IMPORTANT NOTICE

THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") WITHIN THE MEANING OF RULE 144A OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES.

IMPORTANT: Investors must read the following before continuing. The following applies to the Prospectus following this page (the "Prospectus"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

Your attention is drawn to the wording on the inside cover page of the Prospectus and the section of the Prospectus entitled "Plan of Distribution".

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO MAKE SUCH AN OFFER. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD 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), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS AND REGULATIONS OF OTHER JURISDICTIONS.

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients, as defined in the rules set out in the Markets in Financial Instruments Directive 2014/65/EU, as amended or replaced from time to time. Prospective investors are referred to the section headed "*Restrictions on marketing and sales to retail investors*" on page iv of this document for further information.

Confirmation of your Representation: In order to be eligible to view this Prospectus or make an investment decision with respect to the securities, investors must be either (1) QIBs (within the meaning of Rule 144A under the Securities Act) or (2) non-U.S. persons outside the United States. This Prospectus is being sent at your request and by accepting the e-mail and accessing this Prospectus, you shall be deemed to have represented to the Issuer and the Initial Purchasers that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons located and receiving this electronic transmission outside the United States and (2) that you consent to delivery of such Prospectus by electronic transmission.

You are reminded that access to the Prospectus has been made available to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Prospectus to any other person. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

The Prospectus constitutes a prospectus for the purposes of the Regulation (EU) 2017/1129 as amended (the "**Prospectus Regulation**"). Application has been made for the Notes to be admitted to trading on Euronext Paris.

Under no circumstances shall the Prospectus or this notice constitute or form part of any offer to sell or the invitation or solicitation of an offer to buy nor shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the Prospectus who intend to subscribe for or purchase the Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the final prospectus. In the United Kingdom, this Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, persons (i) having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**") or (ii) who are high net worth companies falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or other persons to whom it may otherwise be lawfully communicated, (all such persons together being referred to as "**relevant persons**"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. The Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

The Prospectus may only be communicated in France to qualified investors as defined in Article 2(e) of the Prospectus Regulation.

The Prospectus has been made available to you in an electronic form. You are reminded that documents made available or transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer or BNP Paribas Securities Corp., Scotia Capital (USA) Inc., BBVA Securities Inc., Intesa Sanpaolo IMI Securities Corp., BMO Capital Markets Corp., Desjardins Securities Inc., National Bank of Canada Financial Inc., KBC Securities USA LLC, SMBC Nikko Securities America, Inc. and Mizuho Securities USA LLC (the "**Initial Purchasers**") nor any person who controls any of the Initial Purchasers nor any director, officer, employee or agent of an Initial Purchaser, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus made available to you in electronic format and the hard copy version available to you on request from the Issuer or any of the Initial Purchasers.

Canadian Electronic Delivery Disclaimer

IMPORTANT: You must read the following electronic delivery disclaimer before continuing. The following electronic delivery disclaimer applies to this Prospectus pertaining to the offer for sale of the Notes of the Issuer, which is being made available to you in electronic form by electronic transmission. You are advised that the Prospectus has not been filed with or cleared by any securities commission or similar regulatory authority in Canada. You are further advised to read this disclaimer carefully before accessing, reading or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access.

Confirmation of Your Representation: You have accessed the Prospectus on the basis that you have confirmed to the Issuer and each Initial Purchaser acting as an underwriter in the offering that (1) you agree to receive the Prospectus and any amendments or supplements thereto in electronic form by electronic transmission, as applicable, (2) you are a resident of a jurisdiction of Canada where delivery of the Prospectus in electronic form by electronic transmission may be lawfully made under the laws of such jurisdiction, (3) you are an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* or, in Ontario, in section 73.3(1) of the *Securities Act* (Ontario), as applicable, and, where required by applicable Canadian securities laws or as a condition of purchasing the Notes from any dealer acting as a underwriter in the offering, a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, respectively, and (4) you consent to delivery of the Prospectus and any amendments or supplements thereto in electronic form by electronic transmission, as applicable.

By accessing the Prospectus, you hereby confirm that documents delivered in electronic form by electronic transmission may be altered or changed during the process of electronic transmission.

Neither the Issuer, the Initial Purchasers nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any alteration or change to the Prospectus as a result of the process of electronic transmission into Canada. Where any such alteration or change to the Prospectus results from the process of electronic transmission into Canada, a hard copy of the Prospectus will be furnished upon request.

THE PROSPECTUS MAY NOT BE REPRODUCED OR REDISTRIBUTED, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER AND THE INITIAL PURCHASERS, AS APPLICABLE.

You are responsible for protecting against electronic viruses and other items of a destructive nature. Your use of this electronic transmission and any attachment hereto is at your own risk and it is your responsibility to take precautions to ensure that this electronic transmission and any attachment hereto are and remain free from electronic viruses and other items of a destructive nature.

This electronic transmission and any attachment hereto are intended only for use by the addressee named herein. If you have received this electronic transmission and any attachment hereto, including the Prospectus, in error, you hereby agree to immediately delete the same and any copies thereof from your system, to notify the Issuer and the Initial Purchasers, as applicable, by reply e-mail and to destroy any printouts thereof. If you have gained access to this electronic transmission contrary to the foregoing restrictions, you hereby acknowledge that you will be unable to purchase the Notes.

Upon receipt of this electronic transmission you will be deemed to have agreed to the above conditions of use in their entirety and without limitation.

BNP PARIBAS

US$1,500,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Contingent Convertible Notes

Issue Price for the Notes: 100.00%

BNP PARIBAS ("**BNP Paribas**" or the "**Issuer**") is offering US$1,500,000,000 principal amount of its Perpetual Fixed Rate Resettable Additional Tier 1 Contingent Convertible Notes (the "**Notes**"). The Notes will be issued by BNP Paribas and 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, the laws of the State of New York, except for Condition 4 (*Status of the Notes*) and Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) which will be governed by, and construed in accordance with, French law.

The Notes will bear interest on their principal amount at the applicable Rate of Interest from (and including) August 14, 2023 (the "**Issue Date**"). Interest shall be payable semi-annually in arrears on February 14 and August 14 in each year (each an "**Interest Payment Date**") commencing on February 14, 2024. During the Initial Period (i.e. from the Issue Date to but excluding August 14, 2028 (the "**First Call Date**")) the Notes will bear interest at the rate of 8.500 per cent per annum. 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 (as defined in Condition 2 (*Interpretation*) in "*Terms and Conditions of the Notes*") occurring after each Reset Date will be equal to the Reset Rate of Interest which amounts to a rate *per annum* equal to the sum of (a) the then- applicable CMT Rate plus (b) the Margin (4.354 per cent), as determined by the Calculation Agent, as described in Condition 5 (*Interest*) 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 Condition 5.9 (*Cancellation of Interest Amounts*) in "*Terms and Conditions of the Notes*". 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. Holders 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 permission of the Relevant Regulator, redeem the Notes in whole, but not in part, on any Reset Date or at any time following the occurrence of a Capital Event or a Tax Event at their principal amount plus accrued and unpaid interest.

The Notes will be converted into Ordinary Shares if the Group CET1 Ratio is equal to or less than 5.125 per cent. (each term as defined in Condition 2 (*Interpretation*) in "*Terms and Conditions of the Notes*"). Holders may lose some or all of their investment as a result of such Conversion. See Condition 6 (*Conversion*). If a Capital Event or a Tax Event has occurred and is continuing, the Issuer may further substitute all of the Notes or vary the terms of all of the Notes, without the consent or approval of Holders, so that they become or remain Compliant Securities (as described in Condition 7.5 (*Substitution/Variation*) in "*Terms and Conditions of the Notes*").

This document (the "**Prospectus**") constitutes a prospectus for the purposes of Article 6 of Regulation (EU) 2017/1129 of June 14, 2017, as amended (the "**Prospectus Regulation**").

Application has been made to list and admit to trading the Notes, as of the Issue Date or as soon as practicable thereafter, on the regulated market of Euronext in Paris ("**Euronext Paris**"). Euronext Paris is a regulated market within the meaning of the Directive 2014/65/EU of the European Parliament and of the Council dated May 15, 2014, as amended.

The Notes are expected to be rated BBB- by Standard & Poor's Global Ratings Europe Limited, France Branch ("**Standard & Poor's**"), Ba1 by Moody's Deutschland GmbH, Frankfurt am Main ("**Moody's**"), and BBB by Fitch Ratings Ireland Limited ("**Fitch**"). Each of Standard & Poor's, Moody's and Fitch is established in the European Union (the "**EU**") and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Prospectus. This list is available on the European Securities and Markets Authority (the "**ESMA**") website at www.esma.europa.eu/supervision/credit-rating-agencies/risk (list last updated on March 27, 2023). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

Investing in the Notes involves certain risks. See "*Risk Factors*" beginning on page 2 below for risk factors relevant to an investment in the Notes.

The Notes will be issued in registered form and subscribed and may be held in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. Delivery of the Notes will be made on or about August 14, 2023, in book-entry form only, through the facilities of The Depository Trust Company ("**DTC**"), for the accounts of its participants, including Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), and Euroclear Bank S.A./N.V. ("**Euroclear**").

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Accordingly, the Issuer is offering the Notes only (1) to Qualified Institutional Buyers ("QIBs") within the meaning of Rule 144A under the Securities Act ("Rule 144A") and (2) outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S"). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

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 French *Autorité des marchés financiers* (the "**AMF**") (www.amf-france.org) and of the Issuer (www.invest.bnpparibas.com).

Application will be made to the AMF for approval of the final Prospectus in its capacity as competent authority in France pursuant to Regulation (EU) 2017/1129 after having verified that the information it contains is complete, coherent and comprehensible. Such approval 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.

Sole Bookrunner and Global Coordinator
BNP PARIBAS

Joint Lead Managers

Scotiabank	**BBVA**	**IMI – Intesa Sanpaolo**

Co-Managers

BMO Capital Markets	**Desjardins Capital Markets**	**National Bank of Canada Financial Markets**
KBC Securities USA	**SMBC Nikko**	**Mizuho**

The date of this Prospectus is August 8, 2023.

The Issuer is responsible for the information contained and incorporated by reference in this Prospectus. The Issuer has not authorized anyone to give prospective investors any other information, and the Issuer takes no responsibility for any other information that others may give to prospective investors. Prospective investors should carefully evaluate the information provided by the Issuer in light of the total mix of information available to them, recognizing that the Issuer can provide no assurance as to the reliability of any information not contained or incorporated by reference in this Prospectus. The information contained or incorporated by reference in this Prospectus is accurate only as of the date hereof, regardless of the time of delivery or of any sale of the Notes. It is important for prospective investors to read and consider all information contained in this Prospectus, including the documents incorporated by reference herein, in making an investment decision. Prospective investors should also read and consider the information in the documents to which the Issuer has referred them under the heading "*Documents Incorporated by Reference*" in this Prospectus.

This Prospectus has been prepared by the Issuer solely for use in connection with the placement of the Notes. The Issuer and the initial purchasers listed in "*Plan of Distribution"* below (the "**Initial Purchasers**") reserve the right to reject any offer to purchase for any reason.

Neither the U.S. Securities and Exchange Commission, any state securities commission nor any other regulatory authority, has approved or disapproved of the Notes; nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

The Notes are not insured by the U.S. Federal Deposit Insurance Corporation or any other governmental deposit insurance agency.

The Notes have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in 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 or such state securities laws. The Notes are being offered and sold in the United States only to Qualified Institutional Buyers (as defined in Rule 144A) and outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act.

In addition, until forty (40) calendar days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act unless it is made pursuant to Rule 144A.

The distribution of this Prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law. The Issuer and the Initial Purchasers require persons in whose possession this Prospectus comes to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful.

The Issuer is offering to sell, and is seeking offers to buy, the Notes only in jurisdictions where offers and sales are permitted. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Neither the delivery of this Prospectus nor any sale made under it implies that there has been no change in the Issuer's affairs or that the information contained or incorporated by reference in this Prospectus is correct as of any date after the date of this Prospectus.

Prospective investors must:

comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this Prospectus and the purchase, offer or sale of the Notes; and

obtain any consent, approval or permission required to be obtained by them for the purchase, offer or sale by them of the Notes under the laws and regulations applicable to them in force in any jurisdiction to which they are subject or in which they make such purchases, offers or sales; and neither the Issuer nor the Initial Purchasers shall have any responsibility therefor.

By purchasing the Notes, investors will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading "*Notice to U.S. Investors*" in

this Prospectus. Investors should understand that they may be required to bear the financial risks of their investment for an indefinite period of time.

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 (the "**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 Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, 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 the Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (as amended, the "**PRIIPs 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 PRIIPs 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 the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services Market Act 2000 ("**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 the domestic law of the UK by virtue of the EUWA (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.

MiFID II product governance / Professional investors and ECPs 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 the ESMA on February 5, 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 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.

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

UK MIFIR product governance / Professional investors and ECPs only target market

Solely for the purposes of the 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 the ESMA on February 5, 2018, has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the Financial Conduct Authority ("**FCA**") Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); 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 manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

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

Prohibition on marketing and sales to retail investors

1. 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 (including the UK), 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).

2. (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) Certain or all of the Initial Purchasers are required to comply with COBS.

   (C) 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 Initial Purchasers each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Initial Purchasers that:

      (i) it is not a retail client in the UK;

      (ii) it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or 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.

   (D) 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.

3. The obligations in paragraph 2. 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) or the UK) 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 or the UK FCA Handbook 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 Initial Purchasers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Prospective investors acknowledge that they have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with their investigation of the accuracy of such information or their investment decision. In making an investment decision, prospective investors must rely on their own examination of the Issuer and the terms of this offering, including the merits and risks involved.

The Initial Purchasers are not making any representation or warranty, express or implied, as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus. Prospective investors should not rely upon the information contained or incorporated by reference in this Prospectus as a promise or representation by the Initial Purchasers, whether as to the past or the future. The Initial Purchasers assume no responsibility for the accuracy or completeness of such information.

Neither the Initial Purchasers, nor the Issuer, nor any of their respective representatives, are making any representation to prospective investors regarding the legality of an investment in the Notes. Prospective investors should consult with their own advisers as to legal, tax, business, financial and related aspects of an investment in the Notes. Investors must comply with all laws applicable in any place in which they buy, offer or sell the Notes or possess or distribute this Prospectus, and they must obtain all applicable consents and approvals. Neither the Initial Purchasers nor the Issuer shall have any responsibility for any of the foregoing legal requirements.

The Issuer and the Initial Purchasers reserve the right to withdraw this offering at any time before closing, to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the amount of Notes offered by this Prospectus.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with sales of the Notes, for as long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish upon the request of a holder of the Notes or of a beneficial owner of an interest therein, or to a prospective purchaser of such Notes or beneficial interests designated by a holder of the Notes or a beneficial owner of an interest therein to such holder, beneficial owner or prospective purchaser, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act, if at the time of such request, the Issuer is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

NOTICE TO PROSPECTIVE INVESTORS

As Additional Tier 1 Capital instruments, the Notes are particularly complex financial instruments which may not be a suitable investment for certain investors. Potential investors in the Notes should have sufficient knowledge and expertise (either alone or with a financial advisor) to analyze features such as the risk of interest cancellation, the risk of Conversion in case of a Capital Ratio Event, the risk that the Maximum Distributable Amount may be insufficient to allow the Issuer to pay interest, the risk of deep subordination, the risk of use of a Bail In Tool by resolution authorities, and other complex features that distinguish the Notes from more standard debt obligations. The Notes are not a suitable investment for investors that do not possess such knowledge and expertise, and any such investors who nonetheless purchase the Notes may face a significantly greater risk of loss than investors who do possess such knowledge and expertise. For example, investors who regularly follow developments in the market for Additional Tier 1 Capital instruments may be in a position to react more quickly to market or regulatory events than investors who are less aware of such developments, with the latter group of investors exposed to potentially greater losses due to their slower reactivity. Potential investors should determine the suitability of an investment in the Notes in light of their own circumstances, and in particular the risk that their lack of relevant knowledge and expertise may cause them to lose all or a significant portion of the amount invested in the Notes.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Initial Purchasers to subscribe for, or purchase, any Notes.

The Initial Purchasers have not separately verified the information contained in this Prospectus. None of the Initial Purchasers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Initial Purchasers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Initial Purchasers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Initial Purchasers.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes it purchased occurs in compliance with applicable laws and regulations.

In connection with the issue of the Notes, the Initial Purchaser(s) named as the stabilizing Initial Purchaser(s) (if any) (the "**Stabilizing Initial Purchaser(s)**") (or persons acting on behalf of any Stabilizing Initial Purchaser(s)) 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 Stabilizing Initial Purchaser(s) (or persons acting on behalf of a Stabilizing Initial Purchaser(s)) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the 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) calendar days after the Issue Date and sixty (60) calendar days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Initial Purchaser(s) (or persons acting on behalf of any Stabilizing Initial Purchaser(s)) in accordance with all applicable laws and rules.

In the United Kingdom, this Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, persons (i) having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Promotion Order; or (ii) who are high net worth companies falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or other persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as "**relevant persons**"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this Prospectus and should not act or rely on it.

The Prospectus may only be communicated in France to qualified investors as defined in Article 2(e) of the Prospectus Regulation and in accordance with Articles L.411-1 and L.411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), as amended from time to time, and any other applicable French law or regulation.

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 Initial Purchaser 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 Initial Purchaser have authorized, nor do they authorize, the making of any offer of the Notes in circumstances in which an obligation arises for the Issuer or any Initial Purchaser to publish or supplement a prospectus for such offer.

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RISK FACTORS

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 (including, in particular, Chapter 5 "risks and capital adequacy" of the BNPP Universal Registration Document as at December 31, 2022 (pages 303 to 572) and pages 216 to 232 of the Second Amendment to the BNPP Universal Registration Document as at December 31, 2022).

The Terms defined in "Terms and Conditions of the Notes" *shall have the same meaning where used below.*

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 until December 31, 2022 to reflect a prudential vision. They reflect the agreement reached on December 18, 2021 by the Group and BMO Financial Group for the sale of 100% of its U.S. commercial banking activities in the United States operated fully by the BancWest group. The terms of this transaction fall within the scope of application of IFRS 5 on groups of assets and liabilities held for sale. The sale of BancWest to BMO Financial Group was completed on February 1, 2023. Unless otherwise indicated, financial items and information are therefore presented excluding the effect of the application of IFRS 5 on groups of assets and liabilities held for sale.

The main categories of risk inherent in the BNP Paribas Group's 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).

			RWA
In billions of euros	**June 30, 2023[1]**	**December 31, 2022**	**December 31, 2021**
Credit risk	**533**	**580**	**554**
Counterparty credit risk	**45**	**42**	**40**
Securitization risk in the banking book	**15**	**16**	**14**
Operational risk	**58**	**62**	**63**
Market risk	**28**	**26**	**25**
Amounts below the thresholds for deduction (subject to 250% risk weight)	**18**	**20**	**18**
TOTAL	**698**	**745**	**714**

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, in accordance with Article 16 of Regulation (EU) No. 2017/1129, known as "Prospectus 3" of June 14, 2017, the provisions of which relating to risk factors came into force on July 21, 2019:

- credit risk;
- counterparty risk and securitization risk in the banking book;

[1] Excluding BancWest activity.

- 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.

1. Credit risk, counterparty risk and securitization 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 December 31, 2022, the BNP Paribas Group's credit risk exposure broke down as follows: corporates (42%), central governments and central banks (26%), retail customers (25%), credit institutions (4%), other items (2%) and equities (1%). At December 31, 2022, 33% of the BNP Paribas Group's credit exposure was comprised of exposures in France, 15% 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 580 billion at December 31, 2022, or 78% of the total risk-weighted assets of the BNP Paribas Group, compared to EUR 554 billion representing 78% of the total risk-weighted assets at December 31, 2021 and at EUR 533 billion at June 30, 2023, or 76% 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 December 31, 2022, is comprised of: 42% to the corporate sector, 12% to governments and central banks, 13% to credit institutions and investment firms, and 33% to clearing houses. By product, BNP Paribas Group's exposure, excluding CVA ("*Credit Valuation Adjustment*") risk, at December 31, 2022 is comprised of: 47% in OTC derivatives, 29% in repurchase transactions and securities lending/borrowing, 17% in listed derivatives and 7% 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 ("*Credit Valuation Adjustment*") 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 42 billion at December 31, 2022, or 6% of the total risk-weighted assets of the BNP Paribas Group, compared to EUR 40 billion representing 6% of the total risk-weighted assets at December 31, 2021 and at EUR 45 billion at June 30, 2023, or 6% of the total risk-weighted assets of the BNP Paribas Group.

Securitization risk in the banking book: securitization 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 securitization structure (including derivatives and liquidity lines) is considered to be a securitization. The bulk of the BNP Paribas Group's commitments are in the prudential banking portfolio. Securitized exposures are essentially those generated by the BNP Paribas Group. The securitization positions held or acquired by the BNP Paribas Group may also be categorized by its role: of the positions as at December 31, 2022, BNP Paribas was originator of 43%, was sponsor of 34% and was investor of 23%. The risk-weighted assets subject to this type of risk amounted to EUR 16 billion at December 31, 2022, or 2% of the total risk-weighted assets of the BNP Paribas Group, compared to EUR 14 billion representing 2% of the total risk-weighted assets at December 31, 2021 and at EUR 15 billion at June 30, 2023, 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 honor 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. In 2022, these provisions amounted to EUR 2.965 billion compared to EUR 2.925 billion in 2021. This amount was due in particular to the exceptional impact of the "borrower assistance law" in Poland (see section 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*), which led to the recording of an exceptional negative impact in the third quarter of 2022 of EUR 204 million in provisions. Provisions recorded on performing loans (Stages 1 and 2) amounted to 463 million euro in the year-ended December 31, 2022 and related in particular to the indirect effects of the invasion of Ukraine and the rise in inflation and interest rates, partially offset by write-backs related to the health crisis and the effects of changes in methods to align with European standards for EUR 251 million in the fourth quarter of 2022.

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. The BNP Paribas Group seeks to establish an appropriate level of provisions.

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. For example, provisions increased in 2020 primarily due to the early ex-ante recognition of potential losses related to the effects of the health crisis (Stages 1 and 2 provisions on performing loans in accordance with IFRS 9). 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 December 31, 2022, the ratio of doubtful loans to total loans outstanding was 1.7% and the coverage ratio of these doubtful commitments (net of guarantees received) by provisions was 72.5%, against 2.0% and 73.6%, respectively, as at December 31, 2021.

While the BNP Paribas Group seeks to reduce its exposure to credit risk and counterparty risk by using risk mitigation techniques such as collateralization, 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 rumors 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 realized, 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 28 billion at December 31, 2022, or 13% of the BNP Paribas Group's total counterparty risk exposure, and counterparty risk exposure related to clearing houses was EUR 73 billion, or 33% 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 8.c "*Legal proceedings and arbitration*" to its consolidated financial statements for the six-month period ended June 30, 2023.

Losses resulting from the risks summarized 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 2014 to 2022, 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 2014 and 2022, 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 62 billion at December 31, 2022, representing 8% of the BNP Paribas Group's total risk-weighted assets, compared to EUR 63 billion representing 9% of total risk-weighted assets at December 31, 2021 and EUR 58 billion at June 30, 2023, 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 risk parameters, such as the value of its assets and the effectiveness of its hedges, or to measure risks adequately if, as a result of market turmoil or in certain market environments such as those experienced in recent years, the models and approaches it uses become less predictive of future behavior, 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 behavior. 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 organization 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 unauthorized access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognized 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 cybercriminality to be 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 2014-2022 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 unfavorable 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 17% of the BNP Paribas Group's revenue in 2022. 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 risks 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. If the BNP Paribas Group's hedging strategies prove ineffective or provide only a partial hedge, the BNP Paribas Group could incur losses which could have a negative impact on its operating results as well as its financial condition. 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 26 billion at December 31, 2022, representing 3% of the BNP Paribas Group's total risk-weighted assets, compared to EUR 25 billion representing 3% of the total risk-weighted assets at December 31, 2021 and EUR 28 billion at June 30, 2023, 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 realize 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. 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 Market Risk Stress Testing Framework in section 5.7 Market risk of the BNPP Universal Registration Document). 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.

More generally, the volatility of financial markets resulting from disruptions or deteriorations in macroeconomic conditions 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, the revenues of Global Markets accounted for 17% of the BNP Paribas Group's revenues in 2022. Severe market disruptions and extreme market volatility have occurred often in recent years (including in 2022) and may persist or resurface, 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 also weighs on the primary equity and bond markets, as in 2022, affecting the activity of Corporate & Institutional Banking.

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 21% of the BNP Paribas Group's total revenues in 2022. 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 unfavorable 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 December 31, 2022, applying IFRS 5, 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 685 billion, EUR 25 billion and EUR 38 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 704 billion and EUR 40 billion, respectively, at December 31, 2022. 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

Liquidity risk is the risk that the BNP Paribas Group will not be able to meet its commitments or unwind or offset a position due to market or financial conditions or factors specific to it, within a given timeframe and at a reasonable cost. It reflects the risk of not being able to meet net cash outflows, including those related to collateral requirements, over all time horizons from short to long term. The Group's specific risk can be assessed through its short-term liquidity ratio (Liquidity Coverage Ratio – LCR") which analyzes the coverage of net cash outflows at 30 days in a stress scenario. The Group's period end LCR was 143% as at June 30, 2023. The liquidity reserve was EUR 473 billion as at June 30, 2023.

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 Eurozone 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. More recently, 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 change in monetary policy (as seen, for example, with the worsening inflation and rapid rise of interest rates, as well as the end of "quantitative easing" and the changes to the TLTRO terms and conditions, in 2022 and 2023), a recession, prolonged stagnation of growth, deflation, "stagflation" (sluggish growth accompanied by inflation), 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 recent health crisis or the invasion of Ukraine and its impact on the world economy) or to the BNP Paribas Group in particular. In such a case, the effect on the liquidity, balance sheet strength and cost of funding of European financial institutions 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 17% of the BNP Paribas Group's revenue in 2022) 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 section 5.8 *Liquidity risk, paragraph Stress tests and liquidity reserve of the BNPP Universal Registration Document*).

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 negative effects 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 April 24, 2023, Standard & Poor's confirmed the long-term rating of BNP Paribas SA's deposits and senior preferred debt rating as A+, and its short- term rating as A-1 with a stable outlook. On July 3, 2023, Fitch maintained its long-term deposits and senior preferred debt rating for BNP Paribas SA at AA- and its short term deposits and senior preferred debt rating for BNP Paribas SA at F1+ and revised its outlook to stable. On July 5, 2022, Moody's confirmed its long-term deposits and senior preferred debt rating as Aa3, and its short-term rating as P-1, with a stable outlook. On June 21, 2023, DBRS confirmed BNP Paribas SA's senior preferred debt rating as AA(low), and 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 collateralized financing contacts.

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 (30% of the Group's revenues at December 31, 2022), other countries in Europe (47% of the Group's revenues at December 31, 2022) and the rest of the world (23% of the Group's revenues at December 31, 2022, including 6% related to activities of Bank of the West in the United States, the sale of which was completed on February 1, 2023). 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 (or an increase in volatility) 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 favorable economic conditions generally or in specific business sectors resulting in asset price bubbles, and the corrections when conditions become less favorable;

- a significant economic disruption (such as the global financial crisis of 2008, the European sovereign debt crisis of 2011, the recession caused, in 2020 and 2021, by the Covid-19 pandemic or high inflation and rising interest rates as well as geopolitical shocks (for example, the invasion of Ukraine) in 2022) having a substantial impact on all of the BNP Paribas Group's activities, which would be exacerbated if the disruption is characterized 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, in particular, a decline in transaction commissions and consumer loans; and

- various adverse political and geopolitical events such as natural disasters, geopolitical tensions, health risks such as the Covid-19 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 (such as the invasion of Ukraine, related economic sanctions and the consequential impact on energy markets affecting Europe in particular), may affect the operating environment for the BNP Paribas Group episodically or for extended periods.

A number of risk factors could particularly affect the economy and the financial markets in 2023. They are the continuation of events that occurred or trends that began in 2022. Firstly, high inflation due to a number of factors, including bottlenecks in various supply chains coming out of the Covid-19 pandemic, abundant liquidity resulting from monetary policy and public aid during the pandemic, and the consequences of the invasion of Ukraine, particularly on the energy market. Inflation has had, and may continue to have, the effect of increasing costs (raw materials and wages) for companies (the Group's clients and the Group itself) and the cost of living for individuals, and the risk of a decline in corporate margins and the quality of corporate and consumer credit. Secondly, a significant and rapid monetary tightening affecting the financial markets as well as the banking industry and the economy more generally and increasing the cost of financing for companies and individuals, potentially leading to a

sharp decline in growth or even a global or regional recession. Indeed, the International Monetary Fund ("IMF") stated in July 2023 that it expected the world and Eurozone's growth to be 3.5% and 3.5% in 2022 and 3.0% and 0.9% in 2023, respectively. The IMF also stated that it expected global inflation to be 8.7% in 2022, 6.8% in 2023 and 5.2% in 2024.

Among the factors that could strongly influence the macroeconomic trajectory, including the existence, severity and duration of a recession, in 2023 are the course of the geopolitical tensions in Ukraine and of the Covid-19 pandemic. The invasion of Ukraine and the reaction of the international community (particularly the imposition of economic sanctions but also the evolution of inflation and the impact of monetary policies) have been and may continue to be a source of instability in global markets, impacting stock market indices, increasing the price of raw materials (such as electricity, oil, gas and agricultural commodities) or causing fears of shortages, thereby aggravating the disruption of supply chains and increasing production and transportation costs, as well as inflation more generally. The impact on the global energy market, particularly in Europe, is expected to continue to be felt in 2023 (and possibly beyond) with risks of further crises (shortages, price increases, cascading effects in the economy, including liquidity and margin pressures for companies, even leading to production stoppages). After having caused a global recession in 2020 and a major disruption to the global economy in 2021, the Covid-19 pandemic had less of a macro-economic effect in 2022; its impact in 2023 will depend on a number of factors, including the potential resurgence of regional outbreaks, the possible emergence of new strains, and above all, public policy reactions. Finally, the risk of various types of crises exists, including that of sovereign debt (high level of post-pandemic public indebtedness, rapid increase in (re)financing costs, exchange rate effects particularly for borrowers exposed to the US dollar, and political risks – for example, of gridlock in the US congress); the bursting of various financial bubbles fostered by the previous environment of abundant liquidity and very low interest rates followed by a rise in inflation and a change in monetary policy, including a very significant rise in interest rates (for example, the U.S. Federal Reserve raised its key rate by 4.25% in 2022 and by 0.25% in each of January 2023, March 2023, May 2023 and July 2023, and the ECB raised its key rate by 2.5% in 2022, by 0.5% in January 2023 and March 2023, and by 0.25% in each of May 2023, June 2023 and July 2023; and geopolitical events of various types and from various sources, in a context of increased political and societal tensions in various parts of the world.

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, continue to 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 materially and adversely affected.

5.2. Significant interest rate changes, and in particular the recent rapid rise in interest rates following a prolonged period of low interest rates, could adversely affect the BNP Paribas Group's results of operations and financial condition.

Since the beginning of 2022, interest rates have been rising after years of low interest rates. In this context, the BNP Paribas Group's results have been and could continue to be significantly affected in a number of ways. The increase in interest rates increases the cost of funding for the Group through higher interest rates on liabilities such as short-term deposits, commercial paper and bonds, as well as the risk of arbitrage by customers between non-interest-bearing deposits and interest-bearing deposits (compounded in France by policy decisions to increase rates on regulated savings, including to levels above the return received by banks on the same deposits). This can create an imbalance and a reduction in net interest margin as a result of the Group holding a significant portfolio of loans originated in a low interest rate environment. The Group may also have difficulty (in particular due to the usury rate in France) promptly reflecting higher interest rates in new mortgage or other fixed-rate consumer or corporate loans, while the cost of customer deposits and hedging costs would increase more rapidly. In addition, the ECB has been modifying in recent months its instruments used in recent years to implement "quantitative easing" and enhance bank liquidity (e.g. the creation of a "transmission protection instrument" and the amendment of the conditions of its longer-term refinancing operations (TLTRO 3)); as the Group hedges its overall interest rate position, any change in the terms and conditions affecting these instruments may lead to adjustments in this hedge, which could have an adverse impact on the results of the BNP Paribas Group.

Moreover, a portfolio comprising significant amounts of lower-interest loans and fixed-income assets as a result of an extended period of low interest rates would (in a rapidly rising market interest-rate environment) be expected to decline in value. If the Group's hedging strategies are ineffective or provide only a partial hedge against such a change in value, it could incur significant losses.

Higher interest rates increase financial expense for borrowers and may strain their ability to meet their debt obligations. Moreover, any rate increase that is sharper or more rapid than expected could threaten economic growth in the European Union, the United States and elsewhere. These effects could test the resilience of the BNP Paribas Group's loan and bond portfolios, which could lead to an increase in doubtful loans and defaults. More generally, the ending of accommodative monetary policies, in particular by the US Federal Reserve and the ECB, may lead to severe corrections in certain markets or assets (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate, particularly commercial, and leveraged finance) that particularly benefitted from a prolonged low interest rates and a high liquidity environment and adversely impact the market participants. Such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility. The BNP Paribas Group's operations could as a result be significantly disrupted, and, consequently, its business, results of operations and financial condition could experience a material adverse effect.

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, regulatory 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 December 31, 2022, the BNP Paribas Group's loan portfolio consisted of receivables from borrowers located in France (33%), Belgium and Luxembourg (15%), Italy (9%), other European countries (19%), North America, including Bank of the West, (13%), Asia (6%) and the rest of the world (5%). Adverse economic or regulatory conditions that particularly affect these countries and regions would have a significant impact on the BNP Paribas Group. For example, the introduction by the Polish government in July 2022 of a law allowing borrowers under mortgage loans, generally at variable rates, to suspend their payments for eight months in the 2022-2024 period led the Group (operating in Poland through BNP Paribas Bank Polska) to record an exceptional negative impact in the third quarter of 2022 of EUR 204 million. 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 December 31, 2021, 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. In the context of the conflict in Ukraine, the Group reassessed the nature of the control exercised over its subsidiary UkrSibbank and concluded that it would lose exclusive control and retain significant influence over the entity. This situation led the Group to consolidate it using the equity method as from March 1, 2022. The loss of control resulted in the recognition of a capital loss of -EUR 159 million and the reclassification to profit or loss of the cumulative changes in assets and liabilities related to exchange rates of -EUR 274 million, recorded in "Net gain on non-current assets" as described in note 7.c to the financial statements for the year ended December 31, 2022.

