular with respect to the predetermined amount authorised by the Relevant Regulator.
- 7.6 *Cancellation*: All Notes which are redeemed or purchased by the Issuer to be cancelled will forthwith be cancelled and accordingly may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- 7.7 *Conditions to Redemption and Purchase*: The Notes may only be redeemed or purchased if the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable) and the other conditions required by Articles 77 and 78 of the CRR (as applicable on the date of such redemption or purchase) are met.
- (a) As at the Issue Date, the following conditions are required by Articles 77 and 78 of the CRR:
    - (i) on or before such redemption or purchase (as applicable) of the Notes, the Issuer replaces the Notes with capital instruments of an equal or higher quality on terms that are sustainable for its income capacity; or
    - (ii) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its own funds and eligible liabilities would, following such redemption or purchase (as applicable), exceed the requirements laid down in the CRD IV Rules and the BRRD by a margin that the Relevant Regulator considers necessary on the basis set out in the CRD IV Rules for it to determine the appropriate level of capital of an institution; and
  - (b) In the case of redemption before the fifth anniversary of the Issue Date, if:
    - (i) the conditions listed in paragraphs (a)(i) or (a)(ii) above are met; and
    - (ii)
      - (A) in the case of redemption due to the occurrence of a Capital Event, (x) the Relevant Regulator considers such change to be sufficiently certain and (y) the Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of issuance of the Notes; or
      - (B) in the case of redemption due to the occurrence of a Tax Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Tax Event is material and was not reasonably foreseeable at the time of issuance of the Notes and the Issuer has delivered a certificate signed by one of its

senior officers to the Principal Paying Agent (and copies thereof will be available at the Principal Paying Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Tax Event has occurred or will occur no more than ninety (90) calendar days following the date fixed for redemption, as the case may be; or

(C) the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Relevant Regulator has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(D) the Notes are repurchased for market making purposes.

7.8 *Determination of Trigger Event supersedes notice of redemption:* If the Issuer has given a notice of redemption of the Notes pursuant to Condition 7.2 (*Optional Redemption from the First Call Date*), Condition 7.3 (*Optional Redemption upon the occurrence of a Capital Event*) or Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*) and, after giving such notice but prior to the relevant redemption date, the Issuer determines that a Trigger Event has occurred, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, the Notes will not be redeemed on the scheduled redemption date and, instead, a Write-Down shall occur in respect of the Notes as described under Condition 6 (*Write-Down and Reinstatement*).

## 8. Payments

8.1 *Method of Payment:* Payments of principal and interest in respect of the Notes shall be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

8.2 *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to, but without prejudice to the provisions of Condition 9 (*Taxation*), (i) any applicable fiscal or other laws and regulations in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, (or any successor or amended versions of these provisions, any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) (collectively, “FATCA”). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

8.3 *Payments on business days:* If the due date for payment of any amount in respect of any Note is not a Business Day, the Noteholder shall not be entitled to payment of the amount due until the next succeeding Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

8.4 *Fiscal Agent, Paying Agent and Calculation Agent:*

The names of the initial Agents and their specified offices are set out below:

### **Fiscal Agent, Principal Paying Agent and Calculation Agent**

*(prior to the Merger Date)*

*(from and including the Merger Date)*

#### **BNP Paribas Securities Services**

9 rue du Débarcadère  
93500 Pantin  
France

#### **BNP Paribas**

9 rue du Débarcadère  
93500 Pantin  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent, Paying Agent or Calculation Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent, a Principal Paying Agent and a Calculation Agent having a specified

office in a European city. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 14 (*Notices*) and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

- 8.5 *Waiver of set-off*: No Noteholder may at any time exercise or claim any Waived Set-Off Rights (as defined below) against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort or any non-contractual obligations, in each case whether or not relating to such Note) and each such Noteholder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

For the avoidance of doubt, nothing in this Condition 8.5 is intended to provide or shall be construed as acknowledging any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Noteholder but for this Condition 8.5.

For the purposes of this Condition 8.5, “**Waived Set-Off Rights**” means any and all rights of or claims of any Noteholder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any such Note.

## 9. **Taxation**

- 9.1 *Withholding taxes*: All payments of principal and interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law (“**French Taxes**”).

- 9.2 *Gross up*: In the event a payment of interest by the Issuer in respect of the Notes is subject to French Taxes by way of withholding or deduction, the Issuer shall pay to the fullest extent permitted by law such additional amounts as will result in receipt by the Noteholders of such amounts of interest as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in relation to any payment of interest in respect of any Note, as the case may be:

- (i) to, or to a third party on behalf of, a Noteholder which is liable to such French Taxes, in respect of such Note by reason of it having some connection with the Republic of France other than the mere holding of the Note; or
- (ii) where the applicable French Taxes are levied other than by way of a withholding or deduction; or
- (iii) where such withholding or deduction is imposed on any payment by reason of FATCA.

For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of payments of principal under the Notes.

## 10. **Prescription**

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiry of ten (10) years from the due date thereof and claims for payment of interest in respect of the Notes shall be prescribed upon the expiry of five (5) years, from the due date thereof.

## 11. **Enforcement**

The Noteholders may, upon written notice to the Principal Paying Agent given before all defaults have been cured, cause the Notes to become due and payable, together with accrued (but uncanceled) interest thereon, if any, as of the date on which said notice is received by the Principal Paying Agent, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer.

## 12. Meeting and voting provisions

### 12.1 Interpretation: In this Condition 12:

- (a) references to a “**General Meeting**” are to a general meeting of Noteholders and include, unless the context otherwise requires, any adjourned meeting thereof;
- (b) “**outstanding**” has the meaning set out in Condition 12.12;
- (c) “**Electronic Consent**” has the meaning set out in Condition 12.8(a);
- (d) “**Written Resolution**” means a resolution in writing signed or approved by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding. References to a Written Resolution include, unless the context otherwise requires, a resolution approved by Electronic Consent; and
- (e) “**Written Resolution Date**” has the meaning set out in Condition 12.8(b) below.

### 12.2 General:

Pursuant to Article L.213-6-3 I of the French *Code monétaire et financier* the Noteholders shall not be grouped in a *masse* having separate legal personality and acting in part through a representative of the noteholders (*représentant de la masse*) and in part through general meetings; however:

- (a) the following provisions of the French *Code de commerce* shall apply: Articles L.228-46-1, L.228-57, L.228-58, L.228-59, L.228-60, L.228-60-1, L.228-61 (with the exception of the first paragraph thereof), L.228-65 (with the exception of (i) sub-paragraphs 1°, 3°, 4° and 6° of paragraph I and (ii) paragraph II), L.228-66, L.228-67, L.228-68, L.228-76, L.228-88, R.228-65, R.228-66, R.228-67, R.228-68, R.228-70, R.228-71, R.228-72, R.228-73, R.228-74 and R.228-75 of the French *Code de commerce*, and
- (b) whenever the words “*de la masse*”, “*d'une même masse*”, “*par les représentants de la masse*”, “*d'une masse*”, “*et au représentant de la masse*”, “*de la masse intéressée*”, “*dont la masse est convoquée en assemblée*” or “*par un représentant de la masse*”, appear in those provisions, they shall be deemed to be deleted, and subject to the following provisions of this Condition 12.

### 12.3 Resolution:

- (a) In accordance with the provisions of Article L.228-46-1 of the French *Code de commerce*, a resolution (the “**Resolution**”) may be passed (i) at a General Meeting in accordance with the quorum and voting rules described in paragraph 12.7 below or (ii) by a Written Resolution.
- (b) A Resolution may be passed with respect to any matter that relates to the common rights (*intérêts communs*) of the Noteholders.
- (c) A Resolution may be passed on any proposal relating to the modification of the Conditions including any proposal, (i) whether for a compromise or settlement, regarding rights which are the subject of litigation or in respect of which a judicial decision has been rendered, and (ii) relating to the modification of the amortisation or interest rate provisions.
- (d) For the avoidance of doubt, neither a General Meeting nor a Written Resolution has power, and consequently a Resolution may not be passed to decide on any proposal relating to (i) the modification of the objects or form of the Issuer, (ii) the issue of notes benefiting from a security over assets (*surêté réelle*) which will not benefit to the Noteholders, (iii) the potential merger (*fusion*) or demerger (*scission*) including partial transfers of assets (*apports partiels d'actifs*) under the demerger regime of or by the Issuer; (iv) the transfer of the registered office of a European Company (*Societas Europaea* – SE) to a different Member State of the European Union.
- (e) However, each Noteholder is a creditor of the Issuer and as such enjoys, pursuant to Article L.213-6-3 IV of the French *Code monétaire et financier*, all the rights and prerogatives of individual creditors in the circumstances described under paragraphs 12.3(d)(iii) and (iv) above, including any right to object (*former opposition*).

- (f) Each Noteholder is entitled to bring a legal action against the Issuer for the defence of its own interests; such a legal action does not require the authorisation of the General Meeting.
- (g) The Noteholders may appoint a nominee to file a proof of claim in the name of all Noteholders in the event of judicial reorganisation procedure or judicial liquidation of the Issuer.
- (h) Pursuant to Article L.228-85 of the French *Code de commerce*, in the absence of such appointment of a nominee, the judicial representative (*mandataire judiciaire*), at its own initiative or at the request of any Noteholder will ask the court to appoint a representative of the Noteholders who will file the proof of Noteholders' claim.

#### 12.4 *Convening of a General Meeting:*

- (a) A General Meeting may be held at any time, on convocation by the Issuer. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.
- (b) Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 14.2, not less than fifteen days prior to the date of such General Meeting on first convocation and, five days on second convocation.

#### 12.5 *Arrangements for Voting:*

- (a) Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or by videoconference or by any other means of telecommunication allowing the identification of participating Noteholders.
- (b) Each Note carries the right to one vote.
- (c) In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second Paris business day preceding the date set for the meeting of the relevant General Meeting.
- (d) Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14.2.

12.6 *Chairman:* The Noteholders present at a General Meeting shall choose one of them to be chairman (the “**Chairman**”) by a simple majority of votes present or represented at such General Meeting (notwithstanding the absence of a quorum at the time of such vote). If the Noteholders fail to designate a Chairman, the Noteholder holding or representing the highest number of Notes and present at such meeting shall be appointed Chairman, failing which the Issuer may appoint a Chairman. The Chairman appointed by the Issuer need not be a Noteholder. The Chairman of an adjourned meeting need not be the same person as the Chairman of the original meeting from which the adjournment took place.