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 0.04% of the BNP Paribas Group's gross exposures at December 31, 2022. The amount of net residual exposures,

both in Russia and Ukraine, is more limited given the way in which the Bank 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:

- 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.

- 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 May 15, 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 July 15, 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 Market Risk Stress Testing

Framework in section 5.7 Market risk of the BNPP Universal Registration Document);

- greater powers granted to the relevant authorities to combat money laundering and terrorism financing, in particular through the creation of a new European anti-money laundering authority which should be established in 2023 and commence its activities between 2024 and 2026;

- 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; and

- strengthened transparency and disclosure requirements on CSR risk management, including physical and transitional risks related to climate change, and 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.

These measures may have a significant adverse financial 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 since its inception (the Group made a EUR 1,256 million contribution to the Single Resolution Fund in 2022).

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 reorganizations, 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 October 27, 2021, the European Commission presented a legislative package to finalize the implementation within the European Union of the Basel III agreement adopted by the Group of Central Governors and Heads of Supervision (GHOS) on December 7, 2017. On November 8, 2022, the Council adopted its position on the Commission's proposals. 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 January 1, 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 January 1, 2025, which implies a potential 8% increase in total minimum capital requirements resulting from the finalization 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. In March 2023, the Council commenced negotiations with the European Parliament to agree on final versions of the texts. On June 27, 2023, negotiations reached a provisional agreement which still needs to be confirmed by the Council and the European Parliament before it can be formally adopted.

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, nationalization, 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.

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.p to the consolidated financial statements for the year ending December 31, 2022 ("Provisions for contingencies and charges").

In this respect, on June 30, 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 summarized in note 8.c "*Legal proceedings and arbitration*" to the financial statements for the six-month period ended June 30, 2023. 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 unfavorable change in circumstances, causing it to become subject to a resolution proceeding or a restructuring outside of resolution: BNP Paribas Group security holders could suffer losses as a result.

The BRRD, SRM Regulation, the Ordinance of August 20, 2015 and the Ordinance of December 21, 2020, 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 recapitalize 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 senior non preferred 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 December 31, 2022 consisted of the following: EUR 12.5 billion in hybrid Tier 1 debt, EUR 22.4 billion in Tier 2 subordinated debt, EUR 72.2 billion in senior unsecured non-preferred debt, EUR 60.7 billion in senior unsecured preferred debt and EUR 12.7 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, 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. 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 the publication of its results for the year ended December 31, 2021, the BNP Paribas Group announced its 2025 strategic plan. The plan includes financial and operational objectives. When it published its results for the year ended December 31, 2022, the Group raised its objectives for 2025. 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 macroeconomic developments such as inflation, the invasion of Ukraine and the residual consequences of the 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 2022, BNP Paribas strengthened its commitment to a sustainable economy and accelerated decarbonization 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 mobilize 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 Articles 8 and 9 as defined by SFDR). In addition, 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. At the end of 2022, the BNP Paribas Group published its first climate alignment report and its targets for reducing carbon emission intensity by 2025 and is taking the necessary measures to align its credit portfolios with its carbon neutrality commitments. Finally, in January 2023, the Group strengthened its social commitment policy and is working alongside its clients as part of a global approach to the transition to a sustainable, low-carbon economy. Building on the expertise developed through the Low Carbon Transition Group, the Group announced new objectives that will result in an acceleration in the financing of low-carbon energy production and a reduction in the financing of fossil fuel production by 2030. If the Group fails to meet these targets, which depend in part on factors beyond its control, its reputation could be affected.

7.2. The BNP Paribas Group may experience difficulties integrating businesses following acquisition transactions and may be unable to realize 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 Deutsche Bank's *Prime Brokerage & Electronic Execution* platform in 2019, the acquisition of 100% of Exane, previously 50% owned by BNP Paribas, finalized on July 13, 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, finalized on February 1, 2022. These operational integration activities resulted, in 2022, in restructuring costs of EUR 188 million. Successful integration and the realization of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realization. Moreover, the integration of the 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 analyzes 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 materialize after the acquisition, The acquisition of an unprofitable business or a business with materialized risks may have a significant adverse effect on the BNP Paribas Group's overall profitability and may increase its liabilities.

7.3. 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.

7.4. The BNP Paribas Group could experience business disruption and losses due to risks related to environmental, social and governance ("ESG") issues, particularly relating to climate change, 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 behavior of economic and financial actors in response to the implementation of energy policies or technological changes for a transition to a low-carbon economy; and (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. Physical risk can spread throughout the value chain of the BNP Paribas Group's clients, which can lead to a payment default and thus generate financial

losses, while the process of reducing emissions is likely to have a significant impact on all sectors of the economy by affecting the value of financial assets and corporate profits.

In addition, liability risks may flow from both categories of risk. They correspond to the financial compensation that can be claimed by individuals, companies, governments or non-governmental organizations (NGOs) that may affected by climate change events, activities or effects and who would seek to hold actors in the financial sector accountable for financing, facilitating or otherwise contributing to such events, activities, or effects. In recent years, activism by shareholders, activist funds, NGOs and others, particularly on ESG issues, has been directed against many public companies. These initiatives include requiring companies to disclose material information about their ESG-related actions and commitments and, in some cases, seeking to force them to make strategic and business changes. In some jurisdictions, financial sector actors may also face legal action from individuals, companies, governments or NGOs, groups or private persons.

Policy and regulatory initiatives and frameworks, including at the French, European Union and international levels, concerning climate change and sustainability, as well as voluntary and joint commitments through industry alliances, create increasing legal, regulatory and reputational risks. The ESG regulatory framework is constantly changing, evolving and continuing to evolve rapidly. It includes, among other things, requirements in terms of disclosure and the integration of climate risks into risk measurement and management systems, as well as a general duty of care (see section 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*). These initiatives and frameworks overlap in some respects and are not always consistent in their objectives, resulting in regulatory complexity and, in some cases, a lack of clarity and difficulty in interpretation. Non-compliance by the Group in its business and disclosure with these and other regulatory requirements, as well as any other regulations concerning the transition to a lower carbon economy, climate change, sustainability or energy-related investments, could have a negative impact on its business, the value of its investments and its reputation.

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 as from 2012 and 2014, respectively, with the addition of clauses relating to social and environmental responsibility. In addition, the development of regulatory requirements in this area could lead to an increase in litigation against financial institutions in relation to climate change and other related issues. The Group could thus be held liable for transaction execution failings such as inadequate assessment of the environmental, social and governance criteria of certain financial products.

In addition, sector- specific policies and policies excluding certain environmental, social and governance (ESG) sectors from financing have also been put in place and the BNP Paribas Group will have to adapt its activities and the selection of its counterparties appropriately in order to achieve its strategic objectives (see section 7.1 *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*).

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 them, could have a material adverse effect on the Group's business, financial condition, or reputation.

7.5. 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%. They 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 20 billion at December 31, 2022, or 3% of the total risk-weighted assets of the BNP Paribas Group. They amounted to EUR 18 billion, representing 3% of the BNP Paribas Group's total risk-weighted assets at June 30, 2023. If the BNP Paribas Group increases the amount of high risk-weighted assets (either by increasing the proportion of such high 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.

RISKS RELATING TO THE NOTES

The following does not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances.

1. Risks relating to the structure of the Notes

1.1. The Notes will by their terms be converted into Ordinary Shares following the occurrence of a Trigger Event which could cause Noteholders to lose all or part of the value of their investment in the Notes.

A Trigger Event will occur if, at any time, the Group CET1 Ratio is equal to or less than 5.125 per cent. The Issuer's calculation of its Group CET1 Ratio, as well as any certificate delivered to the Fiscal Agent stating that a Trigger Event has occurred, shall be binding on the Noteholders. Following a Trigger Event, Conversion will occur. Upon Conversion, each Noteholder shall receive a number of Conversion Shares (or, if the Noteholders so elect, the corresponding number of ADRs) equal to the Conversion Ratio in respect of the aggregate principal amount of the Notes held by such Noteholder as described and subject to the settlement procedure provided in "*Terms and Conditions of the Notes — Conversion*"; at the time the Conversion Shares or the ADRs are delivered, the implied conversion price at which the Conversion Shares or the ADRs are issued following application of the Conversion Ratio (which depends on the applicable market price at the time of Conversion but is capped by the Maximum Conversion Ratio, which is fixed (subject only to anti-dilution adjustments as applicable) at the time of issue of the Notes (as described under paragraph 1.10 below) may not reflect the market price of the Conversion Shares or the ADRs, and the value of the Conversion Shares or ADRs Noteholders will receive following Conversion may therefore be significantly less than the principal amount of the Notes. In addition, upon Conversion, all of the Issuer's obligations to the Noteholders under the Notes shall be irrevocably and automatically discharged in consideration of the Issuer's delivery of the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)) on the Conversion Date, and under no circumstances shall such released obligations be reinstated; as a result, Noteholders will no longer have a debt claim in relation to principal and any accrued but unpaid interest on the Notes shall be cancelled and shall not become due and payable at any time. Furthermore, the Noteholders will not be entitled to any compensation in the event of any subsequent improvement in the Group CET1 Ratio. Finally, Noteholders will become, following Conversion, shareholders of the Issuer subject to the risks (including share price volatility and decline, most junior status, etc.) attendant thereto. As a result, Noteholders could lose all or part of the value of their investment in the Notes. It should also be noted that upon the occurrence of a Trigger Event, by their terms the Notes will automatically be converted in full into shares (along with any other similar securities issued by the Group providing for automatic conversion upon the Trigger Event), whereas similar securities issued by the Group with terms providing for a write down rather than conversion of principal amount upon the occurrence of the Trigger Event may, upon the occurrence of such Trigger Event, not be written down in full.

1.2. The principal amount of the Notes may (as a matter of law and/or 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.

The principal amount of the Notes may also be subject to write-down or conversion to equity in certain circumstances under the EU Bank Recovery and Resolution Directive of May 15, 2014, as amended from time to time, including by Directive 2019/879 of May 20, 2019 (the "**BRRD**"), as transposed into French law by a decree-law dated August 20, 2015 and as amended to implement the changes subsequently made to the EU text by a decree-law dated December 21, 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 maximizing 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, or the conversion into Common Equity Tier 1 instruments, of Additional Tier 1 Capital instruments (such as the Qualifying Notes) and Tier 2 instruments, if the institution has not yet been placed in resolution but if 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 18 (*Statutory Write-Down and Conversion*).

Moreover, national governmental authorities may adopt restructuring measures which may include the full or partial write-down, or conversion into Common Equity Tier 1 instruments, of Additional Tier 1 Capital instruments (such as the Qualifying Notes) and Tier 2 instruments, outside of resolution under the European Commission's State Aid framework (i.e., outside of the BRRD framework) if a solvent institution requires extraordinary public financial support.

The Bail In Tool and the other provisions referenced above therefore 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 Notes might, in such circumstances, be converted into equity or be subject to write down, cancellation or conversion. 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 into 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, regardless of the manner in which other capital or debt instruments are treated. Any such statutory write-down or conversion would be permanent. The exercise of any write-down or conversion power 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

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

It is not certain how the contractual conversion mechanism contemplated in the Conditions would interact with the statutory write-down and conversion mechanisms discussed above, if both mechanisms were triggered (particularly if the contractual mechanism in the Conditions was triggered first). In any case, the Noteholders rights' would be materially and adversely affected by any such statutory write-down or conversion.

1.3. Holders 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 December 21, 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 Tier 2*). Consequently, should any Additional Tier 1 Capital instruments issued by the Issuer on or after December 28, 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 December 28, 2020 will, if they are no longer recognized 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 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 Tier 2*), instruments initially ranking *pari passu* with the Notes, such as any Additional Tier 1 Capital instruments issued by the Issuer after December 28, 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 recognized 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.

In addition, Condition 4.4 (*Ranking on or after a Trigger Event*) provides that if a Liquidation Event occurs after a Trigger Event but before the delivery of the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)), each Noteholder shall have a claim, in lieu of any other payment by the Issuer, for the amount, if any, it would have been entitled to receive if the Conversion relating to such Trigger Event had occurred, and the relevant number of Conversion Shares to which such holder would have been entitled had been delivered to such holder, immediately prior to the Liquidation Event. Accordingly, under such circumstances Noteholders' claim in liquidation would be that of ordinary shareholders even pending their receipt of Conversion Shares.

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.

1.4. 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 / CRR Rules, the Issuer may elect pursuant to Condition 5.9 (*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 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 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. The Maximum Distributable Amount will apply if certain capital buffers are not maintained on top of applicable (i) minimum capital requirements (the "Pillar 1" capital requirements, or "**P1R**") and additional capital requirements ("Pillar 2" capital requirements, or "**P2R**") (the "**MDA**"), (ii) fully-loaded TLAC requirements and MREL intermediate targets (the "**M-MDA**") and (iii) since January 1, 2023, 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. For a more detailed discussion of the Maximum Distributable Amount, see "*Government Supervision and Regulation of Credit Institutions in France – MDA, L-MDA and M-MDA*".

  As at June 30, 2023, the Issuer's distance to MDA restrictions based on the 2022 supervisory review and evaluation process ("**SREP**") is EUR 27.1 billion (based on capital requirements alone applicable as at June 30, 2023 and EUR 698 billion of risk-weighted assets as at June 30, 2023). In addition, based on the TLAC requirements and MREL intermediate targets applicable as at June 30, 2023, the distance above the M-MDA is greater than the distance to MDA restrictions calculated based on capital requirements alone. Finally, as of June 30, 2023, the distance to the L-MDA was approximately 75 basis points (i.e. EUR 18.1 billion) (based on the Group's minimum leverage ratio requirement as of March 31, 2023 of 3.75 %) and the Group's leverage ratio of 4.50% as of June 30, 2023) and was therefore the relevant restriction on distributions as of such date.
- 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 December 31, 2022, distributable retained earnings (considered by the Issuer to be equivalent to Distributable Items as used in the Conditions) of the Issuer amounted to EUR 37.6 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 was increased by the introduction in the new version of the BRRD, as implemented under French law, and of the SRMR, of restrictions on distributions in case of a failure to meet the TLAC/MREL requirements (M-MDA). It was then further increased on January 1, 2023, with the entry into force of the requirement to maintain a leverage ratio buffer, as a failure to meet this buffer entails since such date restrictions on distributions under the new version of the CRD, as implemented under French law (L-MDA) (for more details on these requirements, see the section "*Government Supervision and Regulation of Credit Institutions in France*"). 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) of the CRD or provisions of the Relevant Rules relating to other limitations on distributions or payments (including due to the application of the M-MDA or the L-MDA). Moreover, the introduction of additional requirements described in the section "*Government Supervision and Regulation of Credit Institutions in France*" 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. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

For a detailed discussion of applicable prudential requirements in general and the Maximum Distributable Amount in particular, see "*Government Supervision and Regulation of Credit Institutions in France*".

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 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, 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.

1.5. 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 Conversion, 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 behavior of the Notes may not necessarily follow the trading behavior 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 equal to or 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 all or part of the amount of their investment in the Notes. See Condition 6 (*Conversion*).

1.6. Delivery of the Conversion Shares to the Conversion Shares Depository shall constitute a complete, irrevocable and automatic release of all of the Issuer's obligations in respect of the Notes.

Upon a Conversion, all of the Issuer's obligations to the Noteholders under the Notes shall be irrevocably and automatically released in consideration of the Issuer's delivery of the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)) on the Conversion Date, and under no circumstances shall such released obligations be reinstated. Conversion shall not constitute an event of default under the Notes. Provided that the Issuer delivers the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as applicable) in accordance with the Conditions, as set out herein, with effect from the Conversion Date, Noteholders shall have recourse only to the Conversion Shares Depository (or another relevant recipient, as applicable) for the delivery to them of Conversion Shares. The Noteholders' sole recourse for the Issuer's failure to issue and deliver the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as applicable) on the Conversion Date shall be the right to demand that the Issuer make such delivery.

In addition, the Issuer has not yet appointed a Conversion Shares Depository and it may not be able to appoint a Conversion Shares Depository if a Trigger Event occurs. In such a scenario, the Issuer would inform Noteholders via DTC or the Fiscal Agent or otherwise, as practicable, of any alternative arrangements in connection with the delivery of the Conversion Shares and such arrangements may be disadvantageous to, and more restrictive on, the Noteholders. For example, such arrangements may involve Noteholders having to wait longer to receive their Conversion Shares than would be the case under the arrangements expected to be entered into with a Conversion Shares Depository. Under these circumstances, the Issuer's delivery of the Conversion Shares to the relevant recipient in accordance with these alternative arrangements shall constitute a complete, irrevocable and automatic release of all of the Issuer's obligations in respect of the Notes.

1.7. Following Conversion, the Notes will remain in existence until the applicable Final Cancellation Date for the sole purpose of evidencing the Noteholders' right to receive Conversion Shares or, if the Noteholder elects, ADRs from the Conversion Shares Depository, and the rights of the holders of the Notes will be limited accordingly.

Following Conversion, the Notes will remain in existence until the Final Cancellation Date for the sole purpose of evidencing the Noteholder's right to receive Conversion Shares or, if the Holder elects, ADRs from the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)). All obligations of the Issuer under the Notes shall be irrevocably and automatically released in consideration of the Issuer's delivery of the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as applicable) on the Conversion Date, and under no circumstances shall such released obligations be reinstated. The Notes shall be cancelled on the applicable Final Cancellation Date.

Although the Issuer currently expects that beneficial interests in the Notes will be transferrable between the Conversion Date and the Suspension Date and that any trades in the Notes would clear and settle through DTC in such period, there is no guarantee that this will be the case. Even if the Notes are transferable following Conversion, there is no guarantee that an active trading market will exist for the Notes following Conversion. Accordingly, the price received for the sale of any beneficial interest under a Note during this period may not reflect the market price of such Note or the Conversion Shares or ADRs. Furthermore, transfers of beneficial interests in the Notes may be restricted following the Conversion Date, for example if the clearance and settlement of transactions in the Notes is suspended by DTC at an earlier time than currently expected. In such situation it may not be possible to transfer beneficial interests in the Notes and trading in the Notes may cease.

In addition, the Issuer has been advised by DTC that it will suspend all clearance and settlement of transactions in the Notes on the Suspension Date. As a result, Noteholders will not be able to settle the transfer of any Notes through DTC following the Suspension Date, and any sale or other transfer of the Notes that a Noteholder may have initiated prior to the Suspension Date that is scheduled to settle after the Suspension Date will be rejected by DTC and will not be settled through DTC.

The Notes may cease to be admitted to trading on Euronext Paris or any other stock exchange on which the Notes are then listed or admitted to trading after the Suspension Date. In addition, Ordinary Shares may cease to be admitted to trading on Euronext Paris or any other stock exchange on which Ordinary Shares are then listed or admitted to trading after the Suspension Date.

Moreover, although the Noteholders will become entitled to claim for delivery of the Conversion Shares upon the delivery of such Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as applicable), no Holder will be able to sell or otherwise transfer any Conversion Shares or, if the Holder elects, ADRs, until such time as they are finally delivered to such Holder and registered in their name.

1.8. Noteholders will have to submit a Conversion Shares Settlement Notice in order to receive delivery of the Conversion Shares or Alternative Consideration, or, if the holder elects, ADRs.

In order to obtain delivery of the relevant Conversion Shares or, if the Holder elects (provided that the Issuer maintains an ADR depositary facility at the time of such election), ADRs, a holder must deliver a Conversion Shares Settlement Notice (and the relevant Notes, if applicable) to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)). The Conversion Shares Settlement Notice must contain certain information, including the Noteholder's account details with the securities depositary system operated by Euroclear France or ADR depositary account information, as applicable. Accordingly, Noteholders (or their nominee, custodian or other representative) will have to have an account with Euroclear France in order to receive the Conversion Shares or must be a direct or indirect registered ADR holder in order to receive ADRs. If a Noteholder fails to properly complete and deliver a Conversion Shares Settlement Notice on or before the Notice Cut-Off Date, the Conversion Shares Depository (or another relevant recipient, as applicable) shall continue to hold the relevant Conversion Shares until a Conversion Shares Settlement Notice (and the relevant Notes, if applicable) is or are so delivered. Any Noteholder delivering a Conversion Shares Settlement Notice after the Notice Cut-Off Date will have to provide evidence, satisfactory to the Conversion Shares Depository (or another relevant recipient, as applicable) in its sole and absolute discretion, of its entitlement to the relevant Conversion Shares, ADRs or Alternative Consideration in order to receive delivery of such Conversion Shares, ADRs or Alternative Consideration. Noteholders who fail to deliver a duly completed Conversion Shares Settlement Notice on a timely basis or at all will experience a delay in receiving Conversion Shares, ADRs or Alternative Consideration and may ultimately suffer a loss.

1.9. Prior to receipt of the Conversion Shares, Noteholders will not be entitled to any rights with respect to the Conversion Shares, but will be subject to all changes made with respect to the Conversion Shares.

The exercise of voting rights and rights related thereto with respect to any Conversion Shares is only possible after delivery of the Conversion Shares or, if the Noteholder elects, ADRs following the Conversion Date and the completion of any and all formalities in accordance with the provisions of, and subject to the limitations provided in, French law and the articles of association of the Issuer. Consequently and prior to delivery of the Conversion Shares, a Noteholder may be unable to vote at shareholders' meeting while nonetheless being bound by decisions they take.

1.10. As a result of their receiving Conversion Shares or, if the Noteholder elects, ADRs upon a Trigger Event, and while the Conversion Ratio depends on the applicable market price at the time of conversion, it is capped by the Maximum Conversion Ratio, which is fixed at the time of issue of the Notes (subject only to anti-dilution adjustments, as applicable); Noteholders are thus particularly exposed to changes in the market price of the Conversion Shares or ADRs.

Investors in convertible or exchangeable securities may seek to hedge their exposure in the underlying equity securities at the time of acquisition of the convertible or exchangeable securities, often through short selling of the underlying equity securities or through similar transactions. Prospective investors in the Notes may look to sell Conversion Shares in anticipation of taking a position in, or during the term of, the Notes. This could drive down the price of the Conversion Shares or ADRs. Since the Notes will mandatorily convert into a variable number of Conversion Shares upon a Trigger Event, the price of the Conversion Shares and/or ADRs may be more volatile if the Issuer is trending toward a Trigger Event. Any movement in the price of the Conversion Shares could also impact the price of the Notes.

Additionally, because a Trigger Event will only occur at a time when the Group CET1 Ratio has deteriorated significantly, a Trigger Event may be accompanied by a deterioration in the market price of Ordinary Shares, which may be expected to continue after the occurrence of the Trigger Event. In case of Conversion, the Conversion Ratio will be determined for the purpose of delivery of the Conversion Shares, and if the number of Conversion Shares to be delivered, determined as being equal to the Calculation Amount divided by the Current Market Price of an Ordinary Share is greater than the number of Conversion Shares determined by application of the Maximum Conversion Ratio, then the number of Conversion Shares to be delivered upon Conversion per each Calculation Amount in principal amount of the Notes which is subject to such Conversion will be equal to such Maximum Conversion Ratio, resulting in the delivery of a lower number of Conversion Shares than would be delivered if such number were to be calculated based on the Calculation Amount divided by the Current Market Price of an Ordinary Share. The Maximum Conversion Ratio is fixed at the time of issue of the Notes at 22.1764 Ordinary Shares per each Calculation Amount in principal amount of the Notes, and is subject only to certain anti-dilution adjustments in accordance with Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*), as described under "*Noteholders have limited anti-dilution protection and do not have anti-dilution protection in all circumstances.*" below. In addition, if, as a result of such adjustments, the applicable Maximum Conversion Ratio would result in the Floor Price being adjusted below the applicable nominal value of the Ordinary Shares in effect on the relevant date converted into U.S. dollars at the Prevailing Rate on the Business Day immediately preceding the Conversion Date (the "**US$ Share Nominal Value**"), the Issuer may be unable to deliver a number of Conversion Shares per each Calculation Amount in principal amount of the Notes subject to such Conversion in excess of the Calculation Amount divided by the US$ Share Nominal Value unless and to the extent the Company has sufficient share premiums or is otherwise duly authorized by a decision of the general meeting of the Company's shareholders to issue such number of additional Ordinary Shares that would result from using a greater Conversion Ratio. As a result, the price per Conversion Share resulting from application of the Conversion Ratio may not necessarily reflect the market price of Ordinary Shares, and such price per Conversion Share as a result of application of the Conversion Ratio could be significantly lower than the market price of Ordinary Shares prevailing at the time of such Conversion.

1.11. Noteholders will be responsible for any taxes upon Conversion or thereafter.

Neither the Issuer nor any member of the BNP Paribas Group will pay, or be liable for, any taxes or duties (including, without limitation, any financial transaction tax and any capital, stamp, issue and registration or transfer taxes or duties) that may arise or be paid as a consequence of Conversion, the issue and delivery of Conversion Shares to the Conversion Shares Depository (and, as applicable, the delivery of Conversion Shares to, and the issue of American Depository Shares ("**ADSs**") (as evidenced by ADRs) by, the ADR Depositary), or the holding or any disposal or deemed disposal of any Noteholder's Notes, Conversion Shares or ADSs (or any interest therein), in each case as are attributable to such Noteholder.

1.12. Noteholders have limited anti-dilution protection and do not have anti-dilution protection in all circumstances.

The number of Conversion Shares to be delivered to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)) upon Conversion will be the Conversion Ratio in respect of the aggregate principal amount of the Notes outstanding immediately prior to Conversion (rounded down to the nearest whole number of Conversion Shares). The Conversion Ratio per each Calculation Amount in principal amount of the Notes subject to such Conversion will be equal, if the Current Market Price of an Ordinary Share is capable of being determined in accordance with the definition thereof, to the lower of (i) the Calculation Amount divided by the Current Market Price of an Ordinary Share and (ii) the Maximum Conversion Ratio; and if the Current Market Price is not capable of being determined , the Conversion Ratio per each Calculation Amount in principal amount of the Notes subject to such Conversion will be equal to the Maximum Conversion Ratio.

If the Calculation Amount divided by the Current Market Price of an Ordinary Share is greater than the Maximum Conversion Ratio, then the number of Conversion Shares to be delivered per each Calculation Amount in principal amount of the Notes subject to such Conversion will be equal to the Maximum Conversion Ratio, resulting in the delivery of a lower number of Conversion Shares than

would be delivered if such number were to be calculated based on the Calculation Amount divided by the Current Market Price of an Ordinary Share as described above. In addition, if the amount which is equal to the Calculation Amount divided by the Conversion Ratio is lower than the US$ Share Nominal Value, the Issuer may be unable to deliver a number of Conversion Shares per each Calculation Amount in principal amount of the Notes subject to such Conversion in excess of the Calculation Amount divided by the US$ Share Nominal Value, unless and to the extent the Company has sufficient share premiums or is otherwise duly authorized by a decision of the general meeting of the Company's shareholders to issue such number of additional Ordinary Shares that would result from using a greater Conversion Ratio. Thus, the Maximum Conversion Ratio, subject to adjustments effectively caps, or, as applicable, the US$ Share Nominal Amount could effectively cap, the number of Conversion Shares that may be effectively delivered and limits the value that a Noteholder may receive upon Conversion.

Unless otherwise expressly provided for in the Terms and Conditions of the Notes, the Maximum Conversion Ratio will be adjusted solely pursuant to, and in accordance with, the provisions of Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) and any additional mandatory provisions of French law (as may be applicable from time to time) protecting the rights of holders of securities giving access to capital (it being specified that the provisions of Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) will be governed by, and construed in accordance with, the laws and regulations of France, as in effect from time to time, and will apply to the Notes even if they conflict with English terms used), upon the occurrence of any of the following transactions: (i) financial transactions with listed preferential subscription rights granted to the shareholders or by free allocation to the Shareholders of listed subscription warrants, (ii) free allocation of Ordinary Shares to the shareholders, share split or reverse share split, (iii) incorporation into the share capital of reserves, profits or premiums by an increase in the par value of the Ordinary Shares, (iv) distribution of reserves or premiums, in cash or in kind, (v) free allocation to the shareholders of any securities other than Ordinary Shares, (vi) merger (*absorption* or *fusion*) or spin-off (*scission*), (vii) repurchase by the Issuer of its own Ordinary Shares at a price higher than the market price, (viii) redemption of share capital, (ix) change in profit distribution and/or creation of preferred shares or (x) distribution of a Surplus Qualifying Dividend, in accordance with Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*). There is no requirement that there should be an adjustment for every corporate or other event that may affect the market price of the Conversion Shares. Accordingly, the occurrence of events in respect of which no adjustment to the Maximum Conversion Ratio is made may adversely affect the Conversion Ratio and the value of the Notes. In addition, the number of Conversion Shares to be delivered by the Issuer with respect to each Note upon application of the Conversion Ratio will be rounded down, if necessary, to the nearest whole number of Conversion Shares, and no fractions of Conversion Shares will be delivered following a Trigger Event and no cash payment will be made in lieu thereof.

1.13. Noteholders may, pursuant to laws and regulations applicable in France, be obliged to make a take-over bid following a Trigger Event, be subject to disclosure obligations and/or need approval from the competent authority, if they take delivery of Ordinary Shares.

Upon the occurrence of a Trigger Event, each Noteholder receiving Conversion Shares or ADRs from the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)) may have to make a take-over bid addressed to the shareholders of the Issuer pursuant to the rules of French law implementing the Takeovers Directive (2004/25/EC), as amended or replaced from time to time, if its aggregate holdings in the Issuer reach a specified percentage (currently 30%) of the voting rights in the Issuer as a result of Conversion of the Notes into Conversion Shares.

In addition, as the Noteholders may receive Conversion Shares if a Trigger Event occurs, an investment in the Notes may result in Noteholders, following Conversion, having to comply with certain disclosure and/or approval requirements pursuant to laws and regulations applicable in France. For example, pursuant to French law, the Issuer (and the French *Autorité des Marchés Financiers*) must be notified by a person when the percentage of voting rights or shares in the Issuer controlled by that person (together with its concert parties), by virtue of direct or indirect holdings of shares aggregated with direct or indirect holdings of certain financial instruments, reaches or crosses 5% and certain specified percentage points thereafter. Moreover, pursuant to the articles of association of the Issuer such notification shall be made when direct or indirect holdings of shares aggregated with direct or indirect

holdings of certain financial instruments, reaches or crosses 0.5% (or a multiple of this percentage of less than 5%).

Furthermore, as Conversion Shares may represent capital instruments in or voting securities of a parent undertaking of a number of regulated group entities, under the laws of France and other jurisdictions, ownership of the Notes themselves or Conversion Shares above certain levels may require the holder to obtain regulatory permission or subject the Noteholder to additional regulation.

Non-compliance with such disclosure and/or approval requirements may lead to the incurrence by Noteholders of substantial fines or other criminal and/or civil penalties and/or suspension of voting rights associated with the Conversion Shares. Accordingly, each potential investor should consult its legal advisers as to the terms of the Notes, in respect of its existing shareholding and the level of holding it would have if it receives Conversion Shares following a Trigger Event.

1.14. 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 permission of the Relevant Regulator. The Noteholders will have no right to require the redemption of the Notes except as provided in Condition 13 (*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 realize 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.

1.15. There are no events of default under the Notes.

The Conditions 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 Conversion of the Notes (See "*The Notes will by their terms be converted into Ordinary Shares following the occurrence of a Trigger Event which could cause Noteholders to lose all or part of the value of their investment in the Notes*") 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.

1.16. The Notes may be subject to substitution and modification without Noteholder consent.

Following the occurrence of a Special Event (i.e., a Tax Event or a Capital Event) and subject as provided herein, in particular to the provisions of Condition 7 (*Redemption and Purchase*), the Issuer may, at any time, without the consent of the Noteholders which may otherwise be required under the Conditions, and subject to (i) the prior permission of the Relevant Regulator, if required, and (ii) having given no less than fifteen (15) nor more than forty five (45) calendar days' notice to the Fiscal Agent and the Noteholders (in accordance with Condition 16 (*Notices*)) either (x) substitute new notes for the Notes whereby such new notes shall replace the Notes or (y) vary the terms of the Notes, so that the

Notes may become or remain Compliant Securities. Compliant Securities are securities issued directly or indirectly by the Issuer that have terms that comply with the then current requirements of the Relevant Regulator in relation to Additional Tier 1 Capital and that are not otherwise materially less favorable to the interests of the Noteholders than the terms of the relevant Notes. See Condition 7.5 *(Substitution/Variation*).

Such substitution or modification will be effected without any cost or charge to the Noteholders, but may have adverse tax consequences for such Noteholders. Further, prior to the making of any such modification or taking any action, or prior to any substitution, variation, modification or amendment in a manner contemplated in Condition 7.5 (*Substitution/Variation*), the Issuer shall not be obliged to consider the tax position of individual Noteholders or to the tax consequences of any such substitution, variation, modification, amendment or other action for individual Noteholders. No Noteholder shall be entitled to claim, whether from the Fiscal Agent, the Issuer, or any other person, any indemnification or payment in respect of any tax consequence of any such substitution, variation, modification, amendment or other action upon individual Noteholders.

1.17. 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 Conditions 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 *pari passu* 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.

1.18. The Conditions include a waiver of set-off rights.

As provided in Condition 8.8 (*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.

1.19. The Notes may be redeemed at the Issuer's option on each Reset Date, upon the occurrence of a Tax Event or Capital Event, or if 25% or less of the principal amount of the Notes remains outstanding.

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 permission of the Relevant Regulator, redeem all, but not some only, of the Notes on any Reset Date at their principal amount, together with accrued interest thereon. The Issuer may also, at its option, subject to the prior permission of the Relevant Regulator, redeem all, but not some only, of the Notes at any time at their principal amount, together with any interest accrued thereon, upon the occurrence of a Tax Event or a Capital Event or if 75% or any higher percentage of the initial aggregate principal amount of the Notes have been redeemed or purchased and, in each case, cancelled.

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 recognized 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 Capital 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 Capital 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.

Any 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.

1.20. 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 permission 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.

1.21. Potential conflicts of interests.

BNP Paribas Securities Corp., the Sole Bookrunner and Global Coordinator in this offering, is an affiliate of the Issuer. The economic interests of the Sole Bookrunner and Global Coordinator may not be consistent with those of the Noteholders as investors in the Notes.

1.22. 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 generally be 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.

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 transposed into French law by Ordinance No.2021-1193 dated September 15, 2021. Such ordinance, which has applied since October 1, 2021, amends French insolvency laws notably with regard to the process of adopting restructuring plans under insolvency proceedings. According to this ordinance, "affected parties" (including in particular 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 shall 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 the same way as other affected parties and will be grouped into one or more classes (potentially including other types of creditors) and their dissenting vote may be overridden by a cross-class cram down.