12.7 *Quorum and Voting:* General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending (including by videoconference or by any other means of telecommunication allowing the identification of participating Noteholders) such General Meetings or represented thereat.

#### 12.8 *Written Resolution and Electronic Consent:*

- (a) Pursuant to Article L.228-46-1 of the French *Code de commerce* the Issuer shall be entitled, in lieu of convening a General Meeting, to seek approval of a resolution from the Noteholders by way of a Written Resolution. Subject to the following sentence, a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Article L.228-46-1 of the French *Code de*

commerce, approval of a Written Resolution may also be given by way of electronic communication (“**Electronic Consent**”).

- (b) Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 14.2 not less than five days prior to the date fixed for the passing of such Written Resolution (the “**Written Resolution Date**”). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Notes until after the Written Resolution Date.

12.9 *Effect of Resolutions:* A Resolution passed at a General Meeting or a Written Resolution (including by Electronic Consent), shall be binding on all Noteholders, whether or not present or represented at the General Meeting and whether or not, in the case of a Written Resolution (including by Electronic Consent), they have participated in such Written Resolution (including by Electronic Consent) and each of them shall be bound to give effect to the Resolution accordingly.

12.10 *Information to Noteholders:*

- (A) Each Noteholder thereof will have the right, during (i) the 15-day period preceding the holding of each General Meeting on first convocation or (ii) the 5-day period preceding the holding of a General Meeting on second convocation or, (iii) in the case of a Written Resolution, a period of not less than five days preceding the Written Resolution Date, as the case may be, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be prepared in connection with such resolution, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting or the Written Resolution.
- (B) Decisions of General Meetings and Written Resolution once approved will be published in accordance with the provisions of Condition 14.2.

12.11 *Expenses:* The Issuer will pay all expenses relating to the calling and holding of General Meetings and seeking the approval of a Written Resolution, and, more generally, all administrative expenses resolved upon by the General Meeting or in writing through Written Resolution by the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

12.12 *Outstanding Notes:*

For the avoidance of doubt, in this Condition 12, the term “**outstanding**” (as defined below) shall not include those Notes purchased by the Issuer in accordance with Article L.213-0-1 of the French *Code monétaire et financier* that are held by it and not cancelled.

“**outstanding**” means, in relation to the Notes, all the Notes issued other than:

- (a) those Notes which have been redeemed and cancelled pursuant to the Conditions;
- (b) those Notes in respect of which the date for early redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the Conditions after that date) have been duly paid to or to the order of the Principal Paying Agent;
- (c) those Notes which have been purchased and cancelled in accordance with the Conditions;
- (d) those Notes in respect of which claims have become prescribed under the Conditions; and
- (e) provided that for the purpose of attending and voting at any meeting of the Noteholders, those Notes (if any) which are for the time being held by or for the benefit of the Issuer or any of its subsidiaries shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

12.13 *Amendment subject to the Relevant Regulator*

Any proposed modification of any provision of the Notes (including in particular a modification of the provisions as to subordination referred to in Condition 4 (*Status of the Notes*)) can only be effected

subject to the prior permission of the Relevant Regulator, as required by the Relevant Rules, to the extent required by the Relevant Rules.

### **13. Further Issues**

Subject to the prior information of the Relevant Regulator, the Issuer may from time to time without the consent of the Noteholders issue further notes, such further notes forming a single series with the Notes so that such further notes and the Notes carry rights identical in all respects (or in all respects save for their issue date, interest commencement date, issue price and/or the amount and date of the first payment of interest thereon). Such further notes shall be assimilated (*assimilables*) to the Notes as regards their financial service provided that the terms of such further notes provide for such assimilation.

### **14. Notices**

14.1 All notices regarding Notes will be valid if published (i) so long as the Notes are admitted to trading on Euronext Paris, and for so long as Euronext Paris rules so require, in a leading daily newspaper of general circulation in France (which is expected to be *Les Échos*) or (ii) in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being admitted to trading or by which they have been admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication.

14.2 Notices relating to convocation and decision(s) pursuant to Condition 12 (*Meeting and voting provisions*) and pursuant to Articles R.228-79 and R.236-11 of the French *Code de commerce* shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and on the website of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com)). For the avoidance of doubt, Condition 14.1 shall not apply to such notices.

14.3 Notices required to be given to the Noteholders pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the publication of a notice required by Condition 14.1; except that so long as the Notes are listed and admitted to trading on a Regulated Market or other stock exchange and the rules of such Regulated Market or other stock exchange so require, notices shall also be published in a leading daily newspaper of general circulation in the city where the Regulated Market or other stock exchange on which such Note(s) is/are listed and admitted to trading is located.

### **15. Governing Law and Jurisdiction**

15.1 *Governing Law*: The Notes are governed by, and shall be construed in accordance with, French law.

15.2 *Jurisdiction*: Any claim against the Issuer in connection with any Notes may be brought before any competent court located within the jurisdiction of the *Cour d'Appel* of Paris.

### **16. Recognition of Bail-in and Loss Absorption**

16.1 *Acknowledgement*: By its acquisition of the Notes, each Noteholder (which, for the purposes of this Condition 16, includes any current or future holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

- (a) to be bound by the effect of the exercise of the Bail-in or Loss Absorption Power (as defined below) by the Relevant Resolution Authority (as defined below), which may include and result in any of the following, or some combination thereof:
  - A. the reduction of all, or a portion, of the Amounts Due (as defined below);
  - B. the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;



- C. the cancellation of the Notes; and/or;
  - D. the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- (b) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority.

For these purposes, the “**Amounts Due**” are the Prevailing Outstanding Amount of the Notes, and any accrued and unpaid interest on the Notes that has not been previously cancelled or otherwise is no longer due.

#### 16.2 *Bail-in or Loss Absorption Power*

For these purposes, the “**Bail-in or Loss Absorption Power**” is any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of BRRD, including without limitation pursuant to French decree-law No. 2015-1024 dated 20 August 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended from time to time) ratified by the Law n°2016-1691 of 9 December 2016 relating to transparency, the fight against corruption and the modernisation of economic life (*Loi no. 2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) (as amended from time to time, this ordinance was ratified by the Law n°2016-1691), Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (as amended from time to time, the “**Single Resolution Mechanism Regulation**”), or otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution.

A reference to a “**Regulated Entity**” is to any entity referred to in Section I of Article L.613-34 of the French *code monétaire et financier*, as amended, which includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France.

A reference to the “**Relevant Resolution Authority**” is to the *Autorité de contrôle prudentiel et de résolution*, the Single Resolution Board established pursuant to the Single Resolution Mechanism Regulation, and/or any other authority entitled to exercise or participate in the exercise of any Bail-in or Loss Absorption Power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation).

16.3 *Payment of Interest and Other Outstanding Amounts Due*: No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of its group.

16.4 *No Event of Default*: Neither a cancellation of the Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Noteholder to any remedies (including equitable remedies) which are hereby expressly waived.

- 16.5 *Notice to Noteholders:* Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will give notice to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable regarding such exercise of the Bail-in or Loss Absorption Power. The Issuer will also deliver a copy of such notice to the Principal Paying Agent for information purposes, although the Principal Paying Agent shall not be required to send such notice to Noteholders. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in or Loss Absorption Power nor the effects on the Notes described in Condition 16.1 above.
- 16.6 *Duties of the Principal Paying Agent*
- Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority, the Issuer and each Noteholder (including each holder of a beneficial interest in the Notes) hereby agree that (a) the Principal Paying Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon the Principal Paying Agent whatsoever, in each case with respect to the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority.
- Notwithstanding the foregoing, if, following the completion of the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority, any Notes remain outstanding (for example, if the exercise of the Bail-in or Loss Absorption Power results in only a partial write-down of the principal of the Notes), then the Principal Paying Agent's duties under the Agency Agreement shall remain applicable with respect to the Notes following such completion to the extent that the Issuer and the Principal Paying Agent shall agree pursuant to an amendment to the Agency Agreement.
- 16.7 *Pro-ration:* If the Relevant Resolution Authority exercises the Bail-in or Loss Absorption Power with respect to less than the total Amounts Due, unless the Principal Paying Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Bail-in or Loss Absorption Power will be made on a pro-rata basis.
- 16.8 *Conditions Exhaustive:* The matters set forth in this Condition 16 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any Noteholder.

## **DESCRIPTION OF THE ISSUER**

The description of the Issuer and the Group is contained in the BNPP Universal Registration Document as at 31 December 2021 as amended by the First Amendment to the BNPP 2021 Universal Registration Document, the Second Amendment to the BNPP 2021 Universal Registration Document, the Third Amendment to the BNPP 2021 Universal Registration Document and the Fourth Amendment to the BNPP 2021 Universal Registration Document which are incorporated by reference in this Prospectus and available on the website of the Issuer and on the website of the AMF (see section “Documents Incorporated by Reference”).

### **USE OF PROCEEDS**

The net proceeds of the Notes, estimated to be €990,000,000.00, will be applied for the general financing purposes of the Issuer and to increase its own funds.

## TAXATION

*The statements herein regarding taxation are based on the laws in force in France and the United States as of the date of this Prospectus and are subject to any changes in law and/or interpretation thereof.*

*The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes.*

*Each prospective holder or beneficial owner of the Notes should consult its tax adviser as to each of the French tax consequences and the Foreign Account Tax Compliance Act that may be relevant to acquiring, holding and disposing of the Notes.*

### **French taxation**

*The Notes are novel instruments and contain a number of features that are not present in other securities issued regularly in the market. There is no judicial or administrative interpretation relating to the application of French tax laws and regulations to instruments such as the Notes. The Issuer intends to treat the Notes as debt instruments for French tax purposes. The discussion in this section is based on this treatment of the Notes.*

### **Withholding taxes applicable to payments made outside France**

*The following may be relevant to Noteholders who do not concurrently hold shares in the Issuer.*

Payments of interest and assimilated revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”) other than those mentioned in 2° of 2 *bis* of the same Article 238-0 A. If such payments under the Notes are made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French *Code général des impôts*, a seventy-five (75) per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and assimilated revenues on the Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account held with a financial institution established in such a Non-Cooperative State (the “**Deductibility Exclusion**”). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and assimilated revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at (i) a rate of twelve point eight (12.8) per cent. for payments benefiting individuals who are not French tax residents, (ii) the standard corporate income tax rate set forth in the second paragraph of Article 219-I of the French *Code général des impôts* (i.e. twenty-five (25) per cent. for fiscal years beginning as from 1 January 2022) for payments benefiting legal persons who are not French tax residents or (iii) a rate of seventy-five (75) per cent. for payments made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French *Code général des impôts* (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the seventy-five (75) per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest and assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion will apply in respect of the Notes if the Issuer can prove that the main purpose and effect of the issue of the Notes was not that of allowing the payments of interest and assimilated revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to the *Bulletin Officiel des Finances Publiques - Impôts* BOI-INT-DG-20-50-30 and BOI-INT-DG-20-50-20, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if the Notes are *inter alia*:

- (a) admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider or any other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

- (b) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payment systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Accordingly, payments of interest and assimilated revenues made by the Issuer under the Notes are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* and the Deductibility Exclusion does not apply to such payments.