The application of French insolvency law to a credit institution, such as the Issuer, is subject to the prior permission of the *Autorité de contrôle prudentiel et de résolution* before the opening of any safeguard, judicial reorganization 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 market value 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.

1.23. Transactions on the Notes could be subject to a future European financial transaction tax (the "EFTT").

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common EFTT 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.

The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

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 are uncertain. Based on recent public statements, 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 EFTT and would only concern listed shares of European companies with a market capitalization 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 0.2%. 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). No agreement has been reached between the Participating Member States (excluding Estonia, which withdrew) on this revised proposal. Subsequently, the European Commission declared that, if there was no agreement between the Participating Member States (excluding Estonia, which withdrew) by the end 2022, it would endeavor to propose a new own resource, based on a new EFTT, by June 2024 with a view to its introduction by January 1, 2026.

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

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

2.1. The trading price of the Notes may be volatile and may be adversely affected by many events affecting the market's perception of the Issuer's creditworthiness and the risk profile of the Notes and of AT1 securities generally.

The trading price of the Notes may be affected by many factors. A key one is 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). 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, among many other things, of changes in the ratings methodologies used by credit rating agencies or their view of the level of implicit sovereign support for European banks. 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 more generally influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other industrialized countries and areas, as well as by matters specific to the regional or global banking sector. There can be no assurance that events in France, Europe, the United States or elsewhere will not cause volatility in the market generally or in the banking sector specifically 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 favorably or adversely affect the trading price of the Notes.

The market value of the Notes could also be adversely impacted by any write-down of or similar event relating to capital instruments of other issuers. For example, on March 19, 2023, the Swiss Financial

Market Supervisory Authority, FINMA, announced that, in connection with the takeover of Credit Suisse by UBS, the extraordinary government support provided by Swiss authorities would trigger a complete write-down of Additional Tier 1 Capital instruments of Credit Suisse (the "**CS AT1**"). The write-down was to occur despite the fact that the holders of ordinary shares of Credit Suisse (constituting Common Equity Tier 1 capital) were to receive consideration in connection with the takeover. The FINMA announcement had a significant adverse impact on the market value of Additional Tier 1 Capital instruments issued by institutions outside Switzerland, including those of the Issuer. On March 20, 2023, the Single Resolution Board, the European Banking Authority and ECB Banking Supervision announced that, under the resolution framework in the European Union, common equity instruments are the first ones to absorb losses, and only after their full use would Additional Tier 1 Capital instruments be required to be converted or written down. Any future announcement of a write-down of Additional Tier 1 Capital instruments or other capital instruments of a financial institution, whether in a European Member State or elsewhere, and whether or not in connection with a resolution proceeding (particularly, in the latter case, if the ordinary hierarchy of creditors is not respected), could have a significant adverse impact on the market value of the Notes, regardless of whether a similar situation would be dictated by the Conditions.

As a result of the above and other factors 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.

2.2. 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 7.6 (*Purchase*) the Issuer can purchase Notes at any time (subject to regulatory permission), 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.

2.3. Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in U.S. dollars. 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 U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or U.S. dollars 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 U.S. dollar 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 U.S. dollar.

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

The initial interest rate on the Notes will be 8.500% per annum. Following the First Call Date, interest on the Notes will be calculated on each Reset Date on the basis of the prevailing CMT Rate plus the Margin. The Reset Rate of Interest will be determined two U.S. Government Securities Business Days before each Reset Date and as such is not pre-defined at the date of issue of the Notes. The Reset Rate of Interest in relation to a relevant Interest Period may be different from the initial Rate of Interest or from a Reset Rate of Interest applicable to a previous Interest Period and may adversely affect the yield of the Notes.

3. Risks related to investors located or tax resident in the United States

3.1. Investors located in the United States may encounter difficulties in enforcing their rights under the U.S. securities laws.

The Issuer is a *société anonyme* duly organized and existing under the laws of France, and many of its assets are located in France. Many of its subsidiaries, legal representatives and executive officers and certain other parties named herein reside in France, and substantially all of the assets of these persons are located in France. As a result, it may not be possible, or it may be difficult, for a Noteholder or beneficial owner of the Notes located outside of France to effect service of process upon the Issuer or such persons in the home country of the Noteholder or beneficial owner or to enforce against the Issuer or such persons judgments obtained in non-French courts, including those judgments predicated upon the civil liability provisions of the U.S. federal or state securities laws.

3.2. The U.S. federal income tax treatment of the Conversion is uncertain.

No statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of the Conversion. See "*U.S. Federal Income Tax Considerations—Conversion of the Notes*". We urge Noteholders to consult their tax advisers to determine the U.S. federal income tax consequences of the Conversion

PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

To the best of BNP Paribas' knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import and BNP Paribas accepts responsibility accordingly.

BNP PARIBAS
16 boulevard des Italiens
75009 Paris
France

Represented by Alain Papiasse
in his capacity as Chairman of Corporate and Institutional Banking

Dated August 8, 2023

AMF AUTORITÉ DES MARCHÉS FINANCIERS

This Prospectus has been approved on August 8, 2023 under the approval number n°23-353 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.

LIMITATIONS ON ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a *société anonyme* duly organized and existing under the laws of France, and many of its assets are located in France. Many of its subsidiaries, legal representatives and executive officers and certain other parties named herein reside in France, and substantially all of the assets of these persons are located in France. As a result, it may not be possible, or it may be difficult, for a Holder or beneficial owner of the Notes located outside of France to effect service of process upon the Issuer or such persons in the home country of the Holder or beneficial owner or to enforce against the Issuer or such persons judgments obtained in non-French courts, including those judgments predicated upon the civil liability provisions of the U.S. federal or state securities laws.

FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference herein, contains forward-looking statements. Such statements can be generally identified by the use of terms such as “anticipates,” “believes,” “could,” “expects,” “may,” “plans,” “should,” “will” and “would,” or by comparable terms and the negatives of such terms. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements and elsewhere (including in the “*Risk Factors – Risks related to the Issuer and its operations*”) in this Prospectus could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. The Issuer has based forward-looking statements on its expectations and projections about future events as of the date such statements were made. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group, including, among other things, those described under “*Risk Factors – Risks related to the Issuer and its operations*” of this Prospectus.

CERTAIN TERMS USED IN THIS PROSPECTUS

When used in this Prospectus, the terms "**BNP Paribas**" and the "**Issuer**" refer to the issuer of the Notes, BNP Paribas. The "**BNP Paribas Group**" or the "**Group**" refer to BNP Paribas and its consolidated subsidiaries and associates.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents, which have been previously published and filed with the French *Autorité des marchés financiers* (the "**AMF**") as competent authority in France for the purposes of the Prospectus Regulation and shall be incorporated in, and form part of, this Prospectus (the "**Documents Incorporated by Reference**"):

a. the English version of the Universal Registration Document as at December 31, 2022 and annual financial report (*Document d'enregistrement universel et rapport financier annuel au 31 décembre 2022*, published by the Issuer and filed with the AMF on March 24, 2023 under number D.23-0143) ("**BNPP Universal Registration Document as at December 31, 2022**") available on the website of the Issuer at https://invest.bnpparibas/en/document/universal-registration-document-2022, other than Chapter 3.6 (Outlook), Chapter 6 (Information on the Parent Company Financial Statements), 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 Registration Document) and Chapter 11 (Cross-Reference Table) thereof which are not incorporated herein.

b. the English version of the first amendment to the BNPP Universal Registration Document as at December 31, 2022 (*Amendement au document d'enregistrement universel au 31 décembre 2022*, published by the Issuer and filed with the AMF on May 3, 2023 under number D.23-0143-A01) ("**First Amendment to the BNPP Universal Registration Document as at December 31, 2022**") available on the website of the Issuer at https://invest.bnpparibas/en/document/1st-amendment-to-the-2022-universal-registration-document.

c. the English version of the second amendment to the BNPP Universal Registration Document as at December 31, 2022 (*Amendement au document d'enregistrement universel au 31 décembre 2022*, published by the Issuer and filed with the AMF on July 27, 2023 under number D.23-0143-A02) ("**Second Amendment to the BNPP Universal Registration Document as at December 31, 2022**") available on the website of the Issuer at https://invest.bnpparibas/en/document/2nd-amendment-to-the-2022-universal-registration-document.

d. the English version of the third amendment to the BNPP Universal Registration Document as at December 31, 2022 (*Amendement au document d'enregistrement universel au 31 décembre 2022*, published by the Issuer and filed with the AMF on August 3, 2023 under number D.23-0143-A03) ("**Third Amendment to the BNPP Universal Registration Document as at December 31, 2022**") available on the website of the Issuer at https://invest.bnpparibas/en/document/3rd-amendment-to-the-2022-universal-registration-document.

e. Chapter 3 (other than 3.6 (Outlook)), 4 and 5 of the English version of the Universal Registration Document as at December 31, 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 March 25, 2022 under number D.22-0156 and approved by the AMF on June 28, 2022) ("**BNPP Universal Registration Document as at December 31, 2021**") available on the website of the Issuer at https://invest.bnpparibas/en/document/universal-registration-document-and-annual-financial-report-2021.

f. Chapters 4 and 5 of the English version of the Universal Registration Document as at December 31, 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 March 12, 2021 under n°D.21-0114) (the "**BNPP Universal Registration Document as at December 31, 2020**"), available on the website of the Issuer at https://invest.bnpparibas/en/document/universal-registration-document-and-annual-financial-report-2020.

The First Amendment to the BNPP Universal Registration Document as at December 31, 2022, the Second Amendment to the BNPP Universal Registration Document as at December 31, 2022 and the Third Amendment to the BNPP Universal Registration Document as at December 31, 2022 shall be

referred to herein as the "**Amendments to the BNPP Universal Registration Document as at December 31, 2022**".

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 in a Document Incorporated by Reference shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein (or in any later dated Document Incorporated by Reference) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise); any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The Documents Incorporated by Reference are available on the website of the Issuer (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) does not form any part of this Prospectus unless that information is incorporated by reference into this Prospectus.

Extracts of Annex VII of the European Regulation (EU) 2019/980 of March 14, 2019		*BNPP Universal Registration Document as at December 31, 2020*	*BNPP Universal Registration Document as at December 31, 2021*	*BNPP Universal Registration Document as at December 31, 2022*	*Amendments to the BNPP Universal Registration Document as at December 31, 2022*
3.	RISK FACTORS				
3.1	A description of the material risks that are specific to the Issuer and that may affect the Issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'.			315 to 330	2nd: 215 to 232
4.	INFORMATION ABOUT THE ISSUER				
4.1	History and development of the Issuer.	5	6	6	
4.1.1	The legal and commercial name of the Issuer.	645	677	733	
4.1.2	The place of registration of the issuer, its registration number and legal entity identifier ('LEI').	645 and back cover	677 and back cover	733 and back cover	
4.1.3	The date of incorporation and the length of life of the Issuer, except where the period is indefinite.	645	677	733	
4.1.4	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address,	645 and back cover	677 and back cover	733 and back cover	

Extracts of Annex VII of the European Regulation (EU) 2019/980 of March 14, 2019		*BNPP Universal Registration Document as at December 31, 2020*	*BNPP Universal Registration Document as at December 31, 2021*	*BNPP Universal Registration Document as at December 31, 2022*	*Amendments to the BNPP Universal Registration Document as at December 31, 2022*
	telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer.				
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	301, 345 to 354 and 669	307, 353 to 363 and 725	
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	7 to 19, 223 to 226 and 726 to 732	2nd: 248
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	7 to 19, 223 to 226 and 726 to 732	
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	7 to 19 and 128 to 144	
6.	ORGANIZATIONAL 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 organizational structure if this helps to clarify the structure.	4, 6 and 622 to 623	4, 7, and 650 to 651	4, 7, and 686 to 687	2nd: 248
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 676	287 to 295, 604 to 611 and 726 to 731	2nd: 192 to 214; 3rd: 115 to 136
8.	PROFIT FORECASTS OR ESTIMATES				
8.1	Where an issuer includes on a voluntary basis a profit forecast or a profit estimate, that profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast or estimate. The forecast or estimate shall comply with the following principles: (a) there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; (b) the assumptions must be reasonable, readily understandable by investors, specific and				

Extracts of Annex VII of the European Regulation (EU) 2019/980 of March 14, 2019		*BNPP Universal Registration Document as at December 31, 2020*	*BNPP Universal Registration Document as at December 31, 2021*	*BNPP Universal Registration Document as at December 31, 2022*	*Amendments to the BNPP Universal Registration Document as at December 31, 2022*
	precise and not relate to the general accuracy of the estimates underlying the forecast. (c) in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.				
8.2	The prospectus shall include a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both: (a) comparable with the historical financial information; (b) consistent with the issuer's accounting policies.				
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES				
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	35 to 48 and 110	2nd: 233 to 235
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	52 to 55, 67 to 68 and 78 to 106	
10.	MAJOR SHAREHOLDERS				
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	20	21	2nd: 233
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	21	

Extracts of Annex VII of the European Regulation (EU) 2019/980 of March 14, 2019		*BNPP Universal Registration Document as at December 31, 2020*	*BNPP Universal Registration Document as at December 31, 2021*	*BNPP Universal Registration Document as at December 31, 2022*	*Amendments to the BNPP Universal Registration Document as at December 31, 2022*
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES				
11.1	Historical financial information.				
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 277, 493 to 537	5, 23, 132 to 296 and 532 to 576	5, 24, 128 to 296 and 574 to 618	1st : 59 to 71; 2nd: 3 to 75, 80 to 214; 3rd: 4 to 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	182 to 210	
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	 178 177 182 to 296	
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	177 to 290 and 531 to 576	173 to 296 and 573 to 618	
11.2	Auditing of historical financial information (Auditors' report)	272 to 278 and 532 to 537	291 to 296 and 571 to 576	297 to 302 and 613 to 618	3rd: 137 to 138
11.3	Legal and arbitration proceedings	250 to 251	266 to 267	273 to 274	1st: 84 to 85; 2nd: 186 to 187; 3rd: 109 to 110
11.4	Significant change in the Issuer's financial position	637	669	725	1st: 84; 2nd: 236; 3rd: 214
12.	MATERIAL CONTRACTS				
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	636	668	724	

Extracts of Annex VII of the European Regulation (EU) 2019/980 of March 14, 2019		*BNPP Universal Registration Document as at December 31, 2020*	*BNPP Universal Registration Document as at December 31, 2021*	*BNPP Universal Registration Document as at December 31, 2022*	*Amendments to the BNPP Universal Registration Document as at December 31, 2022*
	respect of the securities being issued.				

PRESENTATION OF FINANCIAL INFORMATION

In this Prospectus, references to "**euro**," "**EUR**" and "**€**" refer to the lawful currency of the European Union introduced at the start of the third stage of European economic and monetary union on January 1, 1999 pursuant to the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam. References to "**US$**", "**$**", "**U.S. dollars**" and "**dollars**" are to the lawful currency of the United States of America. References to "**cents**" are to United States cents. Certain financial information contained herein are presented in euros.

The audited consolidated financial statements as of December 31, 2022, 2021 and 2020 and for the years ended December 31, 2022, 2021 and 2020 and the unaudited consolidated financial statements as of June 30, 2023 and for the six-month period ended June 30, 2023 have been prepared in accordance with international financial reporting standards ("**IFRS**") as adopted by the European Union. The Group's fiscal year ends on December 31, and references in this Prospectus to any specific fiscal year are to the twelve-month period ended December 31 of such year.

Due to rounding, the numbers presented throughout this Prospectus may not add up precisely, and percentages may not reflect precisely absolute figures.

OVERVIEW

The following overview is qualified in its entirety by the remainder of this Prospectus, including all information incorporated by reference herein.

The Issuer

The BNP Paribas Group is a leader in banking and financial services in Europe and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

The Group operates in 65 countries and has almost 190,000 employees, including nearly 145,000 in Europe. BNP Paribas' organization is based on three operating divisions:

- Commercial, Personal Banking & Services, including:
    - Corporate and Institutional Banking (CIB), including:
        - Global Banking,
        - Global Markets,
        - Securities Services.
    - Commercial, Personal Banking & Services, including:
        - Commercial & Personal Banking in the eurozone:
            - Commercial & Personal Banking in France (CPBF),
            - BNL banca commerciale (BNL bc), Italian Commercial & Personal Banking,
            - Commercial & Personal Banking in Belgium (CPBB),
            - Commercial & Personal Banking in Luxembourg (CPBL).
        - Commercial banks outside the eurozone, organized around:
            - Europe-Mediterranean, covering Commercial & Personal Banking outside the eurozone, in particular in Central and Eastern Europe, Turkey and Africa.
        - Specialized Businesses:
            - BNP Paribas Personal Finance,
            - Arval and BNP Paribas Leasing Solutions,
            - New digital businesses (Nickel, Floa and Lyf) and BNP Paribas Personal Investors.
- Investment & Protection Services, including:
    - Insurance (BNP Paribas Cardif),
    - Wealth and Asset Management: BNP Paribas Asset Management, BNP Paribas Real Estate, BNP Paribas Principal Investments (management of the BNP Paribas Group's portfolio of unlisted and listed industrial and commercial investments) and BNP Paribas Wealth Management.

At June 30, 2023, the Group had consolidated assets of EUR 2,671.2 billion and shareholders' equity of EUR 123.3 billion.

The Issuer's principal office is located at 16 Boulevard des Italiens, 75009 Paris, France, and its telephone number is +33 1 40 14 45 46.

We are incorporating by reference in this prospectus the BNPP Universal Registration Document as at December 31, 2022, the First Amendment to the BNPP Universal Registration Document as at December 31, 2022, the Second Amendment to the BNPP Universal Registration Document as at December 31, 2022, the Third Amendment to the BNPP Universal Registration Document as at December 31, 2022 as well as specific portions of the BNPP Universal Registration Document as at December 31, 2021 and the BNPP Universal Registration Document as at December 31, 2020, relating to the Bank and the Group, all as filed with the French *Autorité des marchés financiers* (the "**AMF**"). See "*Documents Incorporated by Reference*."

Regulatory Capital Ratios

As of June 30, 2023, with a Group CET1 Ratio, Tier 1 capital ratio and total capital ratio of respectively 13.62%, 15.53% and 17.83%, the Group largely complies with the capital requirements that were applicable as of such date (i.e., respectively 9.73%, 11.53% and 13.92%). As of June 30, 2023, the Group's Basel 3 leverage ratio stood at 4.50%.

THE OFFERING

The following description of key features of the Notes does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus. Words and expressions defined in "Terms and Conditions of the Notes" *applicable to the Notes below or elsewhere in this Prospectus shall have the same meanings in this description of key features of the Notes. References to the "**Conditions**" shall be to the terms set out in* "Terms and Conditions of the Notes" *and to a numbered "**Condition**" shall be to the relevant condition in* "Terms and Conditions of the Notes"*.*

Issuer:	BNP Paribas.
Notes:	US$ 1,500,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Contingent Convertible Notes.
Maturity Date (undated securities):	The Notes have no fixed maturity and Noteholders do not have the right to call for their early 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.
Issue Price:	100%
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. (i) Subject as provided in Condition 4.2 (*Ranking of Notes Disqualified as Own Funds*) and Condition 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as Tier 2*), 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, as more fully described in Condition 4.1 (*Ranking of Qualifying Notes)*. (ii) Subject as provided in Condition 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as Tier 2*), 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 December 21, 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

December 28, 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 Tier 2, 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 Tier 2)*.

Interest and Interest Payment Dates:

The Notes will bear interest from (and including) the Issue Date to (but excluding) the First Call Date at the rate of 8.500% *per annum*, payable semi-annually in arrears on February 14 and August 14 in each year, commencing on February 14, 2024.

The rate of interest will reset on the First Call Date and on each Reset Date thereafter and will be equal to the then-applicable CMT Rate plus the Margin, as determined by the Calculation Agent and as more fully described in Condition 2.1 (*Definitions*).

"**CMT Rate**" means, in relation to a Reset Interest Period, the rate determined by the Interest Calculation Agent and expressed as a percentage equal to:

(i) the yield for U.S. Treasury Securities at "constant maturity" for a designated maturity of five years, as published in the H.15 under the caption "Treasury constant maturities (Nominal)", as that yield is displayed, for the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, on the Screen Page; or

(ii) if the yield referred to in (i) above is not published by 4:15 p.m. (New York City time) on the Screen Page on the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, the yield for U.S. Treasury Securities at "constant maturity" for a designated maturity of five years as published in the H.15 under the caption "Treasury constant maturities (Nominal)" for such Reset Rate of Interest Determination Date; or

(iii) if the yield referred to in (ii) above is not published by 4:30 p.m. (New York City time) on the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, the Reset Reference Dealer Rate on such Reset Rate of Interest Determination Date; or

(iv) if fewer than three Reference Dealers selected by the Issuer provide bid prices to the Issuer (for forwarding to the Interest Calculation Agent) for the purposes of determining the Reset Reference Dealer Rate referred to in (iii) above as described in the definition of Reset Reference Dealer Rate, the CMT Rate applicable to the last preceding Reset Interest Period or, in the case of the Reset Interest Period commencing on the First Call Date, 4.146 per cent *per annum.*

"**Margin**" means 4.354 per cent.

"**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 Determination Date**" means, in relation to a Reset Interest Period, the day falling two (2) U.S. Government Securities Business Days prior to the Reset Date on which such Reset Interest Period commences.

"**Reset Reference Dealer Rate**" means on any Reset Rate of Interest Determination Date, the rate calculated by the Interest Calculation Agent as being a yield-to-maturity based on the arithmetic mean of the secondary market bid prices for Reset U.S. Treasury Securities at approximately 4:30 p.m. (New York City time) on the Reset Rate of Interest Determination Date, of leading primary U.S. government securities dealers in New York City (each, a Reference Dealer). The Issuer will select five Reference Dealers to provide such bid prices to the Issuer to be forwarded to the Interest Calculation Agent and will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); provided, however, that, if fewer than five but more than two such bid prices are provided, then neither the highest nor the lowest of those quotations will be eliminated prior to calculating the arithmetic mean of such bid prices.

"**Reset U.S. Treasury Securities**" means, on any Reset Rate of Interest Determination Date, U.S. Treasury Securities with an original maturity equal to five years, a remaining term to maturity of no more than one year shorter than five years and in a principal amount equal to an amount that is representative for a single transaction in such U.S. Treasury Securities in the New York City market.

First Call Date: The Interest Payment Date falling on or about August 14, 2028.

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.

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

The Issuer will cancel the payment of an Interest Amount (in whole or 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 in part) under the Notes will not exceed an amount that:

(a) 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

(b) when aggregated together with other distributions or payments of the kind referred to in Article L.511-41-1 A X of the French Monetary and Financial Code (*Code monétaire et financier)* (implementing Article 141(2) of the CRD), 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, or any other limitation related to the Maximum Distributable Amount in the CRD or the BRRD, is then applicable).

See Condition 5.9 (*Cancellation of Interest Amounts*).

Maximum Distributable Amount:

The Maximum Distributable Amount is an amount determined in accordance with Article 141 of the CRD or other provisions of the Relevant Rules, in particular the CRD and the BRRD (or any provision of French law transposing or implementing the CRD and/or the BRRD), based on whether (i) certain capital buffers are maintained by the Group on top of capital requirements and fully-loaded TLAC requirements and MREL intermediate requirements and (ii) certain leverage buffers are maintained by the Group on top of leverage ratio requirements. If any such buffer is not maintained, the Maximum Distributable Amount will generally be equal to a percentage of the current period's net income, group share, with the percentage depending on the extent to which the relevant capital ratios are below the capital buffer levels.

The Maximum Distributable Amount will serve as an effective cap on payments and distributions of the kind referred to in Article 141(2) of the CRD, or in provisions of the Relevant Rules relating to other limitations on distributions or payments, including Article 16a of the BRRD and Article 141b(1) of the CRD, as amended or replaced. These generally include the reinstatement of the principal amount of the Notes and similar instruments, interest payments on the Notes and similar instruments, other payments and distributions on Tier 1 instruments, and certain bonuses paid by entities in the Group.

The Maximum Distributable Amount is a complex concept, and the relevant buffers will apply at different dates and on top of different capital, debt and leverage requirements. See "*Regulatory Capital Ratios*", "*Risk Factors—Risk Factors Relating to the Notes—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.*" and "*Government supervision and regulation of credit institutions in France – MDA, L-MDA and M-MDA*"" for details on the calculation of the MDA.

Optional Redemption by the Issuer on any Reset Date:

The Issuer may (at its option but subject to Condition 7.8 (*Conditions to Redemption and Purchase*)) redeem the then outstanding Notes, on any Optional Redemption Date in whole but not in part at their principal amount, together with accrued interest thereon.

Optional Redemption Date:

Each of the Reset Dates.

Optional Redemption by the Issuer upon the Occurrence of a Tax Event or a Capital Event:

Subject as provided herein, in particular to the provisions of Condition 7.8 (*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 principal 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 (each as defined in Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*)).
Substitution and Variation:	Following the occurrence of a Special Event, the Issuer may, at any time, without the consent of the Noteholders which may otherwise be required under the Conditions, and subject to (i) the prior permission of the Relevant Regulator, if required, and (ii) having given no less than fifteen (15) nor more than forty five (45) calendar days' notice to the Fiscal Agent and the Noteholders either (x) substitute new notes for the Notes whereby such new notes shall replace the Notes or (y) vary the terms of the Notes, so that the Notes may become or remain Compliant Securities. Compliant Securities are securities issued directly or indirectly by the Issuer that have terms that, *inter alia*, comply with the then-current requirements of the Relevant Regulator in relation to Additional Tier 1 Capital and that are not otherwise materially less favorable to the interests of the Noteholders than the terms of the relevant Notes. If the Issuer has given a notice to the Noteholders of substitution or variation of the Notes, and, after giving such notice but prior to the date of such substitution or variation, as applicable, the Issuer determines that a Trigger Event has occurred, the Issuer shall, in consultation with the Relevant Regulator, determine whether or not the proposed substitution or variation, as applicable, will proceed and, if so, whether any amendments to the terms and/or timing of such substitution or variation, as applicable, will be made. "**Special Event**" means any of a Tax Event or a Capital Event.
Purchases:	The Issuer may, but is not obliged to, subject to the provisions of Condition 7.8 (*Conditions to Redemption and Purchase*), purchase Notes at any price in the open market or otherwise at any price 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 authorized by the Relevant Regulator.
Conditions to Redemption and Purchase:	The Issuer may not redeem or purchase the Notes, unless the Relevant Regulator first provides its prior written permission and provided that certain other conditions contained in Condition 7.8 (*Conditions to Redemption and Purchase*) are met.
Conversion upon Trigger Event:	A Trigger Event shall occur if at any time the Group's CET1 Ratio on a consolidated basis is equal to or less than 5.125 per cent. If a Trigger Event occurs, the Notes shall be converted, in whole and not in part, into new fully paid Ordinary Shares of the Issuer (the "**Conversion Shares**"), at the Conversion Ratio described in Condition 6.2 (*Conversion Shares and Conversion Ratio*), on the date specified in the Conversion Notice delivered in accordance with the procedures described in Condition 6.3 (*Conversion procedure*) as the date on which the Conversion shall take place (the "**Conversion Date**"). The Conversion Date shall occur without

delay upon the occurrence of a Trigger Event, and in any event not later than one month (or such shorter period as the Relevant Regulator may require) following the occurrence of the Trigger Event, in accordance with the requirements set out in Article 54 of the CRR in effect as at the Issue Date. On the Conversion Date, the Issuer will deliver the Conversion Shares to the Conversion Shares Depository or another relevant recipient, all as described in Condition 6.3 (*Conversion Procedure*) (such delivery being the "**Conversion**").

As soon as practicable following the occurrence of a Trigger Event, the Issuer shall appoint a reputable financial institution, trust company, depository entity, nominee entity or similar entity that is wholly independent of the Issuer (the "**Conversion Shares Depository**"). As a condition of such appointment, the Conversion Shares Depository shall be required to undertake, for the benefit of the Noteholders, to hold the Conversion Shares on behalf of the Noteholders in one or more segregated accounts and, in any event, on terms consistent with the Conditions. If the Issuer is unable to appoint a Conversion Shares Depository, it shall make such other arrangements for the delivery of the Conversion Shares to the Noteholders as it shall consider reasonable in the circumstances, which may include issuing and delivering the Conversion Shares to another independent nominee to be held on behalf of the Noteholders, or to the Noteholders directly.

The Conversion shall constitute an irrevocable and automatic discharge of all of the Issuer's obligations to the Noteholders under the Notes and under no circumstances shall such discharged obligations be reinstated. Noteholders shall have recourse only to the Issuer for the Conversion. After such Conversion, Noteholders shall have recourse only to the Conversion Shares Depository (or another relevant recipient, as applicable) for the delivery to them of Conversion Shares.

Immediately following the occurrence of a Trigger Event, the Issuer shall inform the Relevant Regulator and the Fiscal Agent thereof, the latter including by delivery of a certificate signed by its Chief Executive Officer (*Directeur Général*). Failure to deliver the Conversion Notice on a timely basis or at all shall not prevent the Issuer from effecting a Conversion. The Conversion Notice will request Noteholders to complete and send to the Conversion Shares Depository (or another relevant recipient, as applicable) (with a copy to the Fiscal Agent), (by a deadline to be specified in the Conversion Notice (the "**Conversion Notice Cut-off Date**"), a duly completed notice (the "**Conversion Shares Settlement Notice**", as defined more fully below) in order to obtain delivery of the relevant Conversion Shares or Alternative Consideration, as applicable.

If on the Conversion Date a sponsored American Depository Receipt ("**ADR**") program is in place in respect of the Issuer's shares, Noteholders may elect to receive Conversion Shares in the form of ADRs, as described in Condition 6.5 (*Delivery of ADRs*).

In respect of any Noteholder that fails to deliver a valid Conversion Shares Settlement Notice and the relevant Notes, if applicable, on or prior to the Notice Cut-Off Date (an "**Affected Noteholder**"), the relevant Conversion Shares delivered to the Conversion Shares Depository (or another relevant recipient, as applicable) shall, for a

period of ten (10) consecutive Business Days immediately following the Notice Cut-Off Date (the last day of such ten (10) consecutive Business Day period, the "**Final Notice Cut-Off Date**"), continue to be held by the Conversion Shares Depository (or another relevant recipient, as applicable) on behalf of such Noteholder until such Noteholder delivers a duly completed Conversion Shares Settlement Notice and the relevant Notes, if applicable, to the Conversion Shares Depository (or another relevant recipient, as applicable), which delivery shall be required to occur on or before the Final Notice Cut-Off Date (and in any such case the Conversion Shares Depository (or another relevant recipient, as applicable) shall deliver the Conversion Shares on or before the relevant Scheduled Settlement Date. Following such ten (10) consecutive Business Day period, the Conversion Shares Depository (or another relevant recipient, as applicable) shall use its commercially reasonable efforts to sell as soon as practicable, all of the relevant Conversion Shares in the open market and it shall hold the cash proceeds (the "**Alternative Consideration**") received from such sale (after deduction of any costs or expenses incurred by it in relation thereto) on behalf of the Affected Noteholder until such Affected Noteholder delivers a duly completed Conversion Shares Settlement Notice to the Conversion Shares Depository (or another relevant recipient, as applicable), subject to a ten (10) year prescription period.

"**Conversion Calculation Agent**" means Conv-Ex Advisors Limited, which expression shall include any successor as conversion calculation agent under the Conversion Calculation Agency Agreement) whereby the Conversion Calculation Agent has been appointed to make certain calculations in relation to the Notes.

"**Conversion Notice**" means a written notice requesting that Noteholders complete a Conversion Shares Settlement Notice (in the form attached thereto) and specifying, among other things, that a Trigger Event has occurred, the Conversion Ratio, the Conversion Date, the identity of the Conversion Shares Depository (if one has been appointed) and the procedures Noteholders must follow to obtain delivery of the Conversion Shares from the Conversion Shares Depository.

The "**Conversion Ratio**" in respect of each Calculation Amount in respect of the Notes subject to the Conversion shall (subject to Conditions 6.2(iii) and 6.2(iv)) be: (1) if the Current Market Price of an Ordinary Share is capable of being determined in accordance with the definition thereof, the lower of (i) the result (rounded to the nearest integral multiple of 0.0001 Ordinary Share (with 0.00005 being rounded up)) of the Calculation Amount divided by the Current Market Price of an Ordinary Share and (ii) the Maximum Conversion Ratio in effect on the Conversion Notice Date; or (2) if the Current Market Price is not capable of being determined as per paragraph (1), the Maximum Conversion Ratio in effect on the Conversion Notice Date.

"**Conversion Shares Settlement Notice**" is a written notice to be delivered by Noteholders to the Conversion Shares Depository (or another relevant recipient, as applicable) providing detailed information regarding its position in the Notes and the form (shares or ADRs) and account in which it is to receive Conversion Shares or Alternative Consideration.

The "**Current Market Price of an Ordinary Share**" means (i) the arithmetic average of the daily Volume Weighted Average Prices of an Ordinary Share on each of the Trading Days (each such daily Volume Weighted Average Price of an Ordinary Share on a Trading Day being converted if necessary into U.S. dollars at the Prevailing Rate on such Trading Day) (x) on which such Volume Weighted Average Price is available and (y) which are comprised in the period of five (5) consecutive Exchange Trading Days ending on (and including) the Exchange Trading Day immediately preceding the Conversion Notice Date or (ii) if the Volume Weighted Average Price of an Ordinary Share is available on only one Trading Day in such five consecutive Exchange Trading Day period, such Volume Weighted Average Price (converted if necessary into U.S. dollars as aforesaid), subject to adjustment as set out in the terms and conditions of the Notes.

"**Floor Price**" means (i) (initially) US$45.0928 per Share (being 41.17305 euros per Share[2], converted into U.S. dollars at the Prevailing Rate on August 4, 2023 and rounded up to the nearest integral multiple of US$0.0001), or (ii) (upon any adjustment to the Maximum Conversion Ratio pursuant to Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) at any time, such amount as is equal to the Calculation Amount divided by the Maximum Conversion Ratio in effect at such time.