***Withholding taxes applicable to payments made to individuals fiscally domiciled in France***

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code général des impôts*, interest and assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a twelve point eight (12.8) per cent. withholding tax (subject to certain exceptions), which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at an aggregate rate of seventeen point two (17.2) per cent. on such interest and assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France (subject to certain exceptions).

**Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including France) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

### 1. Subscription agreement

BNP Paribas as Global Coordinator, Sole Bookrunner and Lead Manager and Barclays Bank Ireland PLC, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, HSBC Continental Europe, La Banque Postale, Mizuho Securities Europe GmbH, Nykredit Bank A/S and Swedbank AB (publ) as Co-Managers (together, the “**Managers**”) have, pursuant to a subscription agreement dated 2 September 2022 (the “**Subscription Agreement**”), jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 100.00 per cent. of the principal amount of the Notes, less a combined management and underwriting commission.

The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

Save for the commissions payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

### 2. Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the SFC Code - Important Notice to CMIIs (including private banks)

This notice to CMIIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIIs, which require the attention and cooperation of other CMIIs (including private banks). Certain CMIIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Managers accordingly.

CMIIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language set out elsewhere in this Prospectus.

CMIIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIIs). CMIIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information should be provided to the OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIIs should not place “X-orders” into the order book.

CMIIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. private banks should be aware that placing an order on a “principal” basis may require the Managers to apply

the “proprietary orders” of the SFC Code to such order and will require the Managers to apply the “rebates” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMI (including private banks) are requested to provide the following underlying investor information, preferably in Excel Workbook format, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMI (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the OCs; (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the OCs. By submitting an order and providing such information to the OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMI that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMI (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMI (including private banks) are required to provide the relevant Managers with such evidence within the timeline requested.

To:	<a href="mailto:dl.syndsupportbonds@uk.bnpparibas.com">dl.syndsupportbonds@uk.bnpparibas.com</a>  <i>CMI submitting orders should send <u>ALL</u> of the below information, at the same time as such order is submitted, to <u>EACH</u> OC contact set out above. Failure to do so may result in such order being rejected.</i>
Offering:	<i>BNP PARIBAS €1,000,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes</i>
Date:	[●] 2022
Name of CMI submitting order:	[●]
Name of prospective investor:	[●]
Type of unique identification of prospective investor:	<i>For <b>individual investor clients</b>, indicate one of the following:</i>  <i>(i) HKID card; or</i> <i>(ii) national identification document; or</i> <i>(iii) passport.</i>  <i>For <b>corporate investor clients</b>, indicate one of the following:</i>  <i>(i) legal entity identifier (LEI) registration; or</i> <i>(ii) company incorporation identifier; or</i> <i>(iii) business registration identifier; or</i> <i>(iv) other equivalent identity document identifier.</i>
Unique identification number of prospective investor:	<i>Indicate the unique identification number which corresponds with the above “type” of unique identification</i>
Order size (and any price limits):	[●]
Other information: - Associations  - Proprietary Orders	<i>Identify any “<b>Associations</b>” (as used in the SFC Code) and, if any Associations identified, provide sufficient information to enable the OCs to assess whether such order may negatively impact the price discovery process.</i>  <i>Identify if this order is a “<b>Proprietary Order</b>” (as used in the SFC Code) and, if so, provide sufficient information to enable the OCs to assess whether such order may negatively impact the price discovery process.</i>



- Duplicated Orders (i.e. two or more corresponding or identical orders placed via two or more CMIs)	<i>If the prospective investor has placed an/any order(s) via other CMIs in this offering, identify if this order is (i) a separate/unique order or (ii) a duplicated order.</i>
Contact Information of CMI submitting the order:	<i>Provide 24-hour contact details (telephone and email) of relevant individual(s) who may be contacted in relation to this order.</i>

### 3. Selling Restrictions

#### 3.1 Prohibition of Sales to EEA Retail Investors

Each Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area (the “**EEA**”).

For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

#### 3.2 France

Each of the Managers and the Issuer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes in the Republic of France, and has not distributed and will not distribute or cause to be distributed in the Republic of France this Prospectus or any other offering material relating to the Notes, except to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Article 2(e) of the Prospectus Regulation and Articles L.411-1 and L.411-2 of the French *Code monétaire et financier*.

#### 3.3 United Kingdom

##### *Prohibition of Sales to UK Retail Investors*

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK.

For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA;

- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

#### ***Other regulatory restrictions***

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not if the Issuer was not an authorised person apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **3.4 United States**

The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them in Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, and Treasury regulations promulgated thereunder.

Each Manager has represented and agreed that it will not offer, sell or deliver such Notes (i) as part of their distribution at any time or (ii) otherwise until after the expiration of the 40-day distribution compliance period, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Terms used in this paragraph have the meanings given to them in Regulation S under the Securities Act.

Each Manager has further agreed that it will send to each dealer to which it sells any Notes prior to the expiration of the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them in Regulation S under the Securities Act.

The Notes are only being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of such Notes within the United States or to a U.S. person by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act. Terms used in this paragraph have the meanings given to them in Regulation S under the Securities Act.

#### **3.5 Hong Kong**

Each Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”)) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation

or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### 3.6 Singapore

Each Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

### 3.7 General

Each Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction (including, for the avoidance of doubt, those jurisdictions referred to above) in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus or any offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer or any other Manager shall have any responsibility therefore.

None of the Issuer or any of the Managers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder or assumes any responsibility for facilitating any such sale.

## GENERAL INFORMATION

### 1. Corporate Authorisations

The issue of the Notes by the Issuer is authorised pursuant to the Board resolution dated 22 February 2022 and the issue decision of Lars Machenil in his capacity as Chief Financial Officer of the Issuer dated 31 August 2022.

### 2. Admission to trading

This Prospectus has been approved on 2 September 2022 under the approval number n°22-372 by the *Autorité des marchés financiers* (the “AMF”), in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF has approved this Prospectus after having verified that the information it contains is complete, coherent and comprehensible. This approval is not a favorable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes. It is valid until the date of admission of the Notes to trading on Euronext Paris and shall be completed by a supplement to the Prospectus in the event of new material facts or substantial errors or inaccuracies.

Application has been made for the Notes to be admitted to trading on Euronext Paris on 6 September 2022. The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately €18,000.

### 3. Documents Available

Copies of the following:

- (i) the *Statuts* of the Issuer;
- (ii) First Amendment to the BNPP 2021 Universal Registration Document, Second Amendment to the BNPP 2021 Universal Registration Document, Third Amendment to the BNPP 2021 Universal Registration Document and Fourth Amendment to the BNPP 2021 Universal Registration Document;
- (iii) BNPP Universal Registration Document as at 31 December 2021;
- (iv) BNPP Universal Registration Document as at 31 December 2020;
- (v) the Agency Agreement; and
- (vi) this Prospectus

will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the offices of the Principal Paying Agent. In addition, (i) to (iv) and (vi) are available on the Issuer's website: “[www.invest.bnppparibas.com](http://www.invest.bnppparibas.com)”. In addition, copies of this Prospectus and any documents incorporated by reference in this Prospectus are available on the AMF's website: “[www.amf-france.org](http://www.amf-france.org)”.

### 4. Material Adverse Change

Except as disclosed in this Prospectus (including the information incorporated by reference), there has been no material adverse change in the financial position or prospects of the Issuer or the Groups since 31 December 2021 (being the end of the last financial period for which audited financial statements have been published).

### 5. Legal and Arbitration Proceedings

Save as disclosed on pages 266 and 267 of the BNPP Universal Registration Document as at 31 December 2021, pages 110 and 111 of the First Amendment to the BNPP 2021 Universal Registration Document, pages 182 and 183 of the Third Amendment to the BNPP 2021 Universal Registration Document and pages 102 and 103 of the Fourth Amendment to the BNPP 2021 Universal Registration Document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering at least the twelve (12) months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

## **6. Significant Change**

Except as disclosed in this Prospectus (including the information incorporated by reference), there has been no significant change in the financial performance or position of the Issuer or the Group since 30 June 2022 (being the end of the last financial period for which interim financial statements have been published).

## **7. Events impacting the Issuer's solvency**

To the best of the Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 30 June 2022.

## **8. Material Contracts**

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

## **9. Dependence of the Issuer upon other members of the Group**

Not applicable.

## **10. Conflicts of Interests**

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

## **11. Auditors**

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

Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Laurence Dubois.

*Deputy:*

Société BEAS, 6, place de la Pyramide, 92908 Paris-La Défense, France, SIREN No. 315 172 445, Nanterre trade and companies register.

PricewaterhouseCoopers Audit was appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Patrice Morot.

*Deputy:*

Jean-Baptiste Deschryver, 63, Rue de Villiers, Neuilly-sur-Seine (92), France.

Mazars was appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Virginie Chauvin.

*Deputy:*

Charles de Boisriou, 28 rue Fernand Forest, Suresnes (92), France.

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

## **12. Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream systems and Euroclear France under common code 252993908 and ISIN FR001400BBL2.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France

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

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

### **13. Potential Conflicts of Interest**

Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued. Any such short positions could adversely affect future trading prices of Notes issued. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Further, following the intragroup merger of BP2S and BNPP described in the risk factor entitled "*Risks related to the intragroup merger of BNP Paribas Securities Services SCA and its parent company, BNP Paribas SA*", BNPP will perform various agency roles in place of BP2S under the Notes. As a result, potential conflicts of interest may arise between these roles. Such potential conflicts of interests are mitigated using different management teams and information barriers within BNPP, but the possibility of conflicts of interest arising cannot be completely eliminated.

### **14. Yield**

The yield is 6.987 percent *per annum* up to the First Call Date. This yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### **15. Capitalisation and Medium and Long Term Debt Indebtedness Over One Year of BNPP and the BNP Paribas Group**

The following table<sup>1</sup> sets forth the consolidated capitalisation and medium to long term indebtedness (i.e. of which the unexpired term to maturity is more than one year) of the Group as of 30 June 2022 and 31 December 2021 using the Group's prudential scope of consolidation.