"**Maximum Conversion Ratio**" means initially 22.1764 Ordinary Shares per Calculation Amount in principal amount of the Notes (being the Calculation Amount divided by the initial Floor Price, rounded down to the nearest integral multiple of 0.0001 Ordinary Share), subject to adjustment from time to time pursuant to Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*);

"**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 Stock Exchange**" means (A) in respect of the Ordinary Shares, (i) Euronext Paris or (ii) (if the Ordinary Shares are no longer listed and admitted to trading on Euronext Paris at the relevant time) any other Regulated Market (of Euronext Paris or otherwise) or other similar market on which the Ordinary Shares have their main listing and are admitted to trading, and (B) in respect of any other security, the Regulated Market or any other similar market on which such security has its main listing and is admitted to trading, provided that unless specified otherwise references to the Relevant Stock Exchange shall mean the Relevant Stock Exchange in respect of the Ordinary Shares.

Liquidation Distribution: If a Liquidation Event occurs after a Trigger Event but before the Conversion Shares deliverable upon Conversion are delivered to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)), each Noteholder shall have a claim, in lieu of any other payment by the Issuer, for the amount, if any, it would have been entitled to receive if the Conversion relating to such Trigger Event had occurred and the relevant number of Conversion Shares

[2] Corresponding to 70% of the arithmetic average of the daily Volume Weighted Average Prices of an Ordinary Share on each of the five (5) consecutive Trading Days immediately preceding the date hereof.

	to which such Noteholder would have been entitled had been delivered to such Noteholder immediately prior to the Liquidation Event. "**Liquidation Event**" means any judicial liquidation (liquidation judiciaire) of the Issuer or if the Issuer is liquidated for any other reason.
Events of Default:	None.
Negative Pledge:	None.
Cross Default:	None.
Waiver of Set-Off:	In accordance with Condition 8.8 (*Waiver of set-off*), no Noteholder may at any time exercise or claim any and all rights of or claims for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any such Note (the "**Waived Set-Off Rights**") 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.
Statutory Write-down or Conversion:	By its acquisition of the Notes, each Noteholder (which includes any current or future holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of the Bail-in or Loss Absorption Power (as defined in Condition 18 (*Statutory Write-down or Conversion*)) by the Relevant Resolution Authority (as defined in Condition 18 (*Statutory Write-down or Conversion*)). For the avoidance of doubt, this is in addition to the terms of the Notes that provide for a Conversion of the Notes as described above under "Conversion". The Bail-in or Loss Absorption Power may also be exercised by the Relevant Resolution Authority even if the Group CET1 Ratio remains above the relevant threshold level.
Meetings of Noteholders and Modifications:	The Agency Agreement contains provisions for the Issuer to call meetings of Noteholders to consider matters affecting their interests generally and for soliciting the consent of Noteholders for such matters without calling a meeting. These provisions permit defined majorities to bind all Noteholders, including Holders who did not attend and vote at any relevant meeting or who did not consent to the relevant matter and Noteholders who voted in a manner contrary to the majority. The Issuer may also make any modification to the Notes without the consent of the Noteholders in certain cases provided in Condition 14 (*Meetings of Noteholders, Modification, Supplemental Agreements*). Any such modification shall be binding on the Noteholders. Certain modifications to the terms of the Notes (including revisions to the principal and interest payable thereon) may not be made without the prior consent of each Holder affected thereby, as provided in Condition 14.1 (*Modification and Amendment*).

	Any proposed modification of any provision of the Notes can only be effected subject to the prior permission of the Relevant Regulator, if required.
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 such withholding or deduction, the Issuer shall, save in certain limited circumstances provided in Condition 9 (*Taxation*), pay such additional amounts as will result in receipt by the Noteholders, as the case may be, of such amounts of interest as would have been received by them had no such withholding or deduction been required.
Form of the Notes:	The Notes will be issued in fully-registered form. The Notes will be represented by one or more Global Notes registered in the name of a nominee for DTC. Definitive notes will not be issued except in the limited circumstances described herein.
Denominations:	The Notes will be subscribed and may be held in minimum denominations of US$200,000 and integral multiples of US$1,000.
Further Issues:	Subject to the prior information of the Relevant Regulator, the Issuer may from time to time without the consent of the Noteholders issue further notes, such further notes forming a single series with the Notes so that such further notes and the Notes carry rights identical in all respects (or in all respects save for their issue date, interest commencement date, issue price and/or the amount and date of the first payment of interest thereon).
Rating:	The Notes are expected to be rated BBB- by Standard & Poor's Global Ratings Europe Limited, Ba1 by Moody's Deutschland GmbH, Frankfurt am Main, and BBB by Fitch Ratings Ireland Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.
Global Note Codes:	Rule 144A Global Note: CUSIP: 05565A 5R0 ISIN: US05565A5R02 Regulation S Global Note: CUSIP: F1067P AE6 ISIN: USF1067PAE63
Use of Proceeds:	The net proceeds of the issuance of the Notes, estimated to be US$ 1,485,000,000 (after deducting underwriting discounts and before other expenses), will be applied for the general financing purposes of the Issuer and to increase its own funds.
Notice to U.S. Investors:	The Notes have not been and will not be registered under the Securities Act and are subject to restrictions on transfer as described under "*Notice to U.S. Investors*."
No Prior Market:	The Notes will be new securities for which there is no market. Although the Initial Purchasers have informed the Issuer that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market-making at any time without notice.

	Accordingly, a liquid market for the Notes may not develop or be maintained.
Listing:	Application has been made for the Notes to be admitted to trading on Euronext Paris.
Governing Law:	The Notes will be governed by, and construed in accordance with, the laws of the State of New York, except for Condition 4 (*Status of the Notes*) and Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) which will be governed by, and construed in accordance with, French law.
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 market risks associated with the Notes. These are set out under "*Risk Factors*."
Sole Bookrunner and Global Coordinator:	BNP Paribas Securities Corp.
Joint Lead Managers:	Scotia Capital (USA) Inc., BBVA Securities Inc., Intesa Sanpaolo IMI Securities Corp.
Co-Managers:	BMO Capital Markets Corp., Desjardins Securities Inc., National Bank of Canada Financial Inc., KBC Securities USA LLC, SMBC Nikko Securities America, Inc., Mizuho Securities USA LLC
Fiscal Agent, Interest Calculation Agent, Transfer Agent, Registrar and Paying Agent:	The Bank of New York Mellon.

SELECTED FINANCIAL INFORMATION

The following tables present selected financial data concerning the Group as of and for the years ended December 31, 2022, 2021 and 2020 as well as selected financial data concerning the Group as and for the six-month periods ended June 30, 2023 and June 30, 2022. The financial data presented below has been derived from, and should be read in conjunction with, the audited consolidated financial statements of the Group as of and for the years ended December 31, 2022, December 31, 2021 and December 31, 2020 and in conjunction with the unaudited consolidated financial statements of the Group as of and for the six-month period ended June 30, 2023. Such financial statements, which are either incorporated by reference to this Prospectus or available at https://invest.bnpparibas.com, were prepared in accordance with IFRS as adopted by the European Union.

The consolidated financial statements of the Group as of and for the years ended December 31, 2022, December 31, 2021 and December 31, 2020, and for the six-month periods ended June 30, 2023 and June 30, 2022, reflect the Group's December 18, 2021 agreement with BMO Financial Group for the sale of 100% of its retail and commercial banking activities in the United States operated by the BancWest cash-generating unit. The terms of this transaction fall within the scope of application of IFRS 5 relating to groups of assets and liabilities held for sale. The sale of BancWest to BMO Financial Group closed on February 1, 2023. Unless otherwise stated, the financial information and elements include in particular the activity relating to BancWest to reflect an operational vision. They are, therefore, presented excluding effects of the application of IFRS 5 relating to groups of assets and liabilities held for sale.

BNP Paribas Group Income Statement (EU IFRS)	**Six months ended June 30, 2023**	**Six months ended June 30, 2022[1]**	**Year ended December 31, 2022[2]**	**Year ended December 31, 2021[2]**	**Year ended December 31, 2020[2]**
(in millions of euros, except share data)					
Net interest income	9,056	10,344	20,831	19,238	19,286
Commission income	7,400	7,274	14,622	15,037	13,304
Commission expense	(2,474)	(2,169)	(4,444)	(4,675)	(3,725)
Net gain on financial instruments at fair value through profit or loss	5,898	5,573	9,358	7,615	6,750
Net gains on financial instruments at fair value through equity	119	110	138	164	202
Net gains on derecognized financial assets at amortized cost	54	(5)	(41)	(2)	36
Net income from insurance activities	1,184	835	4,296	4,332	4,114
Net income from other activities	2,158	1,442	2,871	2,053	1,812
Revenues from continuing activities	**23,395**	**23,404**	**47,631**	**43,762**	**41,779**
Operating expenses	(14,967)	(14,386)	(29,301)	(27,122)	(26,243)

Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(1,113)	(1,147)	(2,394)	(2,344)	(2,262)
Gross operating income from continuing activities .	**7,315**	**7,871**	**15,936**	**14,296**	**13,274**
Cost of risk.....	(1,331)	(1,409)	(3,004)	(2,971)	(5,395)
Operating income from continuing activities	**5,984**	**6,462**	**12,932**	**11,325**	**7,879**
Share of earnings of associates.....	327	385	699	494	423
Net gain on non-current assets	124	(280)	(253)	834	1,030
Change in value of goodwill.....	-	258	249	91	5
Pre-tax income from continuing activities .	**6,435**	**6,825**	**13,627**	**12,744**	**9,337**
Corporate income tax from continuing activities.....	1,869	(2,050)	(3,716)	(3,584)	(2,301)
Net income from continuing activities .	**4,566**	**4,775**	**9,911**	**9,160**	**7,036**
Net income from discontinued activities.	2,947	365	686	720	379
Net income	**7,513**	**5,140**	**10,597**	**9,880**	**7,415**
Minority interests.....	268	207	(401)	392	348
Net income attributable to equity holders.....	**7,245**	**4,933**	**10,196**	**9,488**	**7,067**
Basic earnings per share.....	5.64	3.75	7.80	7.26	5.31
Diluted earnings per share.....	5.64	3.75	7.80	7.26	5.31

(1) Restated according to IFRS 17 and 9.
(2) Restated according to IFRS 5.

BNP Paribas Group Balance Sheet (EU-IFRS)	**At June 30, 2023**	**At December 31, 2022(1)**	**At December 31, 2021(2)**	**At December 31, 2020**
(in millions of euros)				
Assets				
Cash and balances at central banks	302,749	318,560	347,883	308,703
Financial assets at fair value through profit or loss				

BNP Paribas Group Balance Sheet (EU-IFRS)	At June 30, 2023	At December 31, 2022[1]	At December 31, 2021[2]	At December 31, 2020
Securities	244,849	166,077	191,507	167,927
Loans and repurchase agreements	261,844	191,125	249,808	244,878
Derivative financial instruments	912,894	327,932	240,423	276,779
Derivatives used for hedging purposes	23,793	25,401	8,680	15,600
Financial assets at fair value through equity				
Debt Securities	42,188	35,878	38,906	55,981
Equity Securities	2,097	2,188	2,558	2,209
Financial assets at amortized cost				
Loans and advances to credit institutions	37,602	32,616	21,751	18,982
Loans and advances to customers	852,649	857,020	814,000	809,533
Debt Securities	114,612	114,014	108,510	118,316
Remeasurement adjustment on interest-rate risk hedged portfolios	(6,831)	(7,477)	3,005	5,477
Financial investments of insurance activities	250,766	245,475	280,766	265,356
Current and deferred tax assets	5,270	5,932	5,866	6,559
Accrued income and other assets	169,140	208,543	179,123	140,904
Equity-method investments	6,210	6,073	6,528	6,396
Property, plant and equipment and investment property	41,803	38,468	35,083	33,499
Intangible assets	4,067	3,790	3,659	3,899
Goodwill	5,479	5,294	5,121	7,493
Non-current assets held for sale	-	86,839	91,267	-
Total Assets	**2,671,181**	**2,663,748**	**2,634,444**	**2,488,491**

(1) Restated according to IFRS 17 and 9.
(2) Restated according to IAS 29, IFRS 17 and 9..

BNP Paribas Group Balance Sheet (EU-IFRS) *(in millions of euros)*	At June 30, 2023	At December 31, 2022[1]	At December 31, 2021[2]	At December 31, 2020
Liabilities and Shareholders' Equity				
Deposits from central banks	5,805	3,054	1,244	1,594
Financial liabilities at fair value through profit or loss				
Securities	122,725	99,155	112,338	94,263

Deposits and repurchase agreements	308,312	234,076	293,456	288,595
Issued debt securities	73,697	65,578	70,383	64,048
Derivative financial instruments	291,358	300,121	237,397	282,608
Derivatives used for hedging purposes	39,012	40,001	10,076	13,320
Financial liabilities at amortized cost				
Deposits from credit institutions	132,408	124,718	165,699	147,657
Deposits from customers	977,676	1,008,054	957,684	940,991
Debt securities	189,226	155,359	149,723	148,303
Subordinated debt	23,734	24,160	24,720	22,474
Remeasurement adjustment on interest-rate risk hedged portfolios	(17,386)	(20,201)	1,367	6,153
Current and deferred tax liabilities	3,628	2,979	3,103	3,001
Accrued expenses and other liabilities	151,578	185,010	145,399	107,846
Technical reserves of insurance companies	231,782	228,630	254,795	240,741
Provisions for contingencies and charges	9,322	10,040	10,187	9,548
Liabilities associated with assets held for sale	-	77,002	74,366	-
Minority interests in consolidated subsidiaries	5,003	4,773	4,621	4,550
Shareholders' equity (group share)	126,584	121,237	117,886	112,799
Total Liabilities and Shareholders' Equity	**2,671,181**	**2,666,748**	**2,634,444**	**2,488,491**

(1) Restated according to IFRS 17 and 9.
(2) Restated according to IAS 29, IFRS 17 and 9..

The following table sets forth information regarding the Group's regulatory capital ratios as of as of June 30, 2023, and December 31, 2022, 2021 and 2020.

BNP Paribas Group Capital Ratios (EU-IFRS)*

	At June 30, 2023	At December 31, 2022	At December 31, 2021	At December 31, 2020
Total ratio	17.8%	16.2%	16.4%	16.4%
Tier 1 ratio	15.5%	13.9%	14.0%	14.2%
Risk-weighted assets (in billions of euros)	698	745	714	696

* The ratios included in this table are calculated on the basis of the capital adequacy regulations in effect at the end of the relevant fiscal year or quarter. See "*Table of Capitalization and Medium-to-Long Term Indebtedness*".

TABLE OF CAPITALIZATION AND MEDIUM-TO-LONG TERM INDEBTEDNESS OVER ONE YEAR

The following table sets forth the consolidated capitalization 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 June 30, 2023 and December 31, 2022 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 of its annual Registration Document. 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 summarized in Note 1 to the table below.

Except as set forth in this section, there has been no material change in the capitalization of the Group since June 30, 2023.

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-month period ended June 30, 2023 and the Group's audited consolidated financial statements as of and for the year ended December 31, 2022 (which do not include prudential deductions), and are used for the purposes of the Group's prudential capital calculations.

(*in millions of euros*)	**As of June 30, 2023**	**As of December 31, 2022**
Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)[1]		
Senior preferred debt at fair value through profit or loss	48,945	41,705
Senior preferred debt at amortized cost	26,475	14,253
Total Senior Preferred Debt	**75,420**	**55,958**
Senior non preferred debt at fair value through profit or loss	3,783	3,575
Senior non preferred debt at amortized cost	59,754	61,571
Total Senior Non Preferred Debt	**63,537**	**65,146**
Redeemable subordinated debt at amortized cost	20,739	21,238
Undated subordinated notes at amortized cost[2]	505	509
Undated participating subordinated notes at amortized cost[3]	225	225
Redeemable subordinated debt at fair value through profit or loss	15	16
Perpetual subordinated notes at fair value through profit or loss[4]	711	658
Preferred shares and equivalent instruments[5]	13,453	11,800
Total Subordinated Debt	**35,648**	**34,447**
Issued capital[6]	2,469	2,469
Additional paid-in capital	21,629	23,721
Retained earnings	86,271	84,591
Unrealized or deferred gains and losses attributable to Shareholders	(2,155)	(3,553)
Total Shareholders' Equity and Equivalents (net of proposed dividends)	**108,214**	**107,228**
Minority interests (net of proposed dividends)[5]	4,680	4,376
Total Capitalization and Medium-to-Long Term Indebtedness	**287,499**	**267,155**

Notes:

(1) All medium- and long-term senior preferred debt of the Issuer ranks equally with deposits and senior to the new category of senior non preferred debt first issued by the Issuer in January 2017. The subordinated debt of the Issuer is subordinated to all of its senior debt (including both senior preferred and senior non preferred debt). The Issuer and its subsidiaries issue medium- to long-term debt on a continuous basis, particularly through offers to the public exempted from the obligation to publish a prospectus (ex private placements) in France and abroad.

Euro against foreign currency as at December 31, 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 December 31, 2022 CAD = 1.448, GBP = 0.887, CHF = 0.989, HKD = 8.343, JPY = 140.158, USD = 1.1.

Euro against foreign currency as at June 30, 2023 CAD = 1.445, GBP = 0.860, CHF = 0.976, HKD = 8.549, JPY = 157.451, USD = 1.091.

(2) At June 30, 2023, the remaining subordinated debt included €505 million of undated floating-rate subordinated notes (TSDIs).

(3) 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 the Issuer, but may be redeemed in accordance with the terms specified in the French law of January 3, 1983. The number of notes outstanding as at June 30, 2023 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 June 30, 2023, 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 BNP Paribas.

(4) 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, which has now been reduced to an outstanding nominal amount of €832 million corresponding to a market value of €711 million at June 30, 2023. 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. As from December 19, 2014, however, 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 May 7, 2015, BNP Paribas and Ageas reached an agreement which allows BNP Paribas 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 BNP Paribas expired on December 31, 2016 and has not been renewed.

On July 24, 2015, BNP Paribas 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, BNP Paribas used such agreement to purchase €164 million outstanding CASHES, converted into Ageas shares.

On July 8, 2016, BNP Paribas 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. BNP Paribas requested the cancellation of this agreement from the European Central Bank and the European Central Bank approved such cancellation in August 2017.

Since January 1, 2022, the subordinated liability is no longer eligible for inclusion in Tier 1 capital (considering both the transitional period, from the January 1, 2013 to January 1, 2022, and the cancellation of the aforementioned agreement).

(5) Consists of numerous issuances by BNP Paribas 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 recognized as capital, as well as their characteristics, as required by Implementing Regulation No. 1423/2013, are available in the BNP Paribas Debt section of the Issuer's investor relations website at www.invest.bnpparibas.com.

(6) At June 30, 2023, the Issuer's share capital stood at €2,468,663,292 divided into 1,234,331,646 shares with a par value of €2 each.

USE OF PROCEEDS

The net proceeds of the issuance of the Notes, estimated to be US$1,485,000,000 (after deducting underwriting discounts and before other expenses), will be applied for the general financing purposes of the Issuer and to increase its own funds.

RECENT DEVELOPMENTS

On July 27, 2023, BNP Paribas announced that the approval from the European Central Bank for the second tranche of the share buyback program planned for 2023 for an amount of 2.5 billion euros had been received.

The first tranche of 2.5 billion euros of the 2023 share buyback program was launched on April 3, 2023 and ended on August 3, 2023.

BNP Paribas announced that it would commence executing the second tranche in the days following the completion of the first tranche, in early August. It further announced that the completion of the second tranche would bring the total amount for the 2023 share buyback program to 5 billion euros as announced on February 7, 2023, and that shares acquired under the share repurchase program would be cancelled.

As of July 26, 2023, 41,952,835 BNP Paribas shares, or 3.4% of the share capital, had been purchased, representing a total amount of approximately 2.4 billion euros, an execution of more than 95% of the first tranche.

On July 28, 2023, BNP Paribas announced that the European Banking Authority (EBA) had published the results of the EU-wide Stress Test carried out jointly with the European Central Bank (ECB). This exercise covered the 70 largest banks in the European Union (versus 50 in 2021). The exercise is conducted every two years, with the exception of the 2020 exercise stopped due to the health crisis.

The stress test results demonstrate BNP Paribas' capacity to withstand a scenario of major stress based on extremely severe assumptions of economic and market conditions evolutions.

The results of this thorough exercise conducted by the EBA and the ECB confirm the Group's balance sheet strength and the quality of its risk policy.

On August 4, 2023, BNP Paribas announced that the first tranche of BNP Paribas' share buyback program, launched on April 3, 2023, had been fully completed as of August 3, 2023 in an amount of 2.5 billion euros. BNP Paribas also announced that the second tranche of its share buyback program in an amount of 2.5 billion euros would be launched on August 7, 2023 and would end no later than December 8, 2023.

The Bank further noted that execution of the second tranche would bring the total amount for the 2023 share buyback program to 5 billion euros as announced on February 7, 2023, or 7% of BNP Paribas' market capitalization[3].

Completion of the execution of the first tranche of BNP Paribas' share buyback program in an amount of 2.5 billion euros on August 3, 2023.

Between April 3, 2023 and August 3, 2023, 43,882,757 of BNP Paribas' shares, 3.6% of the share capital, were purchased for an overall purchase price of 2.5 billion euros.

In accordance with the announcement made on March 31, 2023, shares acquired in the context of this first tranche of the share buyback program will be cancelled.

Launch of the second tranche of BNP Paribas' share buyback program in an amount of 2.5 billion euros on August 7, 2023.

BNP Paribas has received the approval from the European Central Bank and a contract had been entered into with an investment services provider acting independently, entrusted with an irrevocable instruction to purchase the shares.

[3] Market capitalization as at June 30, 2023

The purchase period will start on August 7, 2023 and will end no later than December 8, 2023. The shares purchased under the program will be cancelled.

The program will be carried out in accordance with the provisions set out in the EU Regulation n°596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse and its implementing provisions, and within the limits of the authorization granted to BNP Paribas to purchase shares on the market pursuant to the fifth resolution adopted by the General Meeting of BNP Paribas on May 16, 2023.

APPENDIX: DESCRIPTION OF THE SHARE BUYBACK PROGRAMME

The present description complies with the provisions of article 241-2, I of the General Regulation of the French Financial Markets Authority (*Autorité des Marchés Financiers*).

Date of the general meeting which approved the resolution concerning the share buyback program

May 16, 2023

Objectives pursued by BNP PARIBAS

In accordance with the fifth resolution approved by the combined General Meeting on May 16, 2023, the shares may be purchased for the purposes of:

- their cancellation in situations identified by the Extraordinary General Meeting;

- honoring the obligations linked to the issuance of equity instruments, stock option plans, bonus share awards, the allotment or selling of shares to employees as part of a profit-sharing scheme, employee shareholding or Corporate Savings Plans, or any other type of share grant for employees and directors and corporate officers of BNP Paribas and of the companies controlled exclusively by BNP Paribas within the meaning of article L.223-16 of the French Commercial Code;

- holding and subsequently remitting them in exchange or as payment for external growth transactions, mergers, spin-offs or asset contributions;

- under a market-making agreement in accordance with Decision No. 2021-01 of June 22, 2021 of the French Financial Markets Authority (*Autorité des Marchés Financiers – AMF*);

- carrying out investment services for which BNP Paribas has been approved or to hedge them.

Maximum amount allocated to the share buyback program, maximum number of shares to be purchased

The General Meeting has authorized the Board of Directors to purchase a number of shares representing up to 10% of the shares comprising the share capital of BNP Paribas, or, for illustrative purposes, as of May 16, 2023, the date on which the share capital was last recorded, a maximum of 123,433,164 shares. Based on a maximum repurchase price of 89 euros per share, set by the fifth resolution approved by the General Meeting dated May 16, 2023, this number of shares represents a theoretical maximum purchase amount of 10,985,551,596 euros. Such limit is likely to change in case of transactions affecting the share capital.

The shares which may be purchased under the present description are BNP Paribas' shares listed on Euronext Paris – A compartment, ISIN Code FR0000131104.

Considering that BNP Paribas owned as of May 11, 2023 directly 15,145,171 of its own shares, i.e. 1.23% of its share capital, the number of shares that was likely to be purchased at the date of the General Meeting dated May 16, 2023 is 108,287,993 shares representing 8.77% of the share capital, i.e., on the basis of a maximum purchase price of 89 euros per share as set by the General Meeting, a theoretical maximum purchase amount of 9,637,631,377 euros.

Duration of the share buyback program

The authorization granted by the General Meeting dated May 16, 2023, as described in the fifth resolution, is valid for an eighteen-month period with effect from the date of the said General Meeting, i.e. up to November 16, 2024.

The Board of directors will ensure that these share purchases are carried out in accordance with the prudential requirements as defined by the regulation and the European Central Bank.

GOVERNMENT SUPERVISION AND REGULATION OF CREDIT INSTITUTIONS IN FRANCE

Regulatory and Supervisory Bodies

Banking Authorities

The French Monetary and Financial Code (*Code monétaire et financier*) as well as directly applicable EU regulations, together with guidelines issued by EU and French competent authorities, set forth the conditions under which credit institutions, including banks, may operate. The French Monetary and Financial Code (*Code monétaire et financier*) vests related supervisory and regulatory powers in certain administrative authorities.

The *Autorité de contrôle prudentiel et de résolution* (the "**ACPR**") is the French authority responsible for the supervision of financial institutions and insurance firms and is also in charge of implementing measures for the prevention and resolution of banking crises and ensuring the protection of consumers and the stability of the financial system. The ACPR is chaired by the Governor of the *Banque de France*.

Since November 4, 2014, the European Central Bank (the "**ECB**") has assumed supervisory tasks and responsibilities within the context of the single supervisory mechanism adopted by the European Union in 2013 (the "**Single Supervisory Mechanism**") regarding credit institutions established in the Eurozone. Pursuant to the Single Supervisory Mechanism, the ECB has exclusive powers to adopt the following decisions with respect to credit institutions deemed "significant", such as BNP Paribas:

(a) to license credit institutions and to withdraw their licenses;
(b) to assess notification of the acquisition and disposal of qualifying holdings, in other credit institutions, except in the case of a bank resolution;
(c) to ensure compliance with all prudential requirements laid down in general EU banking rules for credit institutions in the areas of own funds requirements, securitization, large exposure limits, liquidity, leverage, reporting and public disclosure of information on those matters;
(d) to carry out supervisory reviews, including stress tests and their possible publication, and the basis of this supervisory review, to impose where necessary on credit institutions higher prudential requirements to protect financial stability under the conditions provided by EU law;
(e) to impose robust corporate governance practices (including the fit and proper requirements for the persons responsible for management, internal control mechanisms, remuneration policies and practices) and effective internal capital adequacy assessment processes; and
(f) to carry out supervisory tasks in relation to recovery plans, and early intervention where a credit institution or group does not meet or is likely to breach the applicable prudential requirements including structural changes required to prevent financial stress or failure (excluding resolution measures).

National competent authorities (i.e., in France the ACPR), take part in the preparation and adoption of the ECB's decisions (each of the ACPR and the ECB is hereinafter referred to as a "**Banking Authority**"). Furthermore, the ACPR continues to exercise all of its powers that were not expressly transferred to the ECB pursuant to the Single Supervisory Mechanism.

The ACPR may apply requirements for certain capital buffers to be held by credit institutions at the relevant level, in addition to own funds requirements (i.e., the capital conservation buffer and the capital buffer applicable to systemic financial institutions, as discussed below). In addition, the High Council for Financial Stability (*Haut Conseil de Stabilité Financière*, or the "**HCSF**") monitors the financial system as a whole, with a view to maintaining its stability and its capacity to make a sustainable contribution to economic growth. The HCSF defines macro-economic policy and is in particular responsible for setting requirements for credit institutions to comply with a countercyclical buffer and a systemic risk buffer (see "—*Capital requirements*" below). If deemed necessary, the ECB may, instead of the ACPR or the HCSF but in close cooperation with such authorities, require the application of higher buffer requirements.

BNP Paribas' commercial banking operations in France are also significantly affected by monetary policies established from time to time by the ECB in coordination with the *Banque de France*. Commercial banking operations are also affected in practice (particularly as regards short-term interest rates) by the rates at which the *Banque de France* intervenes in the French domestic interbank market.

As a significant Eurozone institution, BNP Paribas is subject to the supervision of the ECB. The Single Resolution Board is the competent resolution authority with respect to significant Eurozone institutions such as BNP Paribas, and is in charge of the resolution tasks relating to the implementation of BRRD/SRMR, each as defined below.

Other French Banking Regulatory and Supervisory Bodies

The Financial Sector Consultative Committee (*Comité consultatif du secteur financier*) is made up of representatives of credit institutions, financing companies, electronic money institutions, payment institutions, investment firms, asset management companies and insurance companies and insurance brokers and client representatives. This committee is a consultative organization that studies the relations between the above-mentioned entities and their respective clientele and proposes appropriate measures in this area through non-binding opinions and recommendations.

The Consultative Committee on Financial Legislation and Regulations (*Comité consultatif de la législation et de la réglementation financières*) reviews, at the request of the French Minister of Economy, any draft bills or regulations, as well as any draft European regulations relating to the insurance, banking, electronic money, payment service and investment service industries other than those draft regulations issued by the AMF.

In addition, all French credit institutions are required to belong to a professional organization or central body affiliated with the French Credit Institutions and Investment Firms Association (*Association française des établissements de crédit et des entreprises d'investissement*), which represents the interests of credit institutions, financing companies, electronic money institutions, payment institutions, asset management companies and investment firms in particular with the public authorities, provides consultative advice, disseminates information, studies questions relating to banking and financial services activities and makes recommendations in connection therewith. Most registered banks, including BNP Paribas, are members of the French Banking Association (*Fédération Bancaire Française*) which is itself affiliated with the French Credit Institutions and Investment Firms Association.

Supervisory framework

With respect to the banking sector, and for the purposes of carrying out the tasks conferred on it, the relevant Banking Authority makes individual decisions, grants banking and investment firm licenses, and grants specific exemptions as provided in applicable banking regulations. It supervises the enforcement of laws and regulations applicable to banks and other credit institutions, as well as investment firms, and monitors their financial standing.

Banks are required to submit periodic (either monthly or quarterly) accounting reports to the relevant Banking Authority concerning the principal areas of their activities. The main reports and information filed by institutions with the relevant Banking Authority include periodic regulatory reports, collectively referred to *as états périodiques réglementaires*. They include, among other things, the institutions' accounting and prudential (regulatory capital) filings, which are required, for large institutions such as BNP Paribas, to be filed annually or semi-annually, except for certain information including key metrics that must be filed on a quarterly basis. They also include internal audit reports filed once a year, all the documents examined by the institution's management in its twice-yearly review of the business and operations and the internal audit findings and the key information that relates to the credit institution's risk analysis and monitoring. The relevant Banking Authority may also request additional information that it deems necessary and may carry out on-site inspections (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements). These reports and controls allow close monitoring of the condition of each bank and also facilitate computation of the total deposits of all banks and their use.

The relevant Banking Authority may order financial institutions to comply with applicable regulations and to cease conducting activities that may adversely affect the interests of clients. The relevant Banking Authority may also require a financial institution to take measures to strengthen or restore its financial situation, improve its management methods and/or adjust its organization and activities to its development goals. When a financial institution's solvency or liquidity, or the interests of its clients are or could be threatened, the relevant Banking Authority is entitled to take certain provisional measures, including: submitting the institution to special monitoring and restricting or prohibiting the conduct of

certain activities (including deposit-taking), the making of certain payments, the disposal of assets, the distribution of dividends to its shareholders, and/or the payment of variable compensation. The relevant Banking Authority may also require credit institutions to maintain regulatory capital and/or liquidity ratios higher than required under applicable law and submit to specific liquidity requirements, including restrictions in terms of asset/liability maturities mismatch.

Where regulations have been violated, the relevant Banking Authority may impose administrative sanctions, which may include warnings, fines, suspension or dismissal of managers and deregistration of the bank, resulting in its winding up. The relevant Banking Authority has also the power to appoint a temporary administrator to manage provisionally a bank that it deems to be mismanaged. Insolvency proceedings may be initiated against banks or other credit institutions, or investment firms only after prior approval of the relevant Banking Authority.

Main Banking Regulations

Legislative Framework

In France, credit institutions such as BNP Paribas must comply with the norms of financial management set by the Minister of Economy, the purpose of which is to ensure the creditworthiness and liquidity of French credit institutions. These banking regulations are mainly derived from EU directives and regulations. Banking regulations implementing the Basel III reforms were adopted on June 26, 2013, and subsequently revised following legislative proposals issued by the European Commission on November 23, 2016 (the "**EU Banking Package**") consisting of Directive 2013/36/EU of the European Parliament and of the Council of June 26, 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 May 20, 2019 (the Capital Requirements Directive or "**CRD**") and Regulation (EU) 575/2013 of the European Parliament and of the Council of June 26, 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 May 20, 2019 (the Capital Requirements Regulation or "**CRR**"). Furthermore, Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended from time to time including by Directive (EU) 2019/879 of the European Parliament and of the Council of May 20, 2019 as part of the EU Banking Package (the Bank Recovery and Resolution Directive or "**BRRD**") and Regulation (EU) 806/2014 of the European Parliament and of the Council of July 15, 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) 1093/2010, as amended from time to time including by Regulation (EU) 2019/877 of the European Parliament and of the Council of May 20, 2019 as part of the EU Banking Package (the "**SRMR**"), aim at addressing banking crises in a manner that ensures that losses are borne primarily by shareholders and creditors rather than taxpayers while minimizing effects on financial stability, and entrusts resolution authorities with certain recovery and resolution powers to this effect. The SRMR provides for the establishment of a single resolution board (the "**Single Resolution Board**") and a single resolution fund (the "**Single Resolution Fund**") funded through contributions made by the banking industry.

The European Commission presented on October 27, 2021 a legislative package to finalize the implementation of the Basel III standards within the European Union amending the above-mentioned banking regulations (see "*Capital requirements*" below).

On April 18, 2023, the European Commission presented a legislative package to adjust and further strengthen the EU's existing bank crises management and deposit insurance (CMDI) framework by amending the BRRD, the SRMR and the Deposit Guarantee Scheme Directive (DGSD). The legislative package is now discussed within the Council.

Capital requirements

The BNP Paribas Group must comply with minimum capital ratio requirements. In addition to these requirements, the main regulations applicable to credit institutions such as BNP Paribas concern risk

diversification and liquidity, monetary policy, restrictions on equity investments and reporting requirements.

French credit institutions are required to maintain minimum capital to cover their credit, market, counterparty and operational risks. Since January 1, 2015, pursuant to the CRR, credit institutions, such as BNP Paribas, are required to maintain a minimum total capital ratio of 8%, a minimum tier 1 capital ratio of 6% and a minimum common equity tier 1 ratio of 4.5%, each calculated by dividing the institution's relevant eligible regulatory capital by its total risk exposure (commonly referred to as risk-weighted assets or "**RWAs**"). These requirements form the "Pillar 1" capital requirements or "**P1R**".