The "prudential scope of consolidation", as defined in EU Regulation No. 575/2013 on capital requirements for credit institutions and investment firms is used by the Group in the preparation of its "Pillar 3" disclosure set out in Chapter 5 (*Risks and Capital Adequacy – Pillar 3*) of the BNPP Universal Registration Document as at 31 December 2021. It differs from the "accounting scope of consolidation" used by the Group in the preparation of its consolidated financial statements under IFRS as adopted by the European Union. The principal differences between the two scopes of consolidation are summarised in Note 1 to the table below.

Except as set forth in this section, there has been no material change in the capitalisation of the Group since 30 June 2022.

For the avoidance of doubt, the figures in the table below are derived from the Group's unaudited consolidated financial statements as of and for the six months ended 30 June 2022 and the Group's audited consolidated financial statements as of and for the year ended 31 December 2021 (which do not include prudential deductions), and are used for the purposes of the Group's prudential capital calculations.

	<u>As of</u> <u>30 June 2022</u>	<u>As of</u> <u>31 December 2021</u>
<i>(in millions of euros)</i>		
<b>Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)<sup>2</sup></b>		
Senior preferred debt at fair value through profit or loss.....	38,949	40,555
Senior preferred debt at amortized cost.....	14,686	25,241
<b>Total Senior Preferred Debt.....</b>	<b>53,635</b>	<b>65,796</b>
Senior non preferred debt at fair value through profit or loss.....	3,999	3,933
Senior non preferred debt at amortized cost.....	64,729	62,536
<b>Total Senior Non Preferred Debt.....</b>	<b>68,728</b>	<b>66,469</b>
Redeemable subordinated debt at amortized cost.....	22,746	21,444
Undated subordinated notes at amortized cost <sup>3</sup> .....	515	494
Undated participating subordinated notes at amortized cost <sup>4</sup> .....	225	225
Redeemable subordinated debt at fair value through profit or loss.....	16	25
Perpetual subordinated notes at fair value through profit or loss <sup>5,6</sup> .....	785	906
Preferred shares and equivalent instruments <sup>7</sup> .....	7,853	9,207
<b>Total Subordinated Debt.....</b>	<b>32,140</b>	<b>32,301</b>
Issued capital <sup>8</sup> .....	2,469	2,469
Additional paid-in capital.....	23,672	23,878
Retained earnings.....	79,787	77,587
Unrealised or deferred gains and losses attributable to Shareholders.....	-598	216
<b>Total Shareholders' Equity and Equivalents (net of proposed dividends).....</b>	<b>105,330</b>	<b>104,150</b>
Minority interests (net of proposed dividends).....	4,330	4,234
<b>Total Capitalisation and Medium-to-Long Term Indebtedness.....</b>	<b>264,163</b>	<b>272,950</b>

(1) Prior to 30 September 2018, the Group presented its consolidated capitalisation and medium-to-long term indebtedness using the accounting scope of consolidation. Since then, the Group presents its capitalisation table using the prudential scope of consolidation. As stated in Section 5.2 (*Capital management and capital adequacy*) of the BNPP Universal Registration Document as at 31 December 2021, the material differences between the prudential scope of consolidation and the accounting scope of consolidation are the following:

- insurance companies (primarily BNP Paribas Cardif and its subsidiaries) that are fully consolidated under the accounting scope of consolidation are accounted for under the equity method in the prudential scope of consolidation; and
- jointly controlled entities (mainly UCI Group entities and Bpost banque) are accounted for under the equity method in the accounting scope of consolidation and under the proportional consolidation scope in the prudential scope of consolidation.

(2) All medium- and long-term senior preferred debt of BNPP ranks equally with deposits and senior to the category of senior non preferred debt first issued by BNPP in January 2017. The subordinated debt of BNPP is subordinated to all of its senior debt (including both senior preferred and senior non preferred debt). BNPP and its subsidiaries issue medium- to long-term debt on a continuous basis, particularly through private placements in France and abroad.

Euro against foreign currency as at 31 December 2019, CAD = 1.457, GBP = 0.847, CHF = 1.085, HKD = 8.732, JPY = 121.903, USD = 1.122.

Euro against foreign currency as at 31 December 2020, CAD = 1.555, GBP = 0.893, CHF = 1.082, HKD = 9.465, JPY = 126.099, USD = 1.221.

Euro against foreign currency as at 31 December 2021, CAD = 1.439, GBP = 0.841, CHF = 1.038, HKD = 8.875, JPY = 131.009, USD = 1.138.

Euro against foreign currency as at 30 June 2022, CAD = 1.349, GBP = 0.860, CHF = 0.999, HKD = 8.222, JPY = 142.072, USD = 1.048.

(3) At 30 June 2022, the remaining subordinated debt included €515 million of undated floating-rate subordinated notes (“**TSDIs**”).