For this purpose, the "**eligible regulatory capital**" includes (i) common equity tier 1 capital (essentially share capital, share premium and retained earnings), for purposes of the minimum common equity tier 1 ratio, (ii) common equity tier 1 capital plus additional tier 1 capital (deeply subordinated instruments meeting certain requirements, such as the Notes), for purposes of the minimum tier 1 capital ratio, and (iii) tier 1 and tier 2 capital (subordinated instruments meeting certain requirements), for purposes of the minimum total capital ratio. For purposes of calculating minimum capital ratios, the total risk exposure amount or RWAs includes amounts to take into account credit risk, market risk, operational risk and certain other risks. RWAs of the various categories are calculated under either a standardized approach or using internal models approved by the relevant Banking Authority, or under a combination of the two approaches. *See* below for more details on the Basel III post-crisis regulatory reform.

In addition, credit institutions have to comply with certain common equity tier 1 buffer requirements, including a capital conservation buffer of 2.50% that is applicable to all institutions, a systemic institution buffer for institutions designated as global systemically important banks ("**G-SIBs**") such as BNP Paribas (the "**G-SIB buffer**"), as well as an institution-specific buffer to cover countercyclical risks, and a buffer covering systemic risks not already covered by the G-SIB buffer or the countercyclical buffer (collectively, the "**combined buffer requirement**"). The systemic risk buffer may be applied at any time upon decision of the relevant national authorities. The countercyclical capital buffer rate is calculated as the weighted average of the countercyclical buffer rates that apply in all countries where the relevant credit exposures of the Group are located. The weighting applied to the countercyclical buffer rate of each country corresponds to the fraction, in the total capital requirements, of the capital requirements corresponding to the credit exposures in the territory in question. For the credit exposures located in France, in April 2020 the High Council for Financial Stability (*Haut Conseil de Stabilité Financière* or "**HCSF**") lowered the countercyclical buffer rate to 0% in the context of the Covid-19 pandemic and has since maintained the rate at this level. By a decision of April 7, 2022, the HCSF decided to raise the countercyclical buffer rate to 0.5% as from April 7, 2023. On December 27, 2022, considering the persistent financial risks in the medium and long term and consequently the need to enhance preventive measures to avoid a turnaround in the credit cycle, the HCSF decided to further raise the countercyclical buffer rate to 1.0% as from January 2, 2024, as announced in its decision of September 15, 2022.

In addition to the P1R and buffer requirements, the CRD contemplates that competent authorities may require institutions to maintain additional own funds to cover elements of risk, other than the risk of excessive leverage, which are not fully captured by the minimum "own funds" requirements (so-called "**Pillar 2**" capital requirements or "**P2R**"). Under a provision of the CRD implemented under French law by a decree of February 25, 2021, and in line with the EBA guidelines on the revised common procedures and methodologies for the SREP and supervisory stress testing dated July 19, 2018, P2R must be composed of at least 56% of common equity tier 1 capital and at least 75% of tier 1 capital, with the remainder in tier 2 capital. The EBA guidelines were amended on March 18, 2022 to provide for a common equity tier 1 requirement of 56.25% applicable since January 1, 2023. Pursuant to CRD, both the P1R and the P2R must be fulfilled before the common equity tier 1 capital is allocated to satisfy buffer requirements. However, in accordance with CRD, credit institutions are allowed to partially use capital instruments that do not qualify as common equity tier 1 capital, for example additional tier 1 or tier 2 instruments, to meet the P2R.

In addition, competent authorities may establish an additional own funds guidance (so-called "**Pillar 2 guidance**" or "**P2G**"). While P2G, unlike P2R, is not a legal minimum, banks are expected to follow guidance in order to provide for forward-looking stress scenarios. Competent authorities are entitled to take supervisory measures and, where appropriate, to impose additional own funds requirements, if an institution repeatedly fails to meet the capital target.

Competent authorities have wide powers at their disposal in CRD and BRRD to take appropriate supervisory measures in a range of circumstances, including when institutions breach capital ratio requirements, including P2R, or fail to meet capital buffer requirements. In particular, if capital requirements are no longer met, CRD and BRRD ensure that intervention powers are available to competent authorities (these additional measures may in certain circumstances be taken by competent authorities pre-emptively prior to a failure to meet minimum requirements). These include early intervention measures and resolution actions. In addition, unlike the capital ratio requirements, failure to comply with the capital buffer requirements does not result in the potential withdrawal of a credit institution's operating authorization. Instead, if the capital buffer requirements are not met, a credit institution is subject to certain restrictions on the distribution of dividends, the payment of coupons and other amounts on additional tier 1 instruments, and the payment of certain variable employee compensation *See* "*—MDA, L-MDA and M-MDA*" below).

Following the SREP performed by the ECB for 2022, the CET1 Ratio that the Group has to respect on a consolidated basis was set at 9.73% as of June 30, 2023, of which 1.50% for the G-SIB buffer, 2.50% for the conservation buffer, 0.35% for the countercyclical capital buffer, 0.00% of systemic risk buffer, and 0.88% for the P2R (excluding the P2G). The tier 1 capital requirement is thus set at 11.53% and the total capital requirement at 13.92%. See "*Regulatory Capital Ratios*". Moreover, assessment methodology for G-SIBs, such as the Issuer, has been reviewed by the Basel Committee on Banking Supervision and a parallel set of G-SIBs scores will be calculated for EBU-headquartered G-SIBs and used to adjust their bucket allocations. On November 18, 2022, the ACPR notified the Issuer that the Group has been designated on the 2022 list of G-SIBs in the bucket 2 corresponding to its score based on end-2021 data, and that, consequently, the requirement of the G-SIB buffer applicable for the Group remains at 1.50% of the total risk- weighted assets beginning January 1, 2023, unchanged compared to the level previously applicable.

In accordance with the Basel III post-crisis regulatory reform endorsed by the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (the "**GHOS**") endorsed a revised standardized approach for credit risk, revisions to the internal ratings-based approach for credit risk, revisions to the credit valuation adjustment (CVA) framework, a revised standardized approach for operational risk; and an aggregate output floor, which will ensure that banks' RWAs generated by internal models are not lower than 72.5% of RWAs as calculated by the Basel III framework's standardized approaches.

On October 27, 2021, the European Commission presented a legislative package to finalize the implementation of the Basel III standards within the European Union while giving banks and supervisors additional time to properly implement the reform in their processes, systems and practices. The legislative package is composed of a legislative proposal to amend the CRD, a legislative proposal to amend the CRR and a separate legislative proposal to amend the CRR in the area of resolution, and contains a number of amendments to existing rules applicable to credit institutions within the European Union, including in particular: (i) the implementation of the above-mentioned final elements of the Basel III reforms, (ii) explicit rules on the management and supervision of environmental, social and governance (ESG) risks and additional supervisory powers to assess ESG risks as part of regular supervisory reviews (including regular climate stress testing by both supervisors and credit institutions) and (iii) increased harmonization of certain supervisory powers and tools. On November 8, 2022, the Council set its position on the proposals and, in March 2023, commenced negotiations with the European Parliament to agree on final versions of the texts. On June 27, 2023, negotiations reached a provisional agreement which still needs to be confirmed by the Council and the European Parliament before it can be formally adopted. The new rules amending the CRR are expected to apply from January 1, 2025, with certain elements phasing in over the coming years. The amendments to the CRD will have to be transposed by June 30, 2026.

TLAC and MREL

In coordination with the above-mentioned capital requirements, institutions are required to maintain a minimum level of own funds and eligible liabilities, calculated as a percentage of their total risk exposure amount and their total exposure measure based on certain criteria, including systemic importance (minimum requirement for own funds and eligible liabilities or "**MREL**").

On November 9, 2015, the Financial Stability Board ("**FSB**") proposed that G-SIBs (including the BNP Paribas Group) maintain significant amounts of liabilities that are subordinated (by law, contract or structurally) to certain priority liabilities, such as guaranteed or insured deposits and derivatives. These so-called "total loss absorbing capacity" (or "**TLAC**") requirements are intended to ensure that losses are absorbed by shareholders and creditors, other than creditors of priority liabilities, rather than being borne by government support systems. The CRR and BRRD give effect to the FSB TLAC Term Sheet. Under the CRR, G-SIBs including BNP Paribas are required (as from January 1, 2022) to comply with a level of TLAC in an amount at least equal to (i) 18% of the institution's total risk exposure amount, and (ii) 6.75% of the institution's applicable total exposure measure (each of which may be increased by additional firm-specific requirements or buffer requirements imposed by the regulator). The TLAC requirements, as implemented in the CRR, apply in addition to capital requirements applicable to the BNP Paribas Group.

The BRRD and the SRMR also empower resolution authorities to require, on the basis of bank-specific assessments, that G-SIBs comply with a supplementary institution-specific requirement, in addition to the TLAC, known as the "MREL add-on", which is to be set in accordance with Article 45 and seq. of the BRRD, implemented under French law by Article L. 613-44 and R. 613-46 and seq. of the French Monetary and Financial Code (*Code monétaire et financier*), and Article 12 and seq. of the SRMR, as amended from time to time. Relevant Resolution Authorities may determine an appropriate transitional period to reach the final MREL add-on. On May 20, 2020, the SRB published its revised MREL policy under the Banking Package, which clarifies that G-SIBs will be required to comply with a MREL add-on where the TLAC level is not sufficient to allow, in the context of a resolution, for (i) a full absorption of losses, and (ii) a full reconstitution of the G-SIB's own funds restoring compliance with P1R and P2R capital requirements and the leverage ratio requirement, subject to potential adjustments to, inter alia, meet resolution objectives and secure market access. The MREL add-on would serve to fill in this gap, thereby aligning the approach to resolvability of G-SIBs with the existing approach applicable to non-G-SIBs. The SRB reiterated this approach in the 2023 MREL policy that it published on May 15, 2023. The Group was notified by the SRB on November 17, 2021 of a transitional MREL requirement that became applicable on January 1, 2022, confirmed by a first decision notified by the SRB on May 10, 2022 and a second decision notified by the SRB on June 16, 2023.

In addition, Article L.613-30-3 of the French Monetary and Financial Code (*Code monétaire et financier*) allows French credit institutions to issue "senior non preferred" notes, that are designed to be eligible to count towards TLAC and MREL. Pursuant to Article L. 613-30-3-I-4° of the French Monetary and Financial Code (*Code monétaire et financier*,) securities that are "non-structured" debt securities (as defined in Article R.613-28 of the French Monetary and Financial Code (*Code monétaire et financier*), issued by any French credit institution with a minimum maturity of one year and whose terms and conditions provide that their ranking is as set forth in paragraph 4° of Article L.613-30-3, shall rank junior to any other non-subordinated liability but senior to any subordinated obligations of such credit institution, including any subordinated obligations issued on or after December 28, 2020 whose principal and interest have been fully excluded from tier 1 or tier 2 capital, in a judicial liquidation (see "*Risk Factors—Risk Factors Relating to the Notes—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")*.

Leverage, large exposures and liquidity

Under the CRR, credit institutions are also required to maintain a minimum leverage ratio requirement of 3% of tier 1 capital in addition to the own funds requirements specified in Article 92 of the CRR, which institutions must meet in addition to the above-mentioned capital requirements. The leverage ratio is calculated by dividing tier 1 capital by exposure calculated using the balance sheet assets and off-balance sheet commitments assessed according to a prudential approach. Derivatives and repurchase agreements are also adjusted. In addition, a CRD provision, that has been implemented under French law, contemplates that competent authorities may require institutions to maintain additional own funds to address the risk of excessive leverage in case such risk is not sufficiently covered by the minimum leverage ratio requirement. This additional own funds requirement may only be met with tier 1 capital. Moreover, since January 1, 2023, G-SIBs, such as BNP Paribas, are also subject to a leverage ratio buffer requirement equal to the G-SIB total exposure measure used to calculate the leverage ratio multiplied by 50% of the applicable G-SIB buffer rate.

In addition, French credit institutions must satisfy, on a consolidated basis, certain restrictions relating to credit risk concentration. The aggregate of a French credit institution's loans and a portion of certain other exposures to a single customer (and related entities) may not exceed 25% of the credit institution's regulatory capital as defined by French capital ratio requirements. Individual exposures exceeding 10% (and in some cases 5%) of the credit institution's regulatory capital are subject to specific regulatory requirements. Under the CRR, the capital that can be taken into account to calculate the large exposures limit is limited to tier 1 capital and G-SIBs exposures to other G-SIBs are limited to 15% of the G-SIB's tier 1 capital.

The CRR introduced liquidity requirements pursuant to which institutions are required to hold liquid assets, the total value of which would cover the net liquidity outflows that might be experienced under gravely stressed conditions over a period of thirty (30) calendar days. This requirement is known as the liquidity coverage ratio ("**LCR**") and is now fully applicable following a phase-in period. In accordance with the recommendations of the Basel Committee, the CRR provides for a binding net stable funding ratio ("**NSFR**") set at a minimum level of 100%, which reflects the requirement that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions.

MDA, L-MDA and M-MDA

If a credit institution fails to meet the combined buffer requirement described under "*—Capital requirements*" above, it becomes subject, under Article 141(2) to (6) of the CRD, to a cap on its ability to make payments and distributions on shares and other tier 1 instruments, and on the payment of certain bonuses to employees based on a "maximum distributable amount" (the "**MDA**"). Moreover, pending calculation and notification to the competent authority of the MDA, the credit institution is prohibited from inter alia making such payments or distributions. Under the CRD in line with the opinion of the EBA issued on December 18, 2015, the MDA should be calculated taking into account P1R, P2R and the combined buffer requirement. However, P2G is not required to be taken into account for purposes of calculating the MDA.

The BRRD, SRMR and CRR, in particular Article 16a of BRRD, as implemented under French law by Articles L. 613-56.III and R. 613-73-1 of the French Monetary and Financial Code (*Code monétaire et financier*), and 10a of SRMR, introduce a requirement for MREL/TLAC, as defined above, to be taken into account in the calculation of the MDA (in addition to P1R, P2R and the combined buffer requirement), which may be waived if the competent authorities find that certain conditions are met. The application of this requirement is subject to a nine-month grace period in case of inability to issue eligible debt, during which restrictions relating to MDA would not be triggered, but authorities would be able to take other appropriate measures (the "**M-MDA**"). The M-MDA applies, as of December 28, 2020, in case of a breach of the combined buffer requirement when considered in addition to the transitional TLAC requirements (as confirmed by the SRB in its 2023 MREL Policy published on May 15, 2023). Since January 1, 2022, the M-MDA applies in case of a breach of the combined buffer requirement when considered in addition to the fully-loaded TLAC requirements as well as in addition to the MREL intermediate targets (as confirmed by the European Commission in a notice published on December 2, 2020).

Under Article 141 b of the CRD, as implemented under French law in Article L. 511-41-1 A of the French Monetary and Financial Code (*Code monétaire et financier*), since January 1, 2023, institutions that fail to meet the leverage ratio buffer are required to calculate a leverage ratio maximum distributable amount (the "**L-MDA**"), and payments and distributions on shares and other tier 1 instruments (including additional tier 1 instruments) as well as payments of certain bonuses to employees will be restricted to such L- MDA.

Investments and activities

French credit institutions are subject to restrictions on equity investments and, subject to various specified exemptions for certain short-term investments and investments in financial institutions and insurance companies, "qualifying shareholdings" held by credit institutions must comply with the following requirements: (a) no "qualifying shareholding" may exceed 15% of the regulatory capital of the concerned credit institution and (b) the aggregate of such "qualifying shareholdings" may not exceed 60% of the regulatory capital of the concerned credit institution. An equity investment is a "qualifying

shareholding" for the purposes of these provisions if (i) it represents more than 10% of the share capital or voting rights of the company in which the investment is made, or (ii) it provides, or is acquired with a view to providing, a "significant influence" over the management of such company. Further, the ECB must authorize certain participations and acquisitions.

French regulations permit only licensed credit institutions to engage in banking activities on a regular basis. Similarly, institutions licensed as banks may not, on a regular basis, engage in activities other than banking, bank-related activities and a limited number of non-banking activities determined pursuant to the regulations issued by the French Minister of Economy. A regulation issued in November 1986 and amended from time to time sets forth an exhaustive list of such non-banking activities and requires revenues from those activities to be limited in the aggregate to a maximum of 10% of total net revenues.

Examination

In addition to the resolution powers set out below, the principal means used by the relevant Banking Authority to ensure compliance by large deposit banks with applicable regulations is the examination of the detailed periodic (monthly or quarterly) financial statements, *états périodiques réglementaires* and other documents that these banks are required to submit to the relevant Banking Authority. In the event that any examination were to reveal a material adverse change in the financial condition of a bank, an inquiry would be made, which could be followed by an inspection. The relevant Banking Authority may also inspect banks (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements) on an unannounced basis.

Deposit Guarantee

All credit institutions operating in France are required by law to be a member of the French Deposit Guarantee and Resolution Fund (*Fonds de Garantie des Dépôts et de Résolution*), except branches of European Economic Area banks that are covered by their home country's guarantee system.

In accordance with the DGSD as transposed under French law, subject to certain exceptions, customers' deposits held with European establishments of French banks denominated in euro and currencies of the European Economic Area are covered up to an amount of €100,000, per customer and per credit institution, in both cases. The contribution of each credit institution is calculated on the basis of the aggregate deposits and of the risk exposure of such credit institution. See "*Legislative Framework*" above for more details on the legislative package prepared to adjust and further strengthen the EU's existing bank crises management and deposit insurance (CMDI) framework, including by amending the DGSD.

European Deposit Insurance Scheme

In November 2015, the European Commission proposed to set up a European deposit insurance scheme (EDIS) for bank deposits in the euro area (the "**EDIS Proposal**"), through an amendment to the SRMR. EDIS is intended to be the third pillar of the banking union. The EDIS Proposal builds on the system of national deposit guarantee schemes (DGS), like the French Deposit Guarantee and Resolution Fund, which already ensures that all deposits up to €100,000 are protected through national DGS all over the European Union.

EDIS would be managed by the Single Resolution Board and would apply to all credit institutions affiliated to a DGS of a member state participating to the Single Supervisory Mechanism. By providing assistance to national DGSs in case of payouts to depositors or contributions to resolution, EDIS aims at reducing the vulnerability of national DGSs to large local financial shocks, ensuring that the level of depositor confidence in a bank does not depend on the bank's location, and weakening the link between banks and their home member state.

The European Commission proposed revisions to the EDIS Proposal in its October 2017 communication on completing the banking union. Since then, the EDIS Proposal has remained under discussion within the EU institutions.

Between January and May 2021, the European Commission conducted both a public consultation and a consultation directed to a target group, including banks, on the review of the crisis management and

deposit insurance framework. Both consultations included questions on whether to move forward with the EDIS proposal, and the targeted consultation also included specific questions on the design and features of a European deposit insurance scheme. The European Commission indicated that the responses to the consultations will serve for the review of the current crisis management and deposit insurance framework, and is currently considering the answers received. In its statement of June 16, 2022, the Eurogroup noted that the establishment of the EDIS would be re-assessed after the crisis management and deposit insurance (CMDI) framework reform.

Additional Funding

The governor of the *Banque de France*, as chairman of the ACPR, after requesting the opinion of the relevant Banking Authority, can request that the shareholders of a credit institution in financial difficulty fund the institution in an amount that may exceed their initial capital contribution. However, unless they have agreed to be bound by an express undertaking to the ACPR, credit institution shareholders have no legal obligation in this respect and, as a practical matter, such a request would likely be made to holders of a significant portion of the institution's share capital.

Internal Control Procedures

French credit institutions are required to establish appropriate internal control systems, including with respect to risk management and the creation of appropriate audit trails. French credit institutions are required to have a system for analyzing and measuring risks in order to assess their exposure to credit, market, global interest rate, intermediation, liquidity and operational risks. Such system must set forth criteria and thresholds allowing the identification of significant incidents revealed by internal control procedures. Any fraud generating a gain or loss of a gross amount superior to 0.5% of the common equity tier 1 capital is deemed significant provided that such amount is greater than €10,000.

With respect to credit risks, each credit institution must have a credit risk selection procedure and a system for measuring credit risk that permit, *inter alia*, centralization of the institution's on- and off-balance sheet exposure and for assessing different categories of risk using qualitative and quantitative data. With respect to market risks, each credit institution must have systems for monitoring, among other things, its proprietary transactions that permit the institution to record on at least a day-to-day basis foreign exchange transactions and transactions in the trading book, and to measure on at least a day-to-day basis the risks resulting from trading positions in accordance with the capital adequacy regulations. The institution must prepare an annual report for review by the institution's board of directors and the relevant Banking Authority regarding the institution's internal procedures and the measurement and monitoring of the institution's exposure.

Compensation Policy

French credit institutions and investment firms are required to ensure that their compensation policy is compatible with sound risk management principles. A significant portion of the compensation of employees whose activities may have a significant impact on the institution's risk exposure must be performance-based and a significant fraction of this performance-based compensation must be in the form of instruments and deferred. Under the CRD as implemented under French law, the aggregate amount of variable compensation of the above-mentioned employees cannot exceed the aggregate amount of their fixed salary; the shareholders' meeting may, however, decide to increase this cap to two times their fixed salary. The variable compensation cap applies to compensation awarded for services or performance from 2014 onwards.

Money Laundering

French credit institutions are required to report to a special government agency (TRACFIN) placed under the authority of the French Minister of the Economy all amounts registered in their accounts that they suspect come from drug trafficking or organized crime, from unusual transactions in excess of certain amounts, as well as all amounts and transactions that they suspect to be the result of offence punishable by a minimum sentence of at least one-year imprisonment or that could participate in the financing of terrorism.

French credit institutions are also required to establish "know your customer" procedures allowing identification of the customer (as well as the beneficial owner) in any transaction and to have in place

systems for assessing and managing money laundering and terrorism financing risks ("**AML/CFT**") in accordance with the varying degree of risk attached to the relevant clients and transactions.

On July 20, 2021, the European Commission adopted a package of measures, including inter alia a proposal for a regulation establishing a new EU-level AML/CFT authority (the "**AML Authority**"), which is intended to be the central authority coordinating national authorities to ensure a consistent application of EU AML/CFT rules and to support financial intelligence units such as TRACFIN. The Commission initially envisaged adoption of the legislative proposals in 2022 and anticipated that the AML Authority will be established in 2023 with a view to starting most of its activities in 2024 and beginning direct supervision of certain financial entities in 2026. The Council agreed its partial position on the proposal on June 29, 2022. Following the adoption on March 28, 2023 by the Economic and Monetary Affairs committee and the Civil Liberties, Justice and Home Affairs committee of their position on the main pieces of this package, the European Parliament is ready to start negotiations with the Council.

Disclosure

The CRR imposes disclosure obligations to credit institutions relating to risk management objectives and policies, governance arrangements, capital adequacy requirements, remuneration policies that have a material impact on the risk profile and leverage. Since June 1, 2021, institutions are also required to disclose information regarding TLAC, and since June 28, 2021, information relating to liquidity requirements, their risk-weighted exposure amount and their exposures to certain risks. In addition, the French Monetary and Financial Code (*Code monétaire et financier*) imposes additional disclosure requirements to credit institutions, including disclosure relating to certain financial indicators, their activities in non-cooperative states or territories, and more generally, certain information on their overseas operations.

Resolution Framework

BRRD and SRMR

As a significant Eurozone institution, BNP Paribas is subject to the provisions of both the BRRD (as implemented in France) and the SRMR. The SRMR provides for the establishment of the Single Resolution Board and the Single Resolution Fund funded through contributions made by the banking industry. Since November 2014, the ECB is competent with respect to supervisory tasks relating to the implementation of the BRRD/SRMR, including recovery plans and early intervention measures. As of January 1, 2016, the Single Resolution Board became competent with respect to the resolution tasks relating to the implementation of BRRD/SRMR with respect to significant Eurozone institutions such as BNP Paribas, including the assessment of resolution plans and the adoption of resolution measures. The ACPR remains responsible for implementing the resolution plan according to the Single Resolution Board's instructions.

Exercise of resolution powers including bail-in of capital instruments and eligible liabilities

The resolution authorities have the power to decide the placement in resolution and the exercise of the resolution powers at the point at which they determine that:

(a) the institution individually, or the group to which it belongs, as applicable, is failing or likely to fail (on the basis of objective elements), which includes situations where, pursuant to Article 32(4) of the BRRD:
  (i) the institution infringes/will in the near future infringe the requirements for continuing authorization in a way that would justify withdrawal of such authorization including, but not limited to, because the institution has incurred/is likely to incur losses depleting all or a significant amount of its own funds;
  (ii) the assets of the institution are/will be in a near future less than its liabilities;
  (iii) the institution is/will be in a near future unable to pay its debts or other liabilities when they fall due; or
  (iv) the institution requires extraordinary public financial support (subject to limited exceptions which apply when, in order to remedy a serious disturbance in the economy of a Member State and preserve financial stability, extraordinary public financial support is provided to solvent institutions, subject to final approval under the European Commission's State Aid framework).

(b) there is no reasonable prospect that a private action would prevent the failure; and
(c) a resolution action is necessary in the public interest.

The powers provided to resolution authorities in the BRRD include write-down/conversion powers to ensure that capital instruments, including additional tier 1 instruments such as the Notes, and bail-inable liabilities (including subordinated debt instruments and senior debt instruments) fully absorb losses in the situations described above (the "**Bail-In Tool**"). Accordingly, the BRRD contemplates that resolution authorities may require the write-down of such capital instruments and bail-inable liabilities in part or in full on a permanent basis, or convert them in part or in full into common equity tier 1 instruments.

The BRRD provides, *inter alia*, that resolution authorities shall exercise the write-down power (either in a resolution or, as discussed below, outside of one) in a way that results in (i) common equity tier 1 instruments being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments, including additional tier 1 instruments such as the Notes, being written down or converted into common equity tier 1 instruments on a permanent basis and (iii) thereafter, bail-inable liabilities (including subordinated debt instruments and senior debt instruments) being written down or converted in accordance with a set order of priority. Following such a conversion, the resulting common equity tier 1 instruments may also be subject to the application of the Bail-In Tool.

In addition, the BRRD provides resolution authorities with broad powers to implement other resolution measures with respect to institutions that are placed in resolution or, under certain circumstances, their groups, which may include (without limitation) the sale of the institution's business, the separation of assets, the replacement or substitution of the institution as obligor in respect 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) and discontinuing the listing and admission to trading of financial instruments.

Write-down or conversion of capital instruments outside the placement in resolution

In addition, 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 and tier 2 instruments if the institution has not yet been placed in resolution but any of the following conditions are met:

(a) where the determination has been made that conditions for resolution have been met, before any resolution action is taken;
(b) 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; and
(c) extraordinary public financial support is required by the institution.

Moreover, 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 (such as the Notes) and Tier 2 (such as subordinated bonds), could also be exercised outside of resolution proceedings (and the BRRD framework) by national government authorities pursuant to the European Commission's State Aid framework if the institution requires exceptional public financial support.

Single Resolution Fund

The Single Resolution Fund (SRF) was established by the SRMR. The purpose of the SRF is to ensure that funding is available while a bank is being restructured to ensure the efficient application of resolution tools and the exercise of the resolution powers conferred to the Single Resolution Board, although costs and other expenses incurred in a bank's resolution should be borne by the bank's shareholders and creditors. It is not intended to be a bail-out fund. The SRF shall be gradually built up during the first eight years until 2024 and it is intended that, by January 1, 2024, its available financial means will reach at least 1 % of the amount of covered deposits of all banks authorized in all of the participating Member States. It is owned and administered by the Single Resolution Board and financed by contributions of banks established in the Member States participating in the Single Supervisory Mechanism. On January 27, 2021, the Eurogroup President announced that the representatives from the Member States had signed the amending agreements to the Treaty on the European Stability Mechanism and the Single Resolution Fund Intergovernmental Agreement, thereby providing a

common backstop to the Single Resolution Fund by means of a credit line as of the beginning of 2022, that will be financed by contributions from the banking sector. The amended agreements will enter into force once the ratification process is completed in accordance with national constitutional requirements.

Contributions are calculated at least annually by the Single Resolution Board after consultation with the ECB and national authorities, on the basis of the pro rata amount of the banks' total liabilities (excluding own funds) less covered deposits with respect to the aggregate amount of liabilities (excluding own funds) less covered deposits of all banks authorized in all of the participating Member States, subject to adjustments that are a function of risk factors. In the case of resolution of a bank that depletes the fund, extraordinary ex-post contributions may be required. Through the SRF, the financial industry as a whole is the one to ensure the stabilization of the financial system.

Regulatory Responses to the Covid-19 Pandemic

In response to the outbreak of the Covid-19 pandemic, specific temporary stimulus and capital relief measures were announced and implemented to address the economic impacts of the pandemic on the European banking sector.

With respect to stimulus, the ECB announced a number of measures to encourage and support the banking sector's effort to finance businesses affected by the Covid-19 pandemic. These measures ended at the end of June 2022 for the most part, with the exception of the temporary pandemic collateral easing measures which will be gradually phased-out between July 2022 and March 2024.

With respect to capital relief, the ECB took a number of measures, which have now ended. In addition, on June 24, 2020, the EU Council adopted Regulation (EU) 2020/873 of the European Parliament and of the Council amending the CRR in response to the Covid-19 pandemic, which, in particular, included a number of amendments to the legislation that are still applicable. In particular, it allowed for certain temporary preferential treatments of certain exposures and of unrealized gains and losses in order to reduce the impact of the pandemic on banks' regulatory capital and included measures complementing statements and guidance issued by the EBA and other competent organizations on the flexibility embedded in IFRS 9 which reset and amended the IFRS 9 transitional arrangements to mitigate the impact on CET1 and on banks' lending capacity of the likely increases in expected credit loss provisioning under IFRS 9 due to the economic consequences of the Covid-19 pandemic.

REGULATORY CAPITAL RATIOS

The Basel reform measures approved in November 2010 (known as "**Basel 3**"), aim at increasing the ability of banks to withstand economic and financial shocks by strengthening their capital base. The Basel reform was implemented in the EU by Directive 2013/36/EU, as amended from time to time including by Directive (EU) 2019/878 of the European Parliament and of the Council of May 20, 2019 (the "**CRD**"), and Regulation (EU) No. 575/2013 of June 26, 2013, as amended from time to time, including by Regulation (EU) 2019/876 of the European Parliament and of the Council of May 20, 2019 (the "**CRR**"), which together with implementing acts and regulations constitute the corpus of texts known as the "**CRD/CRR Rules**".

"Pillar 1" and Buffer Requirements

These measures introduce a new capital hierarchy, and update the definitions for each category to enhance their quality:

- Common Equity Tier 1 Capital (or "**CET1**"),
- Tier 1 capital, consisting of CET1 and Additional Tier 1 capital (or "**AT1**"),
- Total capital, consisting of Tier 1 capital and Tier 2 capital.

In addition to the CET1, the Tier 1 and the total capital Pillar 1 requirements, since 2016, BNP Paribas has to maintain the following additional capital buffers on a gradual basis:

- a capital conservation buffer, which aims to absorb losses in a situation of intense economic stress, consisting of CET1; this buffer, which became applicable as from January 1, 2016, has stood at 2.50% since January 1, 2019;
- a buffer for global systemically important banks ("**G-SIBs**"), which aims to reduce the risk of failure of major institutions, also consisting of CET1; this buffer became applicable as from January 1, 2016 and has been 1.50% for the Group since January 1, 2018;
- a countercyclical capital buffer, which aims to ensure that banking sector capital requirements take account of the macro-financial environment in which banks operate, consisting of CET1. The countercyclical capital buffer rate is calculated as the weighted average of the countercyclical buffer rates that apply in all countries where the relevant credit exposures of the Group are located. As of June 30, 2023, the countercyclical capital buffer that BNP Paribas is required to maintain, taking into account the various applicable rates in the countries where the relevant credit exposures are located, is 0.35%;
- a systemic risk buffer, which aims to address systemic risks that are not covered by the CRR, by the countercyclical capital buffer or by the G-SIBs buffer. The level of the systemic risk buffer may vary across institutions or sets of institutions as well as across subsets of exposures. As of June 30, 2023, the systemic risk buffer BNP Paribas is required to maintain is 0.00%.

Between January 1, 2014 and January 1, 2019, the capital requirements gradually increased and varied since January 1, 2019, as shown in the table below.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Minimum "Pillar 1" requirements										
CET1	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Tier 1 (CET1 + AT1)	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Total capital (Tier 1 + Tier 2)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

Additional CET1 requirements (*)								
Capital conservation buffer	0.625%	1.25%	1.875%	2.50%	2.50%	2.50%	2.50%	2.50%
Institution-specific countercyclical capital buffer			0.03%	0.08%	0.17% (**)	0.03% (**)	0.03% (**)	0.35% (**)
Systemic risk buffer						0.08% (***)	0.09% (***)	-
G-SIBs buffer applicable to BNP Paribas	0.50%	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

(*) *Note: the table above does not include the "Pillar 2" capital requirement to be maintained in accordance with the Supervisory Review & Evaluation Process (SREP).*

(**) *Note: The countercyclical capital buffer rates in this table correspond to the applicable rates on the date of notification of the SREP results by the European Central Bank each year. They may vary from time to time, depending on the countercyclical capital buffer rates set by the competent authorities.*

(***) *Note: this is the systemic risk buffer at Group level which results from an additional capital requirement for mortgage portfolios in Belgium; this replaced an add-on on RWAs so overall the impact was neutral.*

"Pillar 2" Requirement

Following the SREP performed by the ECB for 2022, the Group CET1 Ratio that the Group must respect was set at 9.73% as of June 30, 2023, of which 1.50% for the G-SIB buffer, 2.50% for the conservation buffer, 0.88% for the P2R (excluding the P2G) and including 0.35% for the countercyclical capital buffer and 0.00% for the systemic risk buffer. The Tier 1 capital requirement is thus set at 11.53% (of which 1.18% for the P2R) and the total capital requirement is set at 13.92% (of which 1.57% for the P2R) as from January 1, 2023.

The main regulatory capital ratios of the BNP Paribas Group are presented below on a "fully loaded" basis in compliance with the CRD/CRR Rules fully implemented as from January 1, 2019.

This section should be read together with the BNPP Universal Registration Document as at December 31, 2022, which is incorporated herein by reference. See "*Documents Incorporated by Reference*." See also "*Government Supervision and Regulation of Credit Institutions in France — Main Banking Regulations*."