- (4) Undated participating subordinated notes issued by BNP SA in July 1984 for a total amount of €337 million are redeemable only in the event of the liquidation of BNPP, but may be redeemed in accordance with the terms specified in the French law of 3 January 1983. The number of notes outstanding as at 30 June 2022 was 1,434,092 amounting to approximately €219 million. Payment of interest is obligatory, but the Board of Directors may postpone interest payments if the Ordinary General Meeting of shareholders held to approve the financial statements notes that there is no income available for distribution. Additionally, as at 30 June 2022, there were 28,689 undated participating subordinated notes issued by Fortis Banque France (amounting to approximately €4 million) and 6,773 undated participating subordinated notes issued by Banque de Bretagne (amounting to approximately €2 million) outstanding; both entities have since been merged into BNPP.
- (5) Subordinated debt corresponds to an issue of Convertible And Subordinated Hybrid Equity-linked Securities (“**CASHES**”) made by Fortis Bank SA/NV (now acting in Belgium under the commercial name BNP Paribas Fortis) in December 2007, for an initial nominal amount of €3 billion, reduced as of 30 June 2022 to an outstanding nominal amount of €948 million corresponding to a market value of €785 million as of such date. They bear interest at a floating rate equal to three-month EURIBOR plus a margin equal to 2% paid quarterly in arrears. The CASHES are undated but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder’s sole discretion at a price per Ageas share of €239.40. However, as of 19 December 2014, the CASHES are subject to automatic exchange into Ageas shares if the price of Ageas shares is equal to or higher than €359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.
- Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (“**RPN**”) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.
- On 7 May 2015, BNPP and Ageas reached an agreement which allows BNPP to purchase outstanding CASHES subject to the condition that these are converted into Ageas shares, leading to a proportional settlement of the RPN. The agreement between Ageas and BNPP expired on 31 December 2016 and has not been renewed.
- On 24 July 2015, BNPP obtained a prior agreement from the European Central Bank permitting it to purchase outstanding CASHES up to a nominal amount of €200 million. In 2016, BNPP used such agreement to purchase €164 million outstanding CASHES, converted into Ageas shares.
- On 8 July 2016, BNPP obtained a new agreement from the European Central Bank which superseded the prior agreement permitting it to purchase outstanding CASHES up to a nominal amount of €200 million. BNPP requested the cancellation of this agreement from the European Central Bank and the European Central Bank approved such cancellation in August 2017.
- As at 30 June 2022, the subordinated liability is no longer eligible to Tier 1 capital (considering both the transitional period and the cancellation of the aforementioned agreement).
- (6) Carrying amount of the CASHES, of which the amount eligible in prudential own funds was €0 as of 31 March 2022 and €0 as of 30 June 2022.
- (7) Consists of numerous issuances by BNPP in various currencies (i) over the 2005-2009 period, of undated deeply subordinated non-cumulative notes and (ii) since 2015, of perpetual fixed rate resettable additional tier 1 notes. The details of the debt instruments recognised as capital, as well as their characteristics, as required by Implementing Regulation No. 1423/2013, are available in the BNP Paribas Debt section of BNPP’s investor relations website at <https://invest.bnpparibas/en/search/debt/issues-benchmark>.
- (8) At 30 June 2022, BNPP’s share capital stood at €2,468,663,292 divided into 1,234,331,646 shares with a par value of €2 each.

## 16. Forward-Looking Statements

The First Amendment to the BNPP 2021 Universal Registration Document, the Second Amendment to the BNPP 2021 Universal Registration Document, the Third Amendment to the BNPP 2021 Universal Registration Document, the Fourth Amendment to the BNPP 2021 Universal Registration Document, the BNPP Universal Registration Document as at 31 December 2021 and the BNPP Universal Registration Document as at 31 December 2020, contain forward-looking statements. BNP Paribas and the BNP Paribas Group (being BNP Paribas together with its consolidated subsidiaries, the “**Group**”) may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Issuer’s and/or Group’s beliefs



and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Issuer and the Group undertake no obligation to update publicly any of them in light of new information or future events. These forward-looking statements do not constitute profit forecasts or estimates under Commission Delegated Regulation (EU) 2019/980, as amended, supplementing the Prospectus Regulation.

#### **17. Benchmarks Regulation**

Amounts payable under the Notes following the First Call Date will be calculated by reference to the mid swap rate for euro swaps with a term of 5 years which appears on the Bloomberg screen “EUAMDB05 Index” as of 11:00 a.m. (Central European time) on such Reset Rate of Interest Determination Date (as defined in Condition 2 (*Interpretation*)) which is provided by ICE Benchmark Administration (the “**Mid-Swap Administrator**”). The Mid-Swap Administrator does not appear on the list of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as amended (the “**Benchmarks Regulation**”). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Mid-Swap Administrator is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). As at the date of this Prospectus, the Mid-Swap Administrator appears on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority in the United Kingdom.

#### **18. LEI**

The legal entity identifier of the Issuer is R0MUWSFPU8MPRO8K5P83.

## **RESPONSIBILITY STATEMENT**

I hereby certify, to the best of my knowledge, that the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

### **BNP PARIBAS**

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Represented by

Lars Machenil

in his capacity as Chief Financial Officer of the Issuer

Dated 2 September 2022



This Prospectus has been approved on 2 September 2022 under the approval number n°22-372 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Prospectus after having verified that the information it contains is complete, coherent and comprehensible.

This approval is not a favorable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes. It is valid until the date of admission of the Notes to trading on Euronext Paris and shall be completed by a supplement to the Prospectus in the event of new material facts or substantial errors or inaccuracies.

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