	01.01.21 **SREP 2020 (**)**	**01.03.22** **SREP 2021 (**) (***)**	**30.06.23** **SREP 2022 (**)**
Minimum requirement ("Pillar 1")			
CET1	4.5%	4.5%	4.5%
Tier 1 (CET1 + AT1)	6.0%	6.0%	6.0%
Total capital (Tier 1 + Tier 2)	8.0%	8.0%	8.0%
Additional CET1 requirement (*)			
Capital conservation buffer	2.50%	2.50%	2.50%
G-SIBs buffer applicable to BNP Paribas	1.50%	1.50%	1.50%
Countercyclical capital buffer	0.03%	0.03%	0.35%
Systemic risk buffer	-	-	-
"Pillar 2" Requirement	*0.70%*	*0.74%*	*0.88%*

Total requirement			
CET1	9.23%	9.27%	9.73%
Tier 1 (CET1 + AT1)	10.97%	11.02%	11.53%
Total capital (Tier 1 + Tier 2)	13.28%	13.35%	13.92%

(*) Note: Excluding "Pillar 2" guidance.

(**) Note: The '"Pillar 2" requirement included in the SREP for 2022, 2021 and 2020 was confirmed by the final notifications received from the ECB.

(***) Note: The total Pillar 2 Requirement includes a surcharge of 0.07% for non-performing exposures on loans outstanding granted before April 26, 2019.

Capital Adequacy Ratio

The table below shows the Group's main regulatory capital ratios on a fully loaded basis as of December 31, 2020, December 31, 2021, December 31, 2022 and June 30, 2023.

In billions of euros	**Basel 3**			
	December 31, 2020 (*)	December 31, 2021 (*)(**)	December 31, 2022	June 30, 2023
Common Equity Tier 1 (CET1) Capital	88.8	92.0	91.8	95.0
Tier 1 Capital	98.8	100.3	103.4	108.3
Total Capital	113.8	117.3	120.6	124.3
Risk-Weighted Assets	695.5	713.7	745	698
Ratio				
Common Equity Tier 1 (CET1) Capital	12.8%	12.9%	12.3%	13.6%(***)
Tier 1 Capital	14.2%	14.0%	13.9%	15.5%
Total Capital	16.4%	16.4%	16.2%	17.8%

(*) In accordance with the transitional arrangements on the introduction of the IFRS 9 accounting standards (article 473a of Regulation (EU) No. 2017/2395 and Regulation (EU) No. 2020/873).

(**) The Group did not apply the provisions pursuant to Article 468 of the Regulation (EU) No. 2020/873 relating to the temporary treatment of unrealized gains or losses on financial instruments at fair value through equity issued by central, regional or local governments.

(***) CRD5; including IFRS9 transitional arrangements

As shown in the above table, as of June 30, 2023, with a Group CET1 Ratio, Tier 1 capital ratio and total capital ratio of respectively 13.62%, 15.53% and 17.83%, the Group largely complies with the capital requirements (i.e., respectively 9.73%, 11.53% and 13.92%). The Group CET1 Ratio of 13.62% as June 30, 2023 represented EUR 95.0 billion and thus was EUR 59.3 billion above the 5.125% Group CET1 Ratio that is the Trigger Level for a Trigger Event. The total capital ratio at June 30, 2023 included EUR 13.3 billion and EUR 16.0 billion of Additional Tier 1 and Tier 2 capital, respectively. As at June 30, 2023, the leverage ratio stood at 4.50% (calculated in accordance with Regulation (EU) 2019/876, without opting for the temporary exclusion related to deposits with Eurosystem central banks authorized by the ECB decision of June 19, 2021) and the Liquidity Coverage Ratio (weighted value, end of period) stood at 143%.

In addition, as at June 30, 2023, the Group's TLAC ratio stood at 28.93% of risk-weighted assets ("**RWAs**") (without taking into account senior preferred debt eligible within the limit of 3.50% of the

RWAs) and 8.40% of leverage ratio exposure. These ratios should be compared to the minimum requirement of 22.35% and 6.75%, respectively. Accordingly, as of June 30, 2023, the distance to the minimum requirement was approximately 658 basis points (without taking into account eligible senior preferred debt).

Distance to MDA Restrictions

BNP Paribas calculates a distance to MDA restrictions, equal to the lowest of the following three differences, each based on the 2022 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, 2023, such distance to MDA restrictions was approximately 389 basis points higher than the CET1 requirement (i.e., EUR 27.1 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, 2023, such distance to MDA restrictions was approximately 400 basis points higher than the Tier 1 capital requirement (i.e., EUR 27.9 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 and combined buffer requirements. As of June 30, 2023, such distance to MDA restrictions was approximately 391 basis points higher than the Total Capital requirement (i.e., EUR 27.2 billion).

Accordingly, as of June 30, 2023, the distance to MDA restrictions calculated based on capital requirements alone was that indicated in the first bullet point above, i.e., 389 basis points – CET1 Capital that is EUR 27.1 billion higher than the level at which the limitations on distributions set forth in Article 141(3) of the CRD would apply, as of June 30, 2023.

Since January 1, 2022 the distance to MDA restrictions is also calculated with reference to fully-loaded TLAC requirements and MREL intermediate targets (known as the M-MDA). Based on the requirement applicable as at June 30, 2023, the distance above the M-MDA is greater than the distance to MDA restrictions calculated based on capital requirements alone, as set out above.

Since January 1, 2023, the distance to MDA restrictions also incorporates a leverage ratio component, known as the L-MDA. The Group's minimum leverage ratio requirement as of March 31, 2023 was 3.75% and the Group's leverage ratio was at 4.50% as of June 30, 2023. Accordingly, as of June 30, 2023, the distance to the L-MDA was approximately 75 basis points (i.e. EUR 18.1 billion) and was therefore the relevant restriction on distributions as of such date. See "*Government Supervision and Regulation of Credit Institutions in France – Leverage, Large Exposures and Liquidity" and "-- MDA, L-MDA and M-MDA"*.

TERMS AND CONDITIONS OF THE NOTES

The following, subject to completion and amendment, are the terms and conditions of the Notes, which will be endorsed on or attached to the Global Notes.

1. Introduction

1.1 *Notes*: The US$1,500,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Contingent Convertible Notes (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) are issued by BNP Paribas (the "**Issuer**"). This issue was decided on August 7, 2023 by Jean-Laurent Bonnafé, Chief Executive Officer of the Issuer, acting pursuant to resolutions of the board of directors (*conseil d'administration*) of the Issuer dated May 16, 2023 upon delegation from the shareholders' meeting (*assemblée générale*) of the Company held on May 16, 2023.

1.2 *Agency Agreement*: The Notes will be issued on the terms set out in these terms and conditions (the "**Conditions**") under an agency agreement to be dated as of August 14, 2023 (the "**Agency Agreement**") between the Issuer and The Bank of New York Mellon, as fiscal agent (the "**Fiscal Agent**"), paying agent (the "**Paying Agent**"), transfer agent (the "**Transfer Agent**"), registrar (the "**Registrar**") and interest calculation agent (the "**Interest Calculation Agent**"). Reference below to the "**Agent**" shall be to the Fiscal Agent, Paying Agent and/or the Interest Calculation Agent, as the case may be.

1.3 *Conversion Calculation Agency Agreement*: The Issuer will also enter into a conversion calculation agency agreement (the "**Conversion Calculation Agency Agreement**") dated August 14, 2023 with Conv-Ex Advisors Limited (the "**Conversion Calculation Agent**", which expression shall include any successor as conversion calculation agent under the Conversion Calculation Agency Agreement) whereby the Conversion Calculation Agent will be appointed to make certain calculations in relation to the Notes. The Noteholders and the beneficial owners are deemed to have notice of those provisions applicable to them which are contained in the Conversion Calculation Agency Agreement.

2. Interpretation

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

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

"**ADR Depositary**" shall have the meaning attributed thereto in Condition 6.5 (*Delivery of ADRs*);

"**Affected Noteholder**" shall have the meaning attributed thereto in Condition 6.4(ix) (*Settlement Procedure*);

"**Agency Agreement**" shall have the meaning attributed thereto in Condition 1.2 (*Agency Agreemen*t);

"**Alternative Consideration**" shall have the meaning attributed thereto in Condition 6.4(ix) (*Settlement Procedure*);

"**Bail-in or Loss Absorption Power**" has the meaning set forth in Condition 18 (*Statutory Write-down or Conversion*);

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

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, (i) on which banks and foreign exchange markets are open for general business (including dealings in

foreign exchange and foreign currency deposits) in New York City and(ii) which is also a T2 Business Day;

"**Calculation Amount**" means US$1,000;

"**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 principal 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;

"**Cancellation Date**" means (i) with respect to any Note for which a Conversion Shares Settlement Notice is received by the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)) on or before the Notice Cut-Off Date, or after the Notice Cut-Off Date but on or before the Final Notice Cut-Off Date, the relevant Scheduled Settlement Date or (ii) with respect to any Note for which a Conversion Shares Settlement Notice is not received by the Conversion Shares Depository on or before the Final Notice Cut-Off Date, the Final Cancellation Date.

"**CDR**" means Commission Delegated Regulation (EU) No 241/2014 of January 7, 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;

"**CMT Rate**" means, in relation to a Reset Interest Period, the rate determined by the Interest Calculation Agent and expressed as a percentage equal to:

(i) the yield for U.S. Treasury Securities at "constant maturity" for a designated maturity of five years, as published in the H.15 under the caption "Treasury constant maturities (Nominal)", as that yield is displayed, for the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, on the Screen Page; or

(ii) if the yield referred to in (i) above is not published by 4:15 p.m. (New York City time) on the Screen Page on the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, the yield for U.S. Treasury Securities at "constant maturity" for a designated maturity of five years as published in the H.15 under the caption "Treasury constant maturities (Nominal)" for such Reset Rate of Interest Determination Date; or

(iii) if the yield referred to in (ii) above is not published by 4:30 p.m. (New York City time) on the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, the Reset Reference Dealer Rate on such Reset Rate of Interest Determination Date; or

(iv) if fewer than three (3) Reference Dealers selected by the Issuer provide bid prices to the Issuer (for forwarding to the Interest Calculation Agent) for the purposes of determining the Reset Reference Dealer Rate referred to in (iii) above as described in the definition of Reset Reference Dealer Rate, the CMT Rate applicable to the last preceding Reset Interest Period or, in the case of the Reset Interest Period commencing on the First Call Date, 4.146 per cent *per annum*;

"**Compliant Securities**" means securities issued directly or indirectly by the Issuer that satisfy all the conditions below:

(i) contain terms which at such time comply with the then current requirements of the Relevant Regulator in relation to Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time, the application of, one or more of the Special Events which are included in the Notes);

(ii) carry the same rate of interest, including for the avoidance of doubt any rate of interest reset provisions, from time to time applying to the Notes prior to the relevant substitution or variation pursuant to Condition 7.5 (*Substitution/Variation*);

(iii) have the same principal amount as the Notes prior to substitution or variation pursuant to Condition 7.5 (*Substitution/Variation*);

(iv) rank *pari passu* with the Notes prior to the substitution or variation pursuant to Condition 7.5 (*Substitution/Variation*);

(v) provide for conversion terms not less favorable to the interests of the Noteholders than those applicable to the Notes prior to the substitution or variation pursuant to Condition 7.5 (*Substitution/Variation*);

(vi) shall not at such time be subject to a Special Event;

(vii) have terms not otherwise materially less favorable to the interests of the Noteholders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered an officer's certificate to that effect to the Fiscal Agent (and copies thereof will be available at the Fiscal Agent's specified office during its normal business hours) not less than five (5) business days in Paris prior to (x) in the case of a substitution of the Notes pursuant to Condition 7.5 (*Substitution/Variation*), the issue date of the relevant notes or (y) in the case of a variation of the Notes pursuant to Condition 7.5 (*Substitution/Variation*), the date such variation becomes effective; and

(viii) if (i) the Notes were listed and/or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed and/or admitted to trading on a Regulated Market or (ii) if the Notes were listed and/or admitted to trading on a recognized stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed and/or admitted to trading on any recognized stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer;

"**Conversion**" shall have the meaning attributed thereto in Condition 6.1(i) (*Conversion upon Trigger Event*);

"**Conversion Calculation Agent**" shall have the meaning attributed thereto in Condition 1.3 (*Conversion Calculation Agency Agreement*);

"**Conversion Date**" shall have the meaning attributed thereto in Condition 6.1(i) (*Conversion upon Trigger Event*);

"**Conversion Notice**" shall have the meaning attributed thereto in Condition 6.3(i) (*Conversion Procedure*);

"**Conversion Notice Date**" shall have the meaning attributed thereto in Condition 6.3(i) *(Conversion Procedure*);

"**Conversion Ratio**" shall have the meaning attributed thereto in Condition 6.2(ii) (*Conversion shares and Conversion Ratio)*;

"**Conversion Shares**" shall have the meaning attributed thereto in Condition 6.1(i) (*Conversion upon Trigger Event*);

"**Conversion Shares Depository**" shall have the meaning attributed thereto in Condition 6.3(ii) (*Conversion Procedure*);

"**Conversion Shares Settlement Notice"** shall have the meaning attributed thereto in Condition 6.4(iii) (*Settlement Procedure*);

"**CRD**" means the Directive 2013/36/EU of the European Parliament and of the Council of June 26, 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 May 20, 2019;

"**CRD / CRR Implementing Measures**" means any regulatory capital rules implementing the CRD 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 / CRR Rules**" means any or any combination of the CRD, the CRR and any CRD / CRR Implementing Measures;

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 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 May 20, 2019;

"**Current Market Price of an Ordinary Share**" means (i) the arithmetic average of the daily Volume Weighted Average Prices of an Ordinary Share on each of the Trading Days (each such daily Volume Weighted Average Price of an Ordinary Share on a Trading Day being converted if necessary into U.S. dollars at the Prevailing Rate on such Trading Day) (x) on which such Volume Weighted Average Price is available and (y) which are comprised in the period of five (5) consecutive Exchange Trading Days ending on (and including) the Exchange Trading Day immediately preceding the Conversion Notice Date or (ii) if the Volume Weighted Average Price of an Ordinary Share is available on only one Trading Day in such five consecutive Exchange Trading Day period, such Volume Weighted Average Price (converted if necessary into U.S. dollars as aforesaid), provided that:

(i) if any such Trading Day falls prior to the Ex-Date in respect of either (x) any event which gives rise to an adjustment to the Maximum Conversion Ratio pursuant to Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) or (y) any Non-Adjustable Dividend which the Conversion Shares do not rank for, in each case which is declared or announced on or before the Conversion Notice Date, then the Volume Weighted Average Price on such Trading Day shall, for the purposes of this definition, be deemed to be the amount thereof:

a) (in the case of a Dividend) reduced by an amount equal to the Dividend Amount of such Dividend (or, if such Dividend Amount is not capable of being determined in accordance with the definition thereof on or before the Conversion Notice Date, the amount of such Dividend per Ordinary Share as determined no later than the Conversion Notice Date in such other manner as an Independent Financial Adviser shall consider appropriate); or

b) (in any other case) multiplied by a fraction, the denominator of which is the Maximum Conversion Ratio adjusted pursuant to Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) in respect of such Dividend (or other entitlement), and the numerator of which is the Maximum Conversion Ratio in effect immediately prior to such adjustment;

(ii) if any such Trading Day falls on or after the first (1st) Trading Day on which the Ordinary Shares are traded ex- any Dividend (or any other entitlement in respect of the Ordinary Shares) which the Conversion Shares rank for, then the Volume Weighted Average Price on such Trading Day shall, for the purposes of this definition, be deemed to be the amount thereof:

a) (in the case of a Dividend) increased by an amount equal to the Dividend Amount of such Dividend (or, if such Dividend Amount is not capable of being determined in accordance with the definition thereof on or before the Conversion Notice Date, the amount of such Dividend per Ordinary Share as determined no later than the Conversion Notice Date in such other manner as an Independent Financial Adviser shall consider appropriate); or

b) (in the case of any other entitlement) increased by an amount equal to the fair market value of such other entitlement as determined by an Independent Financial Adviser no later than the Conversion Notice Date,

provided that if the Current Market Price of an Ordinary Share cannot be determined as provided above, the Current Market Price of an Ordinary Share shall be deemed to be not capable of being determined for the purposes of these Conditions;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), "**30/360**" which means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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 Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**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;

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

"**Dividend**" means any dividend, interim dividend or other distribution paid by the Issuer per Ordinary Share whether of cash or in kind to the Shareholders, in each case other than any dividend, interim dividend or other distribution as referred to in Condition 6.6(iv)(1), 6.6(iv)(2), 6.6(iv)(3), 6.6(iv)(5), 6.6(iv)(6), 6.6(iv)(7), 6.6(iv)(8) or 6.6(iv)(9);

"**Dividend Amount**" shall have the meaning attributed thereto in Condition 6.6(iv)(4) (*Adjustments to the Maximum Conversion Ratio*);

"**Adjustable Extraordinary Dividend**" means (i) any distribution of premiums or reserves as referred to in Condition 6.6(iv)(4) or (ii) any Surplus Qualifying Dividend (as defined in Condition 6.6(iv)(10);

"**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;

"**Exchange Trading Day**" means a day (other than a Saturday or a Sunday) on which the Relevant Stock Exchange for the Ordinary Shares is open for business (other than a day on which such Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time), whether or not such day is a Trading Day for the Ordinary Shares;

"**Final Cancellation Date**" shall have the meaning attributed thereto in Condition 6.3(i) (*Conversion Procedure*);

"**First Call Date**" means the Interest Payment Date falling on or about August 14, 2028;

"**Floor Price**" means (i) (initially) US$45.0928 per Share (being 41.17305 euros per Share[4], converted into U.S. dollars at the Prevailing Rate on August 4, 2023 and rounded up to the nearest integral multiple of US$0.0001), or (ii) (upon any adjustment to the Maximum Conversion Ratio pursuant to Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) at any time, such amount as is equal to the Calculation Amount divided by the Maximum Conversion Ratio in effect at such time.

"**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;

"**H.15**" means the statistical release designated as H.15 Selected Interest Rates, or any successor publication, published by the Board of Governors of the Federal Reserve System of the United States at http://www.federalreserve.gov/releases/H15 or any successor site or publication;

"**Independent Financial Adviser**" means an independent financial institution of international repute or independent financial adviser with appropriate expertise (which may include the initial Conversion Calculation Agent acting for this purpose in such independent financial adviser capacity (as may be agreed at the relevant time between the Issuer and the Calculation Conversion Agent)) appointed from time to time by the Issuer at its own expense;

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

"**Initial Rate of Interest**" means 8.500 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 February 14 and August 14 in each year from (and including);

"**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 August 14, 2023;

"**Issuer**" shall have the meaning attributed thereto in Condition 1.1 (*Notes*);

[4] Corresponding to 70% of the arithmetic average of the daily Volume Weighted Average Prices of an Ordinary Share on each of the five (5) consecutive Trading Days immediately preceding the date hereof.

"**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));

"**Liquidation Event**" means any judgment rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason;

"**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 4.354 per cent;

"**Maximum Conversion Ratio**" means initially 22.1764 Ordinary Shares per Calculation Amount in principal amount of the Notes (being the Calculation Amount divided by the initial Floor Price, rounded down to the nearest integral multiple of 0.0001 Ordinary Share), subject to adjustment from time to time pursuant to Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*);

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

"**Notes**" shall have the meaning attributed thereto in Condition 1.1 (*Notes*);

"**Noteholders**" or "**Holders**" means holders of the Notes;

"**Notice Cut-Off Date**" shall have the meaning attributed thereto in Condition 6.3(i) (*Conversion Procedure*);

"**Optional Redemption Date**" means each of the Reset Dates;

"**Non-Adjustable Dividend**" means any Dividend which is not an Adjustable Extraordinary Dividend;

"**Ordinary Shares**" means French law dematerialised bearer ordinary shares in the capital of the Issuer;

"**Paying Agent**", "**Fiscal Agent**", "**Interest Calculation Agent**" and "**Transfer Agent**" shall have the meaning attributed thereto in Condition 1.2 (*Agency Agreement*);

"**Payment Business Day**" means a day on which (A) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) the relevant place of presentation for payment of any Note and (ii) New York City and (B) T2 is open for business;

"**Prevailing Rate**" means, in respect of any pair of currencies on any calendar day, the spot mid-rate of exchange between the relevant currencies prevailing as at 8:00 a.m. (Paris time) on that date (for the purpose of this definition, the "**Original Date**") as appearing on or derived from Bloomberg page BFIX (or any successor page) in respect of such pair of currencies or, if such a rate cannot be so determined, the rate prevailing as at 8:00 a.m. (Paris time) on the immediately preceding day on which such rate can be so determined provided that if such immediately preceding day falls earlier than the fifth day prior to the Original Date or if such rate cannot be so determined (all as determined by the Interest Calculation Agent), the Prevailing Rate shall be the rate determined in such other manner as an Independent Financial Adviser shall prescribe;

"**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 Interest Calculation Agent in accordance with Condition 5 (*Interest*);

"**Record Date**" means (i) the date on which the ownership of the Ordinary Shares is established so as to determine which Shareholders are the beneficiaries of a given transaction or may take part in a transaction and, in particular, to which Shareholders, a dividend, a distribution or an allocation, announced or voted as of this date or announced or voted prior to this date, should be paid, delivered, or completed, or (ii) (to the extent such a date cannot be determined as provided in (i) in the case of a transaction pursuant to Condition 6.6(iv)(9)) such date as is determined to be appropriate by an Independent Financial Adviser;

"**Redemption Date**" has the meaning set forth in Condition 8.2 (*Payments - Interest*);

"**Regulated Market**" means any stock exchange or securities market which is a regulated market pursuant to the terms of the Directive (EU) 2014/65 dated 15 May 2014, as amended, relating to the financial market instruments within the European Economic Area and the United Kingdom;

"**Relevant Currency**" means euro or such other currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at the relevant time or for the purposes of the relevant calculation or determination;

"**Relevant Date**" means, in respect of any Note, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made;

"**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 18 (*Statutory Write-down or Conversion*);

"**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 / CRR Rules and/or the BRRD (as may be amended or replaced from time to time);

"**Relevant Stock Exchange**" means (A) in respect of the Ordinary Shares, (i) Euronext Paris or (ii) (if the Ordinary Shares are no longer listed and admitted to trading on Euronext Paris at the relevant time) any other Regulated Market (of Euronext Paris or otherwise) or other similar market on which the Ordinary Shares have their main listing and are admitted to trading, and (B) in respect of any other security, the Regulated Market or any other similar market on which such security has its main listing and is admitted to trading, provided that unless specified otherwise references to the Relevant Stock Exchange shall mean the Relevant Stock Exchange in respect of the Ordinary Shares;

"**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, in respect of any Reset Interest Period, a rate *per annum* equal to the sum of (a) the CMT Rate in relation to such Reset Interest Period plus (b) the Margin, except that if the sum of (a) the CMT 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) U.S. Government Securities Business Days prior to the Reset Date on which such Reset Interest Period commences;

"**Reset Reference Dealer Rate**" means on any Reset Rate of Interest Determination Date, the rate calculated by the Interest Calculation Agent as being a yield-to-maturity based on the arithmetic mean of the secondary market bid prices for Reset U.S. Treasury Securities at approximately 4:30 p.m. (New York City time) on the Reset Rate of Interest Determination Date, of leading primary U.S. government securities dealers in New York City (each, a **Reference Dealer**). The Issuer will select five Reference Dealers to provide such bid prices to the Issuer to be forwarded to the Interest Calculation Agent and will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); provided, however, that, if fewer than five but more than two such bid prices are provided, then neither the highest nor the lowest of those quotations will be eliminated prior to calculating the arithmetic mean of such bid prices;

"**Reset U.S. Treasury Securities**" means, on any Reset Rate of Interest Determination Date, U.S. Treasury Securities with an original maturity equal to five years, a remaining term to maturity of no more than one year shorter than five years and in a principal amount equal to an amount that is representative for a single transaction in such U.S. Treasury Securities in the New York City market;

"**Screen Page**" means page H15T5Y Index on the Bloomberg L.P. service or any successor service or such other page as may replace that page on that service for the purpose of displaying "Treasury constant maturities" as reported in the H.15;

"**Securities**" means any securities including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer (and each a "**Security**");

"**Security Register**" means the register maintained by the Registrar for purposes of identifying the Noteholders;

"**Scheduled Settlement Date**" means:

(i) with respect to any Note in relation to which a Conversion Shares Settlement Notice is received by the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)) on or before the Notice Cut-Off Date, the date that is five (5) Business Days after (a) the Notice Cut-Off Date or (b) (if later) the date on which the Conversion Shares are delivered to the Conversion Shares Depository (or another relevant recipient, as applicable),

(ii) with respect to any Note in relation to which a Conversion Shares Settlement Notice is received by the Conversion Shares Depository (or another relevant recipient, as applicable) after the Notice Cut-Off Date but on or before the Final Notice Cut-Off Date, the date that is five (5) Business Days after (a) the Final Notice Cut-Off Date or (b) (if later) the date on which the Conversion Shares are delivered to the Conversion Shares Depository (or another relevant recipient, as applicable); and

(iii) with respect to any Alternative Consideration, the date that is ten (10) Business Days after the date on which a duly completed Conversion Shares Settlement Notice is delivered to the Conversion Shares Depository (or another relevant recipient, as applicable);

"**Shareholders**" means the holders of Ordinary Shares as a class;

"**Special Event**" means either a Tax Event or a Capital Event;

"**Suspension Date**" shall have the meaning attributed thereto in Condition 6.3(i) (*Conversion Procedure*);

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**T2 Business Day**" means any day on which the T2 is open for the settlement of payments in euro;

"**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;

"**Trading Day**" means, in respect of Ordinary Shares, securities, options, warrants or other rights, a day on which the Relevant Stock Exchange in respect thereof is open for business and on which Ordinary Shares, securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which such Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time), provided that unless specified otherwise references to a Trading Day shall mean a Trading Day in respect of the Ordinary Shares;

"**Trigger Event**" shall occur if, at any time, the Group CET1 Ratio is equal to or 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;

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the U.S. Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

"**U.S. Treasury Securities**" means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis;

"**Volume Weighted Average Price**" means, in respect of the Ordinary Share or any other security, on any Trading Day in respect thereof, the volume-weighted average price of such Ordinary Share or other security on such Trading Day on the Relevant Stock Exchange in respect thereof as published by or derived from: (i) Bloomberg page HP (or any successor page) (setting 'Weighted Average Line', or any successor setting) in respect of such Ordinary Share or other security for such Relevant Stock Exchange (such page being as at the Issue Date, in the case of the Ordinary Share, BNP FP Equity HP), provided that in the case of a Volume Weighted Average Price to be observed over a period of several Trading Days, such Volume Weighted Average Price shall be equal to the volume-weighted average of the relevant daily Volume Weighted Average Prices (the daily volumes to be used for the purpose of determining such weighted average being the volumes as published on such Bloomberg page HP (or any successor page), setting "**VWAP Volume**" (or any successor setting)), as determined by the Conversion Calculation Agent, or, (ii) if the Volume Weighted Average Price cannot be determined as aforesaid, such Relevant Stock Exchange, provided that in the case of a Volume Weighted Average Price to be observed over a period of several Trading Days, such Volume Weighted Average Price shall be equal to the volume-weighted average of the relevant daily Volume Weighted Average Prices (the daily volumes to be used for the purpose

of determining such weighted average being the volumes as published by such Relevant Stock Exchange);

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

2.2 *Interpretation*: In these Conditions:

(i) any reference to principal shall be deemed to include the principal amount, any additional amounts in respect of principal which may be payable under Condition 9 (*Taxation*) 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 be construed in accordance with the definition thereof set out in the Agency Agreement; and

(iv) any reference to a numbered "Condition" shall be to the relevant condition in these Conditions.

3. Form, Denomination and Title

3.1 *Form of Notes and denomination*: The Notes are issued in fully registered form and subscribed and may be held in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof and are represented by one or more Global Notes, as described below. The Notes will be eligible for clearance through The Depository Trust Company ("**DTC**") and its indirect participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*.

The Notes sold in reliance on Rule 144A of the Securities Act will be represented by one or more permanent global certificates in fully registered form without interest coupons (together the "**Rule 144A Global Note**") and the Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S of the Securities Act will be represented by one or more permanent global certificates in fully registered form without interest coupons (the "**Regulation S Global Notes**" and, together with the Rule 144A Global Notes, the "**Global Notes**"). The Global Notes will be registered in the name of a nominee of, and deposited with a custodian for, DTC.

Beneficial interests in the Global Notes may not be exchanged for Notes in definitive, certificated form, except in the limited circumstances described in the Agency Agreement.

3.2 *Title*: Title to the Notes passes only by registration in the Security Register. For so long as any of the Notes are represented by one or more Global Notes, each person who is for the time being shown in the records of the relevant clearing system as the Holder of a particular principal amount of Notes shall be treated by the Issuer and the Fiscal Agent as the Holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal, premium (if any) or interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Fiscal Agent solely in the person in whose name the Global Note is registered in the Security Register, each in accordance with and subject to these Conditions (and the terms "**Noteholder**" and "**Holder**" and related terms shall be construed accordingly).

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 Commercial Code (*Code de commerce*).

Condition 4.1 (*Ranking of Qualifying Notes*) 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 (*Ranking of Notes Disqualified as Own Funds*) will automatically replace and supersede Condition 4.1 (*Ranking of Qualifying Notes*) 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 Tier 2**", Condition 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as Tier 2*) will automatically replace and supersede Condition 4.1 (*Ranking of Qualifying Notes*) without the need for any action from the Issuer and without consultation of the holders of such Notes.

Notes Disqualified as AT1 but Qualified as Tier 2 together with Notes Disqualified as Own Funds are referred to herein as the "**Disqualified Notes**".

Conditions 4.1 (*Ranking of Qualifying Notes*), 4.2 (*Ranking of Notes Disqualified as Own Funds*) and 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as Tier 2*) apply prior to the date of the occurrence of a Trigger Event. Condition 4.4 (*Ranking on or after a Trigger Event*) applies on or after the date of occurrence of a Trigger Event.

There is no negative pledge and no guarantee in respect of the Notes.

4.1 *Ranking of Qualifying Notes*: Subject as provided in Condition 4.2 (*Ranking of Notes Disqualified as Own Funds*) and Condition 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as Tier 2*) 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 principal amount and any other amounts payable in respect of the Qualifying Notes (including any accrued and uncancelled 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*: Subject as provided in Condition 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as Tier 2*) below, 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 (*Code monétaire et financier*) created by Ordinance No.2020-1636 dated December 21, 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 December 28, 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 principal amount and any other amounts payable in respect of the Disqualified Notes (including any accrued and uncancelled 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 Tier 2*: Should the Notes be Notes Disqualified as AT1 but Qualified as Tier 2, 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 Tier 2 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 Tier 2 (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 Tier 2 (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 Tier 2 shall be limited to the principal amount and any other amounts payable in respect of the Notes Disqualified as AT1 but Qualified as Tier 2 (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 Tier 2 (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 Tier 2 shall terminate by operation of law.

4.4 *Ranking on or after a Trigger Event*: Subject as provided in Condition 4.2 (*Ranking of Notes Disqualified as Own Funds*) and Condition 4.3 (*Ranking of Notes Disqualified as AT1 but Qualified as Tier 2*) above, if at any time on or after the date on which a Trigger Event occurs, a Liquidation Event occurs, but the relevant Conversion Shares to be delivered to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)) on the Conversion Date in accordance with Condition 6 (*Conversion*) have not been so delivered, each Noteholder shall have a claim (in lieu of any other payment by the Issuer) for the amount, if any, it would have been entitled to receive if the Conversion relating to such Trigger Event had occurred, and the relevant number of Conversion Shares to which such Noteholder would have been entitled had been delivered to such Noteholder, immediately prior to the Liquidation Event.

5. Interest

5.1 *Interest rate*: The Notes shall bear interest on their principal 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 February 14, 2024, subject in any case as provided in Condition 5.9 (*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 US$42.5.

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 Interest Calculation Agent.

5.4 *Accrual of interest*: Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the principal 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 Fiscal Agent has notified the Noteholders in accordance with Condition 16 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh (7^{th}) calendar day (except to the extent that there is any subsequent default in payment).

5.5 *Determination of Reset Rate of Interest*: The Interest Calculation Agent will, as soon as practicable after 11:00 a.m. (New York City 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 Interest Calculation Agent will cause the Reset Rate of Interest determined by it to be notified to the Fiscal Agent (if not the Interest 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 16 (*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 relevant Day Count Fraction; and

(iii) rounding the resulting figure to the nearest cent (half a cent 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 Interest Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agent, the Conversion Calculation Agent, the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Interest Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

5.9 *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 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 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 Monetary and Financial Code (*Code monétaire et financier*) (implementing Article 141(2) of the CRD), 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, or any other limitation related to the Maximum Distributable Amount in the CRD 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 16 (*Notices*)) and the Fiscal Agent as soon as possible, but not more than sixty (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. Conversion

6.1 *Conversion upon Trigger Event:*

(i) If a Trigger Event occurs, the Notes shall be converted, in whole and not in part, into new fully paid Ordinary Shares of the Issuer (the "**Conversion Shares**"), at the Conversion Ratio described in Condition 6.2 (*Conversion Shares and Conversion Ratio*) below, on the date specified in the Conversion Notice delivered in accordance with the procedures described in Condition 6.3 (*Conversion Procedure*) below as the date on which the Conversion shall take place (the "**Conversion Date**"). The Conversion Date shall occur without delay upon the occurrence of a Trigger Event, and in any event not later than one (1) month (or such shorter period as the Relevant Regulator may require) following the occurrence of the Trigger Event, in accordance with the requirements set out in Article 54 of the CRR in effect as at the Issue Date. On the Conversion Date, the Issuer will deliver the Conversion Shares to the Conversion Shares Depository or another relevant recipient, all as described in Condition 6.3 (*Conversion Procedure*) below (such delivery being the "**Conversion**").

(ii) Immediately following the occurrence of a Trigger Event, the Issuer shall inform the Relevant Regulator, and the Fiscal Agent thereof including by delivery to the Fiscal Agent of a certificate signed by its Chief Executive Officer (*Directeur Général*).

(iii) As soon as practicable thereafter and, in any event, within such period as the Relevant Regulator may require, the Issuer shall deliver to the Fiscal Agent and cause to be delivered to Noteholders, a Conversion Notice, as described under Condition 6.3 (*Conversion Procedure*) below. Failure to deliver the Conversion Notice on a timely basis or at all shall not prevent the Issuer from effecting a Conversion.

(iv) The irrevocable and automatic discharge of all of the Issuer's obligations to the Noteholders under the Notes will occur upon the Conversion.

(v) Conversion of the Notes 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.

(vi) The Issuer's calculation of its Group CET1 Ratio, as well as any certificate delivered to the Fiscal Agent stating that a Trigger Event has occurred, shall be binding on the Noteholders.

(vii) The Notes are not convertible into Conversion Shares at the option of the Noteholders at any time.

6.2 *Conversion Shares and Conversion Ratio:*

(i) The number of Conversion Shares to be delivered on the Conversion Date to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)) upon Conversion will be the Conversion Ratio in respect of the aggregate principal amount of the Notes outstanding immediately prior to Conversion (rounded down, if necessary, to the nearest whole number of Conversion Shares). Each Noteholder shall be entitled (subject to compliance with the relevant Condition 6.4 (*Settlement Procedure*)) to receive a number of Conversion Shares from the Conversion Shares Depository (or another relevant recipient, as applicable) equal to the Conversion Ratio in respect of the aggregate principal amount of the Notes held by such Noteholder (rounded down, if necessary, to the nearest whole number of Conversion Shares). The Conversion Shares Depository (or another relevant recipient, as applicable) shall hold the Conversion Shares on behalf of the Noteholders to the extent of each such Noteholder's entitlement to receive Conversion Shares as set forth above and as described in Condition 6.3 (*Conversion Procedure*). Fractions of Conversion Shares shall not be delivered on Conversion and no cash payment shall be made in lieu thereof. Accordingly, each Noteholder expressly waives any and all rights in respect of any such fractions of Conversion Shares that may result from the application of the Conversion Ratio in respect of the aggregate principal amount of Notes that they hold.

(ii) The "**Conversion Ratio**" in respect of each Calculation Amount in respect of the Notes subject to Conversion shall (subject to Conditions 6.2(iii) and 6.2(iv)) be:

(1) if the Current Market Price of an Ordinary Share is capable of being determined in accordance with the definition thereof, the lower of (i) the result (rounded to the nearest integral multiple of 0.0001 Ordinary Share (with 0.00005 being rounded up)) of the Calculation Amount divided by the Current Market Price of an Ordinary Share and (ii) the Maximum Conversion Ratio in effect on the Conversion Notice Date; or

(2) if the Current Market Price is not capable of being determined as per paragraph (1), the Maximum Conversion Ratio in effect on the Conversion Notice Date.

(iii) If any event is declared or announced on or before the Conversion Notice Date and gives rise to an adjustment to the Maximum Conversion Ratio pursuant to Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) but would (but for the operation of this Condition 6.2(iii)) not yet be in effect on the Conversion Notice Date, for the purpose of these Conditions (including without limitation Condition 6.2(ii)) the Maximum Conversion Ratio in effect on the Conversion Notice Date shall (subject to the further operation (if necessary) of Condition 6.2(iv)) be deemed to be the Maximum Conversion Ratio adjusted in respect of such event in such manner as is determined on or before the Conversion Notice Date by an Independent Financial Adviser to be appropriate.

(iv) If (a) any Dividend (or any other entitlement in respect of the Ordinary Shares) is declared or announced after the Conversion Notice Date, (b) the Conversion Shares

do not rank for such Dividend (or other entitlement) and (c) either (i) such Dividend is a Non-Adjustable Dividend or (ii) an adjustment is required to be made to the Maximum Conversion Ratio pursuant to Condition 6.6 (*Adjustment to the Maximum Conversion Ratio*) in respect thereof:

(1) the Conversion Ratio shall be recalculated in accordance with the definition thereof as soon as practicable assuming for this purpose that (a) (only where an adjustment is required to be made to the Maximum Conversion Ratio as aforesaid) the Maximum Conversion Ratio in effect on the Conversion Notice Date is the Maximum Conversion Ratio so adjusted pursuant to Condition 6.6 (*Adjustment to the Maximum Conversion Ratio*)) and (b) the Current Market Price of an Ordinary Share is:

a) (in the case of a Dividend) reduced by an amount equal to the Dividend Amount of such Dividend; or

b) (in any other case) multiplied by a fraction, the denominator of which is the Maximum Conversion Ratio adjusted pursuant to Condition 6.6 (*Adjustment to the Maximum Conversion Ratio*) in respect of such Dividend (or other entitlement), and the numerator of which is the Maximum Conversion Ratio in effect immediately prior to such adjustment,

provided that if the adjustment to the Maximum Conversion Ratio or the Current Market Price of an Ordinary Share is not capable of being determined as provided in (in the case of an adjustment to the Maximum Conversion Ratio) Condition 6.6 (*Adjustment to the Maximum Conversion Ratio*) or (in the case of an adjustment to the Current Market Price of an Ordinary Share) sub-paragraphs (a) or (b) above (as applicable) before the Conversion Date, the Maximum Conversion Ratio or, as the case may be, the Current Market Price of an Ordinary Share shall be adjusted before the Conversion Date in such manner as an Independent Financial Adviser shall consider appropriate; and

(2) the Issuer shall give notice to the Noteholders in accordance with Condition 16 (*Notices)* of the Conversion Ratio so recalculated (whether or not such Conversion Ratio is different from the Conversion Ratio originally specified in the Conversion Notice) as soon as practicable following the determination thereof.

(v) The Ordinary Shares delivered following a Conversion shall be fully paid and non-assessable and shall in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the Conversion Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that the Conversion Shares so delivered shall not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the entitlement to which is determined by reference to a Record Date which falls prior to the Conversion Date.

6.3 *Conversion Procedure:*

(i) As noted in Condition 6.1 (*Conversion upon Trigger Event*) above, as soon as practicable following the occurrence of a Trigger Event and, in any event, within such period as the Relevant Regulator may require, the Issuer shall deliver a written notice (the "**Conversion Notice**") to the Fiscal Agent and cause such Notice to be delivered to the Noteholders; the Issuer shall also deliver such Notice to the Conversion Calculation Agent.

A "**Conversion Notice**" means a written notice requesting that Noteholders complete a Conversion Shares Settlement Notice (in the form attached thereto) and specifying the following information:

(A) that a Trigger Event has occurred;

(B) the Conversion Ratio (subject to Condition 6.2(iii) (*Conversion Shares and Conversion Ratio*));

(C) the Conversion Date ;

(D) the date on which the Issuer expects DTC to suspend all clearance and settlement of transactions on the Notes in accordance with its rules and procedures (the "**Suspension Date**");

(E) the details of the Conversion Shares Depository (if one has been appointed in accordance with Condition 6.3 (*Conversion Procedure)* below) and the procedures Noteholders must follow to obtain delivery of the Conversion Shares from the Conversion Shares Depository;

(F) if the Issuer has been unable to appoint a Conversion Shares Depository, such other arrangements for the delivery of the Conversion Shares to the Noteholders as it shall consider reasonable in the circumstances in accordance with Condition 6.3 (*Conversion Procedure)* below;

(G) a date (which shall be a Business Day), at least twenty (20) Business Days following the Suspension Date (the "**Notice Cut-Off Date**"), on or prior to which Noteholders must deliver a completed Conversion Shares Settlement Notice to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)) (with a copy to the Fiscal Agent);

(H) the date on which the Notes for which no Conversion Shares Settlement Notice has been received by the Conversion Shares Depository (or another relevant recipient, as applicable) on or before the Final Notice Cut-Off Date shall be cancelled (subject to sub-paragraph (I) below), which date (which shall be a Business Day) is (as at the Issue Date) expected to be no more than fifteen (15) Business Days following the Final Notice Cut-Off Date (the "**Final Cancellation Date**"); and

(I) that the Notes shall remain in existence thereafter for the sole purpose of evidencing the Noteholder's right to receive Conversion Shares or Alternative Consideration, as applicable, from the Conversion Shares Depository (or another relevant recipient, as applicable).

Following receipt of the Conversion Notice from the Issuer, the Fiscal Agent shall promptly deliver the Conversion Notice to DTC.

The date on which the Conversion Notice shall be deemed to have been given (the "**Conversion Notice Date**") shall be the date on which it is delivered by the Issuer to DTC (via the Fiscal Agent) or, if the Notes are held in definitive form, to the Fiscal Agent.

Promptly following its receipt of the Conversion Notice, pursuant to DTC's procedures currently in effect, DTC will post the Conversion Notice to its "Reorganization Inquiry for Participants System," and within two (2) Business Days of its receipt of the Conversion Notice, transmit the Conversion Notice to the direct participants of DTC holding the Notes at such time.

(ii) As soon as practicable following the occurrence of a Trigger Event, the Issuer shall appoint a reputable financial institution, trust company, depositary entity, nominee entity or similar entity (other than the Fiscal Agent) that is wholly independent of the Issuer (the "**Conversion Shares Depository**") for purposes of receiving Conversion Shares from the Issuer on Conversion and holding them on behalf of Noteholders. As a condition of such appointment, the Conversion Shares Depository shall be required to undertake, for the benefit of the Noteholders, to hold the Conversion Shares on behalf of the Noteholders in one or more segregated accounts and, in any event, on terms consistent with these Conditions. If the Issuer is unable to appoint a Conversion Shares Depository, it shall make such other arrangements for the delivery of the

Conversion Shares to the Noteholders as it shall consider reasonable in the circumstances, which may include issuing and delivering the Conversion Shares to another independent nominee to be held on behalf of the Noteholders, or to the Noteholders directly.

(iii) The Conversion Shares shall initially be delivered to the Conversion Shares Depository (or another relevant recipient, as applicable) and each Noteholder agrees that the Issuer will, and shall be deemed to have irrevocably directed the Issuer to, issue the Conversion Shares corresponding to the conversion of its holding of the Notes to the Conversion Shares Depository (or another relevant recipient, as applicable).

(iv) Upon a Conversion, all of the Issuer's obligations to the Noteholders shall be irrevocably and automatically discharged by the Issuer's delivery of the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as applicable) on the Conversion Date, and under no circumstances shall such discharged obligations be reinstated. Following a Conversion, no Noteholder shall have any rights against the Issuer with respect to the repayment of the principal amount of the Notes or the payment of interest or any other amount on or in respect of such Notes, which liabilities of the Issuer shall be automatically discharged and, accordingly, the principal amount of the Notes shall equal zero at all times thereafter until the Notes are cancelled on the applicable Cancellation Date. Any interest in respect of an Interest Period ending on any Interest Payment Date or redemption date falling between the date of a Trigger Event and the Conversion Date shall be deemed to have been cancelled upon the occurrence of such Trigger Event and shall not be due and payable.

(v) Provided that the Issuer delivers the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as applicable) in accordance with these Conditions as described herein, with effect from the Conversion Date, Noteholders shall have recourse only to the Conversion Shares Depository (or another relevant recipient, as applicable) for the delivery to them of Conversion Shares. The Noteholders' sole recourse for the Issuer's failure to issue and deliver the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as applicable) on the Conversion Date shall be the right to demand that the Issuer make such delivery.

(vi) The Conversion Shares Depository (or another relevant recipient, as applicable) shall hold the Conversion Shares for the Noteholders, who shall be entitled to direct the Conversion Shares Depository (or another relevant recipient, as applicable) to exercise on their behalf all rights attached to such Conversion Shares (including voting rights and rights to receive dividends), except that Noteholders shall not be able to sell or otherwise transfer the Conversion Shares until Conversion Shares are delivered to Noteholders in accordance with the procedures set forth under Condition 6.4 (*Settlement Procedure*).

(vii) Following the issuance of the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as applicable) on the Conversion Date, the Notes shall evidence solely the Noteholder's right to receive Conversion Shares or Alternative Consideration (as described below) from the Conversion Shares Depository (or another relevant recipient, as applicable).

(viii) The procedures set forth in this Condition 6 are subject to change, without the consent of the Noteholders, to reflect changes in clearing system practices or in the practices relating to the Notes in definitive form.

6.4 *Settlement Procedure:*

Delivery of the Conversion Shares (or Alternative Consideration, as described below) to the Noteholders shall be made in accordance with the following procedures. The procedures set forth in this Condition 6.4 are subject to change to reflect changes in clearing system practices or in the practices relating to the Notes in definitive form. If on the Conversion Date a sponsored American Depositary Receipt ("**ADR**") program is in place in respect of the Issuer's shares,

Noteholders may elect to receive Conversion Shares in the form of ADRs**,** as described in Condition 6.5 (*Delivery of ADRs).*

(i) It is expected that the Conversion Shares shall be delivered to Noteholders in uncertificated (i.e., dematerialized) bearer form (*titres au porteur dématérialisés*), through Euroclear France, or, if the Conversion Shares are not a participating security in Euroclear France at the relevant time, through the relevant clearing system in which the Conversion Shares are a participating security. It is expected that the Conversion Shares shall be delivered on or before the relevant Scheduled Settlement Date to the account specified by the relevant Noteholder in its Conversion Shares Settlement Notice, as described below.

(ii) On the Suspension Date, DTC shall suspend all clearance and settlement of transactions in the Notes. As a result, Noteholders will not be able to settle the transfer of any Notes following the Suspension Date, and any sale or other transfer of the Notes that a Noteholder may have initiated prior to the Suspension Date that is scheduled to settle after the Suspension Date will be rejected by DTC and will not be settled through DTC.

(iii) The Conversion Notice shall request that Noteholders deliver a completed Conversion Shares Settlement Notice to the Conversion Shares Depository (or another relevant recipient, as per Condition 6.3(ii)), with a copy to the Fiscal Agent. A "**Conversion Shares Settlement Notice**" is a written notice to be delivered by the Noteholder to the Conversion Shares Depository (or another relevant recipient, as applicable) in the form attached to the Conversion Notice and specifying the following information:

(A) the name and address of the Noteholder;

(B) the principal amount of the book-entry interests in the Notes held by such Noteholder on the date of such notice;

(C) the name to be entered in the Issuer's share register (if the Conversion Shares are to be delivered in registered form);

(D) whether Conversion Shares are to be delivered to the holder or whether Conversion Shares are to be deposited on behalf of the holder into the Issuer's ADR facility against delivery of ADRs;

(E) the details of the Euroclear France or other clearing system account or if Conversion Shares are to be deposited on behalf of the holder into the Issuer's ADR facility against delivery of ADRs, details of the registered account of the holder in the Issuer's ADR facility; and

(F) such other details as may be required by the Conversion Shares Depository (or another relevant recipient, as applicable) (including a representation that the relevant Noteholder is entitled to take delivery of the Conversion Shares and has obtained any consents necessary in order to do so).

If the Notes are held in definitive form, no Conversion Shares Settlement Notice shall be valid unless accompanied by delivery of the relevant Notes, duly endorsed to the Conversion Shares Depository (or another relevant recipient, as applicable).

(iv) In order to obtain delivery of the relevant Conversion Shares or ADRs, a Noteholder must deliver its Conversion Shares Settlement Notice to the Conversion Shares Depository (or another relevant recipient, as applicable) on or before the Notice Cut-Off Date (or, in the circumstances set out in paragraph (viii) below, the Final Notice Cut-Off Date). If such delivery is made after the end of normal business hours at the specified office of the Conversion Shares Depository (or another relevant recipient, as applicable) or on a day which is not a Business Day, such delivery shall be deemed for all purposes to have been made or given on the next following Business Day. Each Conversion Shares Settlement Notice shall be irrevocable.

(v) Except as provided herein and provided the Conversion Shares Settlement Notice and the relevant Notes, if applicable, are delivered on or before the Notice Cut-Off Date (or, in the circumstances set out in paragraph (viii) below, the Final Notice Cut-Off Date), the Conversion Shares Depository (or another relevant recipient, as applicable) shall deliver the relevant Conversion Shares (rounded down to the nearest whole number of Conversion Shares) to the Noteholder of the relevant Notes completing the relevant Conversion Shares Settlement Notice or its nominee in accordance with the instructions given in such Conversion Shares Settlement Notice on or before the applicable Scheduled Settlement Date.

(vi) If the Notes are held through DTC, the Conversion Shares Settlement Notice must be given in accordance with the applicable procedures of DTC (which may include the notice being given to the Conversion Shares Depository (or another relevant recipient, as applicable) by electronic means) and in a form acceptable to DTC and the Conversion Shares Depository (or another relevant recipient, as applicable). If the Notes are in definitive form, the Conversion Shares Settlement Notice must be delivered to the specified office of the Conversion Shares Depository (or another relevant recipient, as applicable) together with the relevant Notes.

(vii) The Notes shall be cancelled on the applicable Cancellation Date.

(viii) Failure to properly complete and deliver a Conversion Shares Settlement Notice and the relevant Notes, if applicable, may result in such notice being treated by the Conversion Shares Depository (or another relevant recipient, as applicable) as null and void. Any determination as to whether any Conversion Shares Settlement Notice has been properly completed and delivered shall be made by the Conversion Shares Depository (or another relevant recipient, as applicable) in its sole and absolute discretion and shall be conclusive and binding on the relevant Noteholder.

(ix) If any Noteholder fails to deliver a valid Conversion Shares Settlement Notice and the relevant Notes, if applicable, on or prior to the Notice Cut-Off Date (an "**Affected Noteholder**"), the relevant Conversion Shares delivered to the Conversion Shares Depository (or another relevant recipient, as applicable) shall, for a period of ten (10) consecutive Business Days immediately following the Notice Cut-Off Date (the last day of such ten (10) consecutive Business Day period, the "**Final Notice Cut-Off Date**"), continue to be held by the Conversion Shares Depository (or another relevant recipient, as applicable) on behalf of such Noteholder until such Noteholder delivers a duly completed Conversion Shares Settlement Notice and the relevant Notes, if applicable, to the Conversion Shares Depository (or another relevant recipient, as applicable), which delivery shall be required to occur on or before the Final Notice Cut-Off Date (and in any such case the Conversion Shares Depository (or another relevant recipient, as applicable) shall deliver the Conversion Shares on or before the relevant Scheduled Settlement Date). Following such ten (10) consecutive Business Day period, the Conversion Shares Depository (or another relevant recipient, as applicable) shall use its commercially reasonable efforts to sell as soon as practicable, all of the relevant Conversion Shares in the open market and it shall hold the cash proceeds (the "**Alternative Consideration**") received from such sale (after deduction of any costs or expenses incurred by it in relation thereto) on behalf of the Affected Noteholder until such Affected Noteholder delivers a duly completed Conversion Shares Settlement Notice to the Conversion Shares Depository (or another relevant recipient, as applicable), subject to a ten (10) year prescription period.

(x) Any Noteholder delivering a Conversion Shares Settlement Notice on or after such Final Cancellation Date shall have to provide evidence of its entitlement to the relevant Conversion Shares or Alternative Consideration satisfactory to the Conversion Shares Depository (or another relevant recipient, as applicable) in its sole and absolute discretion in order to receive delivery of such Conversion Shares or Alternative Consideration. The Issuer shall have no liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares, Alternative Consideration or from any delay in the receipt thereof, in each case as a result of such Noteholder

failing to duly submit a valid Conversion Shares Settlement Notice and the relevant Notes, if applicable, on a timely basis or at all.

(xi) Following the issuance of the Conversion Shares to the Conversion Shares Depository (or another relevant recipient, as applicable) on the Conversion Date, the Notes shall evidence solely the Noteholder's right to receive Conversion Shares or Alternative Consideration (as applicable in accordance with and subject to these Conditions) from the Conversion Shares Depository (or another relevant recipient, as applicable).

(xii) Neither the Issuer, nor any member of the BNP Paribas Group shall be liable for any taxes or capital, stamp, issue and registration or transfer taxes or duties arising on Conversion or that may arise or be paid as a consequence of the issue and delivery of Conversion Shares or ADRs on Conversion. A Noteholder (or, if different, the person to whom the Conversion Shares are delivered) must pay any taxes and capital, stamp, issue and registration and transfer taxes or duties arising on Conversion and/or in connection with the issue and delivery of Conversion Shares or ADSs (as evidenced by ADRs) to the Conversion Shares Depository (or another relevant recipient, as applicable) on behalf of such Noteholder and such Noteholder (or other person to whom the Conversion Shares are delivered, as applicable) must pay all, if any, such taxes or duties arising by reference to any disposal or deemed disposal of such Noteholder's Notes or interest therein and/or issue or delivery to it of any Conversion Shares or ADSs (or any interest therein).

6.5 *Delivery of ADRs:* In respect of Conversion Shares which a holder elects to be delivered in the form of ADRs as specified in its Conversion Shares Settlement Notice, the Conversion Shares Depository (or another relevant recipient, as applicable) shall deposit with the custodian acting for then-acting depositary (currently JPMorgan Chase Bank, N.A.) under the Issuer's ADR program (the "**ADR Depositary**"), the number of Conversion Shares to be delivered upon Conversion of the Notes, and the ADR Depositary shall issue the corresponding number of ADSs to such holder (in accordance with the ADS-to-Ordinary Share ratio in effect on the Conversion Date). Once such Conversion Shares have been deposited, the ADR Depositary (or its custodian) shall, on behalf of all holders of ADRs, be entitled to the economic rights of a holder of the Conversion Shares for the purposes of any dividend entitlement and otherwise on behalf of the ADR holder, and the holder shall become the record holder of the related ADSs for all purposes under the ADR deposit agreement. However, the issuance of the ADSs by the ADR Depositary may be delayed until the ADR Depositary or its custodian receives (i) legal opinions in such form reasonably requested by the ADR Depositary as to the Conversion Shares and with respect to U.S. securities law matters related thereto, (ii) confirmation that all required approvals have been given and that the Conversion Shares have been duly transferred to the custodian for the account of the ADR Depositary and (iii) all applicable fees, charges and expenses owing to the ADR Depositary on the deposit of shares of the Issuer. The delivery of the Conversion Shares to the ADR Depositary or its custodian shall be deemed for all purposes to constitute the delivery of the Conversion Shares to any holder electing to receive Conversion Shares in the form of ADRs.

6.6 *Adjustments to the Maximum Conversion Ratio:*

(i) Unless otherwise expressly provided for in these Conditions, the Maximum Conversion Ratio will be adjusted, at any time from and including the Issue Date, solely pursuant to and in accordance with the provisions of this Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) and any additional mandatory provisions of French law (as may be applicable from time to time) protecting the rights of holders of securities giving access to capital, it being specified that the provisions of this Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*) will be governed by, and construed in accordance with, the laws and regulations of France, as in effect from time to time, and will apply to the Notes even if they conflict with English terms used.

For the avoidance of doubt, in case of occurrence of an event or circumstance for which mandatory provisions of French law (as may be applicable from time to time) protecting the rights of holders of securities giving access to capital would apply, it is specified that, for purposes of such provisions, adjustments shall be required to be made solely

to the Maximum Conversion Ratio. For so long as the Notes are outstanding, the following provisions shall be generally applicable (in addition, as applicable, to the provisions of paragraph (iv) of this Condition 6.6):

(a) In accordance with the provisions of article L.228-98 of the French *Code de commerce*:

(1) the Issuer may change its form or corporate purpose without requesting the approval of the meeting of Noteholders or other Noteholders' general meeting;

(2) the Issuer may, without requesting the approval of the meeting of Noteholders or other Noteholders' general meeting, redeem its share capital, or change its profit distribution and/or issue preferred shares provided that, as long as any Notes are outstanding, it takes the necessary measures to preserve the rights of the Noteholders;

(3) in the event of a reduction of the Issuer's share capital resulting from losses and realized through a decrease of the par value or of the number of Ordinary Shares comprising its share capital, which the Issuer may carry out as from the Issue Date, the rights attached to the Conversion Shares will be reduced accordingly, as if the Conversion had occurred prior to the date on which such share capital reduction occurred.

(b) In the event that the Issuer is merged into another company (*absorption*) or is merged with one or more companies forming a new company (*fusion*) or carries out a spin-off (*scission*) within the meaning of article L. 228-101 of the French *Code de commerce*, the Notes will be convertible, as applicable, into shares of the merged or new company or of the beneficiary companies of such spin-off (and, for the avoidance of doubt, such shares shall be deemed to be the Ordinary Shares for the purpose of these Conditions as from the date of completion of such transaction, subject to any technical changes to these Conditions required to be made as may be determined to be appropriate by an Independent Financial Adviser).

The merging company (or, in the case of multiple beneficiary companies of a spin-off, such company or companies as is or are determined to be appropriate by an Independent Financial Adviser) will automatically be substituted for the Issuer for the purpose of the performance of its obligations towards the Noteholders and from such point such merging company or the beneficiary company or companies of a spin-off as aforesaid shall constitute the Issuer for the purpose of these Conditions, subject to any technical changes to these Conditions required to be made to that effect as may be determined to be appropriate by an Independent Financial Adviser.

(ii) In the event that the Issuer carries out transactions in respect of which no adjustment to the Maximum Conversion Ratio (or otherwise) is required to be made pursuant to this Condition 6.6 (*Adjustments to the Maximum Conversion Ratio*), and where an adjustment is subsequently required by law or regulation in respect of this type of transaction, the Issuer will apply such adjustment in accordance with such applicable law or regulation to any such transaction which is carried out as from the date on which such law or regulation comes into effect, and taking into account relevant market practice in effect in France.

For the avoidance of any doubt, subject to the provisions of the immediately preceding paragraph, no adjustment shall be made to the Maximum Conversion Ratio in respect of:

(1) any issuance of Ordinary Shares (or other securities) for cash or non-cash consideration which is carried out by the Issuer without preferential subscription rights for the Shareholders (*droits préférentiels de souscription*) (or equivalent rights), and whether or not a priority period (*délai de priorité*) is given to the Shareholders to subscribe to all or part of this issuance; and

(2) the distribution to the Shareholders of any Non-Adjustable Dividend.

(iii) *Specific provisions:* in accordance with the provisions of article L.228-98 of the French *Code de commerce*:

(1) the Issuer may change its form or corporate purpose without requesting the approval of the Noteholders' general meeting;

(2) the Issuer may, without requesting the approval of the Noteholders' general meeting, redeem its share capital, or change its profit distribution and/or issue preferred shares provided that, as long as any Notes are outstanding, it takes the necessary measures to preserve the rights of the Noteholders;

(3) in the event of a reduction of the Issuer's share capital resulting from losses and realized through a decrease of the par value or of the number of Ordinary Shares comprising its share capital, which the Issuer may carry out as from the Issue Date, the rights attached to the Conversion Shares will be reduced accordingly, as if the Conversion had occurred prior to the date on which such share capital reduction occurred. In the event of a reduction of the Issuer's share capital (i) carried out by way of a decrease in the number of Ordinary Shares outstanding and (ii) the Record Date of which occurs on or after the Issue Date and before the Conversion Date, the Maximum Conversion Ratio will be adjusted (as determined by the Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect prior to the decrease in the number of Ordinary Shares by the following fraction:

$$\frac{Number\ of\ Ordinary\ Shares\ comprising\ the\ share\ capital\ after\ the\ reduction}{Number\ of\ Ordinary\ Shares\ comprising\ the\ share\ capital\ prior\ to\ the\ reduction}$$

The Maximum Conversion Ratio so adjusted will be rounded to the nearest integral multiple of 0.0001 Ordinary Share (with 0.00005 being rounded up). Any subsequent adjustments will be carried out based on the Maximum Conversion Ratio so adjusted and rounded. The adjustment will become effective on the date on which the transaction triggering such adjustment is completed.

In accordance with articles L. 228-99 and R. 228-92 of the French *Code de commerce*, if the Issuer decides to issue, in any form whatsoever, new Ordinary Shares or securities giving access to the share capital with a preferential subscription right reserved for Shareholders, to distribute reserves, in cash or in kind, and issue premiums (*prime d'émission*) or to change the distribution of its profits by creating preferred shares, the Issuer will give notice thereof to the Noteholders in accordance with Condition 16 (*Notices)*.

(iv) *Adjustments to the Maximum Conversion Ratio in the event of financial transactions of the Issuer*: Following any of the following transactions:

(1) financial transactions with listed preferential subscription rights granted to the Shareholders or by free allocation to the Shareholders of listed subscription warrants;

(2) free allocation of Ordinary Shares to the Shareholders, share split or reverse share split;

(3) incorporation into the share capital of reserves, profits or premiums by an increase in the par value of the Ordinary Shares;

(4) distribution to the Shareholders of reserves or premiums, in cash or in kind;

(5) free allocation to the Shareholders of any securities other than Ordinary Shares;

(6) merger (*absorption* or *fusion*) or spin-off (*scission*);

(7) repurchase by the Issuer of its own Ordinary Shares at a price higher than the market price;

(8) redemption of share capital;

(9) change in profit distribution and/or creation of preferred shares; and

(10) distribution of a Surplus Qualifying Dividend,

the Record Date of which occurs on or after the Issue Date and before the Conversion Date, an adjustment to the Maximum Conversion Ratio (if applicable) will be made in accordance with the provisions set forth below.

Such adjustment will be carried out so that, the value of the Ordinary Shares that would have been delivered upon Conversion and applying the exercise of the Maximum Conversion Ratio immediately before the completion of any of the transactions mentioned above, is equal to the value of the Ordinary Shares to be delivered in case of Conversion immediately after the completion of such a transaction.

In the event of adjustments carried out in accordance with paragraphs (1) to (10) below, the Maximum Conversion Ratio so adjusted will be rounded to the nearest integral multiple of 0.0001 Ordinary Share (with 0.00005 being rounded up). Any subsequent adjustments will be carried out based on the Maximum Conversion Ratio so adjusted and rounded.

Adjustments carried out in accordance with paragraphs (1) to (10) below will become effective on the date on which the transaction triggering such adjustment is completed (or, in the case of adjustments pursuant to paragraph (10) below, on the relevant Effective Date).

In the event that the Issuer carries out a transaction likely to be subject to several adjustments, the transaction will be split between the relevant adjustments with the legal adjustments applied by priority.

(1) *Financial transactions with listed preferential subscription rights granted to the Shareholders or by the free allocation to the Shareholders of listed subscription warrants:*

(a) In the event of financial transactions with a listed preferential subscription right granted to the Shareholders (*droits préférentiels de souscription*), the Maximum Conversion Ratio will be adjusted (as determined by the Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect prior to the relevant transaction by the following fraction:

$$\frac{Value\ of\ the\ Ordinary\ Share\ ex\text{-}right\ +\ Value\ of\ the\ preferential\ subscription\ right}{Value\ of\ the\ Ordinary\ Share\ ex\text{-}right}$$

For the purpose of the calculation of this fraction, the values of the Ordinary Share ex-right and of the preferential subscription right will be equal to the arithmetic average of their opening prices (if any) quoted on the Relevant Stock Exchange in respect thereof on each Trading Day in respect thereof comprised in the subscription period.

(b) In the event of financial transactions with free allocation of listed subscription warrants to the Shareholders with the corresponding ability to sell the securities resulting from the exercise of warrants that were unexercised by their holders at the end of the subscription period that applies to them[5], the Maximum Conversion Ratio will be adjusted (as determined by the Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect prior to the relevant transaction by the following fraction:

$$\frac{Value\ of\ the\ Ordinary\ Share\ ex\text{-}warrant\ +\ Value\ of\ the\ warrant}{Value\ of\ the\ Ordinary\ Share\ ex\text{-}warrant}$$

[5] Are only concerned warrants which are "substitutes" of preferential subscription rights (exercise price usually lower than the market price, term of the warrant similar to the period of subscription of the capital increase with upholding of the Shareholders' preferential subscription right, option to "recycle" the non-exercised warrants). The adjustment as a result of a free allocation of standard warrants (exercise price usually greater than the market price, term usually longer, absence of option granted to the beneficiaries to "recycle" the non-exercised warrants) shall be made in accordance with paragraph 5.

For the purpose of the calculation of this fraction:

- the value of the Ordinary Share ex-warrant will be equal to the volume-weighted average of (i) the trading prices of the Ordinary Share on the Relevant Stock Exchange on each Trading Day comprised in the subscription period, and (ii) (a) if such securities are fungible with the existing Ordinary Shares, the sale price of the securities sold in connection with the offering, applying the volume of Ordinary Shares sold in the offering to the sale price, or (b) if such securities are not fungible with the existing Ordinary Shares, the trading prices of the Ordinary Share on the Relevant Stock Exchange on the date the sale price of the securities sold in the offering is set;
- the value of the warrant will be equal to the volume-weighted average of (i) the trading prices (if any) of the warrants on the Relevant Stock Exchange on each Trading Day comprised in the subscription period, and (ii) the subscription warrant's implicit value as derived from the sale price of the securities sold in the offering, which shall be equal to the difference (if positive), adjusted for the exercise ratio of the warrants, between the sale price of the securities sold in the offering and the subscription price of the securities through exercise of the warrants, applying to this amount the corresponding number of warrants exercised in respect of the securities sold in the offering.

(2) *Free allocation of Ordinary Shares to the Shareholders, share split or reverse share split:*

In the event of the free allocation of Ordinary Shares to all Shareholders, or a share split or reverse share split in respect of the Ordinary Shares, the Maximum Conversion Ratio will be adjusted (as determined by the Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect prior to the relevant transaction by the following fraction:

$$\frac{Number\ of\ Ordinary\ Shares\ included\ in\ the\ share\ capital\ after\ the\ transaction}{Number\ of\ Ordinary\ Shares\ included\ in\ the\ share\ capital\ prior\ to\ the\ transaction}$$

(3) *Incorporation into the share capital of reserves, profits or premiums by an increase in the par value of the Ordinary Shares:*

In the event of a capital increase by incorporation of reserves, profits or premiums achieved by increasing the par value of the Ordinary Shares, the par value of the Ordinary Shares that will be delivered to the Noteholders upon Conversion will be increased accordingly, and no adjustment shall be required to be made to the Maximum Conversion Ratio.

(4) *Distribution to the Shareholders of reserves or premiums, in cash or in kind:*

In the event of a distribution of reserves or premiums (DRP), in cash or in kind (portfolio securities, etc.), the Maximum Conversion Ratio will be adjusted (as determined by the Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect prior to the relevant transaction by the following fraction:

$$\frac{Value\ of\ the\ Ordinary\ Share\ cum\text{-}DRP}{Value\ of\ the\ Ordinary\ Share\ cum\text{-}DRP - Dividend\ Amount\ of\ the\ DRP}$$

For the purpose of the calculation of this fraction:

- "**DRP**" means the relevant distribution of reserves or premiums;
- the value of the Ordinary Share cum-DRP will be equal to the Volume Weighted Average Price of the Ordinary Share over the period comprising the last three (3) Trading Days preceding the first (1st) Trading Day on which the Ordinary Shares are quoted ex-DRP;
- For the purposes of these Conditions (including without limitation this Condition 6.6(iv)(4) and Condition 6.6(iv)(10)), the "**Dividend Amount**" of any Dividend (including, for the avoidance of doubt, any distribution of reserves or premiums as contemplated in this Condition 6.6(iv)(4)) shall mean:
    - if the distribution of such Dividend is made in cash, or is made either in cash or in kind (including but not limited to Ordinary Shares) at the option of the Shareholders (including but not limited to pursuant to articles L. 232-18 *et seq.* of the French

Code de commerce): the amount of such cash payable per Ordinary Share (prior to any withholdings and without taking into account any applicable deductions), i.e. disregarding the value of the in-kind property payable in lieu of such cash amount at the option of the Shareholders as aforesaid;

- if the distribution of such Dividend is made in kind only:
  - in the event of a distribution of securities that are already listed and for which there is a Relevant Stock Exchange: the Volume Weighted Average Price of such securities so distributed per Ordinary Share over the period comprising the last three (3) Trading Days preceding the first (1st) Trading Day on which the Ordinary Shares are quoted ex-distribution (or, if such Dividend Amount cannot be so determined, such amount value of the distributed securities will be determined by an Independent Financial Adviser);
  - in the event of a distribution of securities that are not yet listed, or which stock exchange or securities market on which such securities have their main listing is not a Regulated Market or a similar market but are expected to be listed on a Relevant Stock Exchange within the ten (10) consecutive Trading Days' period starting on the first (1st) Trading Day on which the Ordinary Shares are quoted ex-distribution: the Volume Weighted Average Price of such securities so distributed per Ordinary Share over the period comprising the first three (3) Trading Days included in such period and during which such securities are listed (or, if the Dividend Amount cannot be so determined, such amount as is determined by an Independent Financial Adviser); and
- in any other case (including in the case of a distribution of securities that are not listed on a Regulated Market or a similar market or listed for less than three (3) Trading Days within the period of ten (10) Trading Days referred to above or in the case of a distribution of unlisted assets): such amount as is determined by an Independent Financial Adviser.

(5) *Free allocation to the Shareholders of any securities other than Ordinary Shares:*

In the event of a free allocation to the Shareholders of any securities other than Ordinary Shares and other than as referred to in Conditions 6.6(iv)(1) or 6.6(iv)(4), the Maximum Conversion Ratio will be adjusted (as determined by the Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect prior to the relevant transaction by the following fraction:

$$\frac{Value\ of\ the\ Ordinary\ Share\ ex\text{-}right\ +\ Value\ of\ the\ securities\ allocated\ per\ Ordinary\ Share}{Value\ of\ the\ Ordinary\ Share\ ex\text{-}right}$$

For the purpose of the calculation of this fraction:

- the value of the Ordinary Share ex-right will be equal to the Volume Weighted Average Price of the Ordinary Share over the period comprising the first three (3) Trading Days starting on the first (1st) Trading Day on which the Ordinary Shares are quoted ex-right of free allocation;
- the value of the securities allocated per Ordinary Share will be determined:
  - if such securities are listed on a Relevant Stock Exchange in the period of ten (10) consecutive Trading Days starting on the first (1st) Trading Day on which the Ordinary Shares are quoted ex-right of free allocation: in the same manner as the value of the Ordinary Share ex-right of free allocation as provided above (or, if such securities are not so listed on each of the three (3) Trading Days referred to above, as provided above but by reference to the first three (3) Trading Days on which such securities are so listed within such ten (10) Trading Days' period as aforesaid); or
  - in any other case, including where the value of the securities cannot be determined as provided above: by an Independent Financial Adviser.

(6) *Merger (absorption or fusion) or spin-off (scission):*

In the event that the Issuer is merged into another company (*absorption*) or is merged with one or more companies forming a new company (*fusion*) or carries out a spin-off (*scission*) within

the meaning of article L. 228-101 of the French *Code de commerce*, the Notes will be convertible, as applicable, into shares of the merged or new company or of the beneficiary companies of such spin-off (and, for the avoidance of doubt, such shares shall be deemed to be the Ordinary Shares for the purpose of these Conditions as from the date of completion of such transaction, subject to any technical changes to these Conditions required to be made as may be determined to be appropriate by an Independent Financial Adviser).

The Maximum Conversion Ratio will be adjusted (as determined by the Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect prior to the relevant transaction by the exchange ratio of Ordinary Shares of the Issuer to the shares of the merging company or the beneficiary companies of a spin-off.

The merging company (or, in the case of multiple beneficiary companies of a spin-off, such company or companies as is or are determined to be appropriate by an Independent Financial Adviser) will automatically be substituted for the Issuer for the purpose of the performance of its obligations towards the Noteholders and from such point such merging company or the beneficiary company or companies of a spin-off as aforesaid shall constitute the Issuer for the purpose of these Conditions, subject to any technical changes to these Conditions required to be made to that effect as may be determined to be appropriate by an Independent Financial Adviser.

(7) *Repurchase by the Issuer of its own Ordinary Shares at a price higher than the market price:*

In the event of a repurchase by the Issuer of its own Ordinary Shares at a price higher than the market price of the Ordinary Shares, the new Maximum Conversion Ratio will be determined by the Conversion Calculation Agent by multiplying the Maximum Conversion Ratio in effect prior to the repurchase by the following fraction:

$$\frac{Value\ of\ the\ Ordinary\ Share\ \times\ (1 - Pc\%)}{Value\ of\ the\ Ordinary\ Share - (Pc\% \times Repurchase\ price)}$$

For the purpose of the calculation of this fraction:

"**Value of the Ordinary Share**" means the Volume Weighted Average Price of the Ordinary Share over the period comprising the last three (3) Trading Days preceding the repurchase (or the repurchase option);

"**Pc%**" means the percentage of share capital repurchased; and

"**Repurchase price**" means the price at which the relevant Ordinary Shares are repurchased.

(8) *Redemption of share capital:*

In the event of a redemption of share capital, the Maximum Conversion Ratio will be adjusted (as determined by the Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect prior to the relevant transaction by the following fraction:

$$\frac{Value\ of\ the\ Ordinary\ Share\ cum\text{-}\ redemption}{Value\ of\ the\ Ordinary\ Share\ cum\text{-}\ redemption\ -\ Amount\ of\ the\ redemption\ per\ Ordinary\ Share}$$

For the purpose of the calculation of this fraction, the value of the Ordinary Share cum-redemption will be equal to the Volume Weighted Average Price of the Ordinary Share over the period comprising the last three (3) Trading Days preceding the first (1st) Trading Day on which the Ordinary Shares are quoted ex-redemption.

(9) *Change in profit distribution and/or creation of preferred shares:*

In the event the Issuer changes its profit distribution and/or creates preferred shares resulting in such a change, the Maximum Conversion Ratio will be adjusted (as determined by the

Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect prior to the relevant transaction by the following fraction:

$$\frac{Value\ of\ the\ Ordinary\ Share\ prior\ to\ the\ modification}{Value\ of\ the\ Ordinary\ Share\ prior\ to\ the\ modification\ -\ Reduction\ per\ Ordinary\ Share\ of\ the\ right\ to\ profits}$$

For the purpose of the calculation of this fraction:

- the value of the Ordinary Share prior to the modification will be equal to the Volume Weighted Average Price of the Ordinary Share over the period comprising the last three (3) Trading Days preceding the date of the modification; and
- the reduction per Ordinary Share of the right to profits will be determined by an Independent Financial Adviser.

In the case of creation of preferred shares which do not result in a change in the distribution of the Issuer's profits, the adjustment of the Maximum Conversion Ratio, if any, will be determined by an Independent Financial Adviser.

Notwithstanding the foregoing, if such preferred shares are issued with preferential subscription rights of the Shareholders or by way of a free allocation to the Shareholders of warrants exercisable for such preferred shares, the new Maximum Conversion Ratio will be adjusted in accordance with Conditions 6.6(iv)(1) or 6.6(iv)(5), as applicable.

(10) *Distribution of a Surplus Qualifying Dividend:*

In the event of distribution of a Surplus Qualifying Dividend, the Maximum Conversion Ratio will be adjusted (as determined by the Conversion Calculation Agent) by multiplying the Maximum Conversion Ratio in effect immediately prior to the relevant Effective Date by the following fraction:

$$\frac{A - B}{A - C}$$

For the purpose of the calculation of this fraction:

"**A**" means the Volume-Weighted Average Price of the Ordinary Share over the period comprising the three (3) consecutive Trading Days preceding the Ex-Date in respect of such Surplus Qualifying Dividend, provided that where:

(i) any other Ex-Date (x) (where such Ex-Date is pursuant to limb (a) of the definition thereof) falls on or prior to the Ex-Date of such Surplus Qualifying Dividend or (y) (where such Ex-Date is pursuant to limb (b) of the definition thereof) falls prior to the Ex-Date of such Surplus Qualifying Dividend; and

(ii) any of such three (3) consecutive Trading Days as aforesaid falls prior to such other Ex-Date,

the Volume-Weighted Average Price of the Ordinary Share on each such Trading Day falling prior to such other Ex-Date as aforesaid shall (if necessary to give the intended result as determined by (if the Conversion Calculation Agent determines in its sole discretion it is capable to make such determination in its capacity as Calculation Agent) the Conversion Calculation Agent or (in any other case) an Independent Financial Adviser) be:

(a) (in the case of (i)(x) above) divided by the adjustment factor to be applied to the Maximum Conversion Ratio in respect of the relevant dividend, distribution or other transaction to which such other Ex-Date relates (such adjustment factor being determined as provided in the relevant provisions of Condition 6.6(iii) Conditions 6.6(iv)(1) to (9) in respect of such adjustment); or

(b) (in the case of (i)(y) above) reduced by the Dividend Amount of the Dividend to which such other Ex-Date relates;

"**B**" means (AA) the difference (if positive, and if not, "B" shall be equal to zero) between (i) the Reference Net Income for the Relevant Financial Year and (ii) the sum of the Aggregate Qualifying Dividend Amount(s) of the Previous Qualifying Dividend(s) (if any) in relation to such Surplus Qualifying Dividend, divided by (BB) the number of Ordinary Shares entitled to receive such Surplus Qualifying Dividend. For the avoidance of doubt, "B" shall be equal to the

Reference Net Income for the Relevant Financial Year divided by the number of Ordinary Shares entitled to receive such Surplus Qualifying Dividend where there have been no such Previous Qualifying Dividends; and

"**C**" means the Dividend Amount of such Surplus Qualifying Dividend,

provided that if C or B is equal to or greater than A, the adjustment to be made to the Maximum Conversion Ratio in respect of such Surplus Qualifying Dividend shall instead be determined in such other manner as is determined to be appropriate by an Independent Financial Adviser.

For the purposes of these Conditions:

"**Effective Date**" means, in respect of any Surplus Qualifying Dividend, the later of (i) the date on which such Surplus Qualifying Dividend is paid or made and (ii) the first date on which the adjustment to the Maximum Conversion Ratio in respect of such Surplus Qualifying Dividend is capable of being determined in accordance with these Conditions.

"**Surplus Qualifying Dividend**" means any Qualifying Dividend paid or made in respect of a financial year of the Issuer (the "**Relevant Financial Year**" in respect of such Surplus Qualifying Dividend) the Total Qualifying Dividend Amount in respect of which exceeds the Reference Net Income for such Relevant Financial Year;

"**Qualifying Dividend**" means any Dividend other than a distribution of premiums or reserves as referred to in Condition 6.6(iv)(4), provided that (i) if a Conversion occurs and any Dividend (other than a distribution of premiums or reserves as referred to in Condition 6.6(iv)(4)) is paid or made in respect of a financial year of the Issuer for which the Reference Net Income is not available prior to the Conversion Date, such Dividend shall not constitute a Qualifying Dividend and (ii) any Qualifying Dividend which is not expressed by the Issuer to be paid or made in respect of a specific financial year of the Issuer shall be deemed to have been paid or made in respect of the financial year of the Issuer immediately preceding the date on which such Qualifying Dividend is paid or made;

"**Total Qualifying Dividend Amount**" means, in respect of any Qualifying Dividend, the sum of the Aggregate Qualifying Dividend Amount(s) of such Qualifying Dividend and each Previous Qualifying Dividend (if any) in relation to such Qualifying Dividend;

"**Aggregate Qualifying Dividend Amount**" means, in respect of any Qualifying Dividend, the aggregate Dividend Amount in respect of all Ordinary Shares entitled to receive such Qualifying Dividend;

"**Previous Qualifying Dividend**" means, in relation to any Qualifying Dividend (for the purpose of this definition, the "**Reference Qualifying Dividend**", and the financial year in respect of which such Reference Qualifying Dividend is paid or made, the "**Reference Financial Year**"), any other Qualifying Dividend which is paid or made (i) prior to the date on which such Reference Qualifying Dividend is paid or made and (ii) in respect of the Reference Financial Year;

"**Ex-Date**" means (a) in respect of any dividend or other distribution or transaction of the type referred to in Condition 6.6(iii) or Conditions 6.6(iv)(1) to (9) (including, for the avoidance of doubt, any Dividend which is a distribution of reserves or premiums as referred to in Condition 6.6(iv)(4)), the first (1st) Trading Day on which the Ordinary Shares are traded ex- such dividend or other distribution or transaction (or, in the case of any transaction which Record Date is to be determined pursuant to limb (ii) of the definition of "Record Date", such date as is determined to be appropriate by an Independent Financial Adviser), and (b) in respect of any Dividend (other than any distribution of reserves or premiums as referred to in Condition 6.6(iv)(4)), the first (1st) Trading Day on which the Ordinary Shares are traded ex- such Dividend;

"**Reference Net Income**" means, for any financial year of the Issuer, the Group Net Income of the Issuer in respect of such financial year;

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

(v) *Notification of adjustments:* Promptly after the determination of any adjustment to the Maximum Conversion Ratio, the Issuer will give notice thereof to the Noteholders in accordance with Condition 16 (*Notices*). Such notice shall in any case indicate (a) the adjustment of the Maximum Conversion Ratio and (b) the date when such adjustment has taken effect, and to the extent required by the applicable rules and regulations, a notice shall be published in any other way as is compliant with applicable rules and regulations.

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 7.8 (*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 16 (*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 principal amount, 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 7.8 (*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 16 (*Notices*) (which notice shall be irrevocable) and the Fiscal Agent, redeem the then outstanding Notes in whole, but not in part, at their principal 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 7.8 (*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 16 (*Notices*)) (which notice shall be irrevocable) and the Fiscal Agent, redeem the then outstanding Notes in whole, but not in part, at their principal 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 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 7.8 (*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 16 (*Notices*)) (which notice shall be irrevocable) and the Fiscal Agent, redeem the then outstanding Notes in whole, but not in part, at their principal 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 7.8 (*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 Fiscal Agent and the Noteholders (in accordance with Condition 16 (*Notices*)) redeem all, but not in part, of the then outstanding Notes at the principal 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 *Substitution/Variation*: Following the occurrence of a Special Event, the Issuer may, at any time, without the consent of the Noteholders and subject to (i) the prior permission of the Relevant Regulator, if required, and (ii) having given no less than fifteen (15) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and the Noteholders (in accordance with Condition 16 (*Notices*)) either (x) substitute new notes for the Notes whereby such new notes shall replace the Notes or (y) vary the terms of the Notes, so that the Notes may become or remain Compliant Securities.

If the Issuer has given a notice to the Noteholders of substitution or variation of the Notes, and, after giving such notice but prior to the date of such substitution or variation, as applicable, the Issuer determines that a Trigger Event has occurred, the Issuer shall, in consultation with the Relevant Regulator, determine whether or not the proposed substitution or variation, as applicable, will proceed and, if so, whether any amendments to the terms and/or timing of such substitution or variation, as applicable, will be made.

7.6 *Purchase*: The Issuer may, but is not obliged to, subject to Condition 7.8 (*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. 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 authorized by the Relevant Regulator.

7.7 *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.

7.8 *Conditions to Redemption and Purchase*: The Notes may only be redeemed or purchased if the Relevant Regulator has given its prior written permission 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.

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

(1) 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

(2) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its own funds and eligible liabilities would, following such purchase or redemption (as applicable), exceed the requirements laid down in the CRD and the BRRD by a margin that the Relevant Regulator considers necessary; and

(ii) in the case of redemption before the fifth anniversary of the Issue Date, if:

(1) the conditions listed in paragraphs (1) or (2) above are met; and

(2) (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 Fiscal Agent (and copies thereof will be available at the Fiscal 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 based on 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.

For the avoidance of doubt, any refusal of the Relevant Regulator to give its prior written permission shall not constitute a default for any purpose.

7.9 *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 Conversion shall occur in respect of the Notes as described under Condition 6 (*Conversion*). Moreover, and for the avoidance of doubt, the Issuer may not give a notice of redemption following the occurrence of a Trigger Event.

8. Payments

8.1 *Principal*: Payment of the principal on the Notes will be made to the registered Holders thereof at the office of the Fiscal Agent, or such other office or agency of the Issuer maintained by it for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of the principal on such Notes will be made to the registered Holders thereof in immediately available funds at such office or such other offices or agencies if such Notes are presented to the Fiscal Agent or any other paying agent in time for the Fiscal Agent or such other paying agent to make such payments in accordance with its normal procedures.

8.2 *Interest*: Payments of interest will be made to the registered Holders thereof at the office of the Fiscal Agent, or such other office or agency of the Issuer maintained by it for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of the interest on such Notes due on a date other than a date set for the redemption of the Notes (a "**Redemption Date**") will be made to the registered Holders thereof in immediately available funds at such office or such other offices or agencies if such Notes are presented to the Fiscal Agent or any other paying agent in time for the Fiscal Agent or such other paying agent to make such payments in accordance with its normal procedures; and, provided, further, that at the option of the Issuer, payment of interest on any Interest Payment Date other than a Redemption Date, may be made by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register unless that address is in the Issuer's country of incorporation or, if different, country of tax residence; and, provided, further, that notwithstanding the foregoing, a registered Holder of US$10,000,000 or more in aggregate principal amount of such Notes having the same Interest Payment Date will be entitled to receive payments of interest, other than interest due on a Redemption Date, by wire transfer of immediately available funds to an account at a bank located in The City of New York (or other location consented to by the Issuer) if appropriate wire transfer instructions have been received by the Fiscal Agent or any other paying agent in writing not less than fifteen (15) calendar days prior to the applicable Interest Payment Date.

8.3 *Record Dates*: Payments of interest will be made to the person who is the registered Holder thereof on the regular record date immediately preceding the relevant Interest Payment Date. A regular record date will be the fifteenth (15^{th}) calendar day preceding an Interest Payment Date, except that so long as the Notes are represented by Global Notes held in DTC, the regular record date shall be the Payment Business Day immediately preceding the Interest Payment Date. Any interest that is not paid when due (and not cancelled in accordance with Condition 5 (*Interest*) shall be paid to the person who is the registered Holder thereof on the regular record date immediately preceding the Interest Payment Date on which such interest is paid or, if not paid on an Interest Payment Date, on a special record date determined in accordance with the Agency Agreement.

8.4 *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 Holders in respect of such payments.

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

8.6 *Payments*: Payments of interest shall be made only against presentation of the relevant Notes at the specified office of any Paying Agent.

8.7 *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

8.8 *Waiver of set-off*: No Noteholder may at any time exercise or claim any Waived Set-Off Rights 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 8.8 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 8.8.

For the purposes of this Condition 8.8, "**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, as the case may be, 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) presented for payment more than thirty (30) calendar days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty (30) calendar days; or

(iii) where the applicable French Taxes are levied other than by way of a withholding or deduction;

(iv) where such withholding or deduction is imposed on any payment by reason of FATCA; or

(v) where such withholding or deduction would not have been imposed but for a failure by a Noteholder or beneficial owner (or any financial institution through which a Noteholder or beneficial owner holds the Notes or through which payment on the Notes is made) to enter into or to comply with any applicable certification, documentation, information or other reporting requirement or agreement concerning accounts maintained by a Noteholder, beneficial owner (or any such financial institution) or concerning ownership of a Noteholder or beneficial owner (or any such financial institution) or any substantially similar requirement or agreement.

For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of payments of principal under the Notes nor in respect of any payments by or on behalf of the Issuer in respect of the Conversion Shares or ADRs.

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. Replacement of Notes

If any Note, including any Global Note, is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the costs incurred in connection therewith and on such terms as to evidence an indemnity as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued. Cancellation and replacement of Notes shall be subject to compliance with such procedures as may be required under any applicable law and subject to any applicable stock exchange requirements.

12. Agents

In acting under the Agency Agreement, the Agents will act solely as agents of the Issuer and do not assume any obligations or relationship of agency or trust to or with the Noteholders, except that, without affecting the obligations of the Issuer to the Noteholders, to repay Notes and pay interest thereon, funds received by the Fiscal Agent for the payment of the principal of or interest on the Notes shall be held by it in trust for the Noteholders until the expiration of the relevant period of prescription described under Condition 10 (*Prescription)*. The Issuer will agree to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Agents and for relief from responsibility in certain circumstances and entitles any of them to enter into business transactions with the Issuer and any of its affiliates without being liable to account to the Noteholders for any resulting profit. The Bank of New York Mellon will be the initial Fiscal Agent with its specified office at 240 Greenwich Street, Floor 7 East, New York, NY 10286, United States of America.

13. Enforcement

The Noteholders may, upon written notice to the Fiscal Agent given before all defaults have been cured, cause the Notes to become due and payable, together with accrued (but uncancelled) interest thereon, if any, as of the date on which said notice is received by the Fiscal 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.

14. Meetings of Noteholders, Modification, Supplemental Agreements

14.1 *Modification and Amendment*: The Issuer may at any time call a meeting of the Noteholders to seek their approval of the modification of or amendment to, or obtain a waiver of, any provision of the Notes. This meeting will be held at the time and place determined by the Issuer and specified in a notice of such meeting furnished to the Holders. This notice must be given at least thirty (30) calendar days and not more than sixty (60) calendar days prior to the meeting.

The Issuer may also seek the consent of the Noteholders to any such modification, amendment or waiver without holding a meeting. So long as the Notes clear through the facilities of DTC, any such consent solicitation may be made through the applicable procedures at DTC.

With respect to the Notes, the Issuer may, with the consent of the Noteholders of not less than a majority of the principal amount of the then outstanding Notes or the consent of a majority of the principal amount of Notes present and voting at a meeting where a quorum is present, modify and amend the provisions of such Notes, including to grant waivers of future compliance by the Issuer, and if so required, the Issuer will instruct the relevant Agent to give effect to any such amendment, as the case may be, at the sole expense of the Issuer. Except to the extent permitted by Condition 7.5 (*Substitution/Variation*), no such amendment or modification shall, however, without the consent of each Noteholder affected thereby, with respect to Notes owned or held by such Noteholder:

(i) change the principal of or any installment of principal of or interest, if any, on, any such Note;

(ii) reduce the principal amount of, or any interest on, any such Note or any premium payable upon the redemption thereof with respect thereto;

(iii) change the currency of payment of principal of, premium, if any, or interest, if any, on any such Note;

(iv) impair the right to institute suit for the enforcement of any such payment on any such Note;

(v) reduce the above stated percentage of Noteholders necessary to modify or amend the Notes; or

(vi) modify any of the provisions of this Condition 14, except to increase any such percentage in aggregate principal amount required for any actions by Noteholders or to provide that certain other provisions of the Notes cannot be modified or waived without the consent of the Noteholder of each outstanding Note affected thereby.

In addition to the substitutions and variations permitted without the consent of the Holders by Condition 7.5 (*Substitution/Variation*), no consent of the Noteholders is or will be required for any modification or amendment requested by the Issuer or by the Fiscal Agent with the consent of the Issuer to:

(i) add to the Issuer's covenants for the benefit of the Noteholders;

(ii) surrender any right or power of the Issuer in respect of the Notes or the Agency Agreement;

(iii) provide security or collateral for the Notes;

(iv) cure any ambiguity in any provision, or correct any defective provision, of the Notes;

Any such modification made under this subparagraph shall be binding on the Noteholders and any such modification shall be notified to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

14.2 *Meetings of Noteholders*: If at any time the Holders of at least 10% in principal amount for the then outstanding Notes request the Issuer to call a meeting of the Holders of such Notes for any purpose, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Issuer will call the meeting for such purpose. This meeting will be held at the time and place determined by the Issuer and specified in a notice of such meeting furnished to the Noteholders. This notice must be given at least thirty (30) calendar days and not more than sixty (60) calendar days prior to the meeting.

Noteholders who hold a majority in principal amount of the then outstanding Notes will constitute a quorum at a Noteholders' meeting. In the absence of a quorum, a meeting may be adjourned for a period of at least twenty (20) calendar days. At the reconvening of a meeting adjourned for lack of quorum, Holders of 25% in principal amount of the then outstanding Notes shall constitute a quorum. Notice of the reconvening of any meeting may be given only once, but must be given at least ten (10) calendar days and not more than fifteen (15) calendar days prior to the meeting.

14.3 *Supplemental Agreements*: Subject to the terms of this Condition 14, the Issuer and the Fiscal Agent may enter into an agreement or agreements supplemental to the Agency Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Agency Agreement. Upon the execution of any supplemental agreement under the Agency Agreement, the Agency Agreement shall be modified in accordance therewith, and such supplemental agreement shall form a part of the Agency Agreement for all purposes. The Fiscal Agent may, but shall not be obligated to, enter into any such supplemental agreement which affects the Fiscal Agent's own rights, duties or immunities under the Agency Agreement or otherwise. If the Issuer shall so determine, new Notes, modified so as to conform, in the opinion of the Fiscal Agent and the Issuer, to any such supplemental agreement may be prepared and executed by the Issuer and authenticated and delivered by the Fiscal Agent in exchange for the Notes.

14.4 If required, any proposed modification of any provision of the Notes (other than to cure any

ambiguity in any provision, or correct any defective provision, of the Notes) can only be effected subject to the prior permission of the Relevant Regulator.

15. 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).

16. Notices

Notices to Holders will be provided to the addresses of the Holders that appear on the Security Register of the Notes. So long as the Notes are in the form of Global Notes held through DTC, notices shall be given through the facilities, and in accordance with the procedures, of DTC.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

17. Governing Law and Jurisdiction

17.1 *Governing Law*: The Notes, the Agency Agreement, the Conversion Calculation Agency Agreement and any non-contractual obligations arising therefrom or in connection therewith, shall be governed by, and construed in accordance with the laws of the State of New York, without regard to the conflicts of law principles thereof, except for Condition 4 (*Status of the Notes*) and Condition 6.6 (*Adjustments to Maximum Conversion Ratio*), which shall be governed by, and construed in accordance with, French law.

17.2 *Submission to Jurisdiction and Consent to Service of Process in New York*: The Issuer consents to the jurisdiction of, and waives objection to venue in, the courts of the State of New York and the courts of the United States of America located in The City of New York, Borough of Manhattan, with respect to any action that may be brought in connection with the Notes. The Issuer has appointed Treasurer of its New York Branch, with offices at 787 Seventh Avenue, New York, New York 10019 as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and its properties, assets and revenues, service of any and all legal process, summons, notices and documents that may be served in any action, suit or proceeding in connection with the Notes.

18. Statutory Write-down or Conversion

18.1 *Acknowledgment*: By its acquisition of the Notes, each Noteholder (which, for the purposes of this Condition 18, includes any current or future holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

(i) 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:

(1) the reduction of all, or a portion, of the Amounts Due (as defined below);

(2) 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;

(3) the cancellation of the Notes; and/or

(4) 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;

(ii) 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 (as defined below) by the Relevant Resolution Authority.

For these purposes, the "**Amounts Due**" are the principal 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.

18.2 *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 the BRRD, including without limitation pursuant to French decree-law No. 2015-1024 dated August 20, 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended or replaced from time to time, the "**August 20, 2015 Decree-Law**"), Regulation (EU) No 806/2014 of the European Parliament and of the Council of July 15, 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 or replaced 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 on a permanent basis (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 or otherwise.

A reference to a "**Regulated Entity**" is to any entity referred to in Section I of Article L.613-34 of the French Monetary and Financial Code (*Code monétaire et financier*) as modified by the August 20, 2015 Decree-Law, 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 resolution* (the "**ACPR**"), 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).

18.3 *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.

18.4 *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.

18.5 *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 provide a written notice to the Noteholders in accordance with Condition 16 (*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 Fiscal Agent for informational purposes, although the Fiscal 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 Conditions 18.1 and 18.2.

18.6 *Duties of the Fiscal 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 Fiscal Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon the Fiscal 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 Fiscal 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 Fiscal Agent shall agree pursuant to an amendment to the Agency Agreement.

18.7 *Proration*: If the Relevant Resolution Authority exercises the Bail-in or Loss Absorption Power with respect to less than the total Amounts Due, unless the Fiscal 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.

18.8 *Conditions Exhaustive*: The matters set forth in this Condition 18 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Note.

19. Agents, Independent Financial Adviser

19.1 *Paying Agent, Fiscal Agent, Interest Calculation Agent, Registrar and Transfer Agent*

(i) In acting under the Agency Agreement and in connection with the Notes, the Paying Agent, Fiscal Agent, Interest Calculation Agent, Registrar and Transfer Agent (together, the "**Agents**" and any of them, an "**Agent**") act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement entered into with respect to its appointment or incidental thereto.

(ii) Calculations and other determinations made by the Agents pursuant to these Conditions shall be made in good faith and shall be final and binding (in the absence of manifest error) on the Issuer, the Noteholders, the beneficial owners and the Conversion Calculation Agent.

(iii) The Agents may engage the advice or services of any legal or other professional adviser whose advice or services it may consider necessary and rely upon any advice so obtained, and the Agents shall incur no liability as against the Noteholders, the beneficial owners, and the Conversion Calculation Agent in respect of any action taken, or not taken, or suffered to be taken, or not taken, in accordance with such advice.

19.2 *Conversion Calculation Agent*

(i) The Conversion Calculation Agent shall act pursuant and subject to the terms of the Conversion Calculation Agency Agreement and shall act solely upon the request from, and exclusively as agent of, the Issuer to perform such calculations and other determinations as are expressly specified to be made by it in these Conditions.

(ii) Calculations and other determinations made by the Conversion Calculation Agent pursuant to these Conditions shall be made in good faith and shall be final and binding (in the absence of manifest error) on the Issuer, the Noteholders, the beneficial owners, the Paying Agent, the Fiscal Agent, the Interest Calculation Agent and the Transfer Agent.

(iii) The Conversion Calculation Agent (acting in such capacity) will not thereby assume any obligations towards or relationship of agency or trust and shall not be liable and shall incur no liability in respect of anything done, or omitted to be done in good faith, as against the Noteholders, the beneficial owners, the Paying Agent, the Fiscal Agent, the Interest Calculation Agent and the Transfer Agent.

(iv) The Conversion Calculation Agent may engage the advice or services of any legal or other professional adviser whose advice or services it may consider necessary and rely upon any advice so obtained, and the Conversion Calculation Agent shall incur no liability as against the Noteholders, the beneficial owners, the Paying Agent, the Fiscal Agent, the Interest Calculation Agent and the Transfer Agent in respect of any action taken, or not taken, or suffered to be taken, or not taken, in accordance with such advice.

(v) The Issuer reserves the right at any time to vary or terminate the appointment of the Conversion Calculation Agent, provided that it will at all times maintain a Conversion Calculation Agent, which may be the Issuer or another person appointed by the Issuer to serve in such capacity. Notice of any such change or termination will be given to the Noteholders in accordance with Condition 16.

19.3 *Independent Financial Adviser*

(i) Calculations and other determinations made by an Independent Financial Adviser pursuant to these Conditions shall be made in good faith and shall be final and binding (in the absence of manifest error) on the Issuer, the Noteholders, the beneficial owners, the Paying Agent, the Fiscal Agent, the Interest Calculation Agent, the Conversion Calculation Agent and the Transfer Agent.

(ii) If the Issuer determines, after consultation with the Conversion Calculation Agent, that any doubt shall arise as to the appropriate adjustment to the Maximum Conversion Ratio pursuant to Condition 6.6 or other calculation or other determination expressly specified herein to be made by the Conversion Calculation Agent, following consultation between the Issuer and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be final and binding as aforesaid.

An Independent Financial Adviser (acting in such capacity) will not thereby assume any obligations towards or relationship of agency or trust and shall not be liable and shall incur no liability in respect of anything done, or omitted to be done in good faith, as against the Noteholders, the beneficial owners, the Paying Agent, the Fiscal Agent, the Interest Calculation Agent, the Conversion Calculation Agent and the Transfer Agent

FORM OF NOTES, CLEARANCE AND SETTLEMENT

General

The Notes are being offered and sold only:

- to QIBs in reliance on Rule 144A ("**Rule 144A Notes**"), or
- to persons other than U.S. persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S ("**Regulation S Notes**").

The Notes will be issued in fully registered global form and subscribed and may be held in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. Notes will be issued on the Issue Date therefor only against payment in immediately available funds.

The Rule 144A Notes will be represented by one or more global notes in definitive, registered form without interest coupons (the "**Rule 144A Global Note**"). The Regulation S notes will be represented by one or more permanent global notes in definitive, registered form without interest coupons (the "**Regulation S Global Note**," together with the Rule 144A Global Note, the "**Global Notes**" and each a "**Global Note**"). The Global Notes will be deposited upon issuance with the Fiscal Agent as custodian for DTC and registered in the name of DTC or its nominee for credit to an account of a direct or indirect participant in DTC, including Euroclear and Clearstream, Luxembourg, as described below under "— *Depository Procedures*."

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except in the limited circumstances described under "— *Exchange of Book-Entry Notes for Certificated Notes*."

The Notes will be subject to certain restrictions on transfer and the Rule 144A Notes will, unless otherwise permitted under the Agency Agreement, bear a restrictive legend as described under "*Notice to U.S. Investors*." In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear or Clearstream, Luxembourg), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer takes no responsibility for these operations and procedures and urge investors to contact the systems or their participants directly to discuss these matters.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York State Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). DTC was created to hold securities for its participating organizations (collectively, the "**Participants**") and facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "**Indirect Participants**"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants. DTC has no knowledge of the identity of beneficial owners of securities held by or on behalf of DTC. DTC's records reflect only the identity of Participants to whose accounts securities are credited. The ownership interests and transfer of ownership interests of each beneficial owner of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Pursuant to procedures established by DTC:

- upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes, and

- ownership of such interests in the Global Notes will be maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including, in case of the Regulation S Global Note, Euroclear and Clearstream, Luxembourg) that are Participants or Indirect Participants in such system. Euroclear and Clearstream, Luxembourg will hold interests in the Regulation S Global Note on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. The depositaries, in turn, will hold interests in the Global Notes in customers' securities accounts in the depositaries' names on the books of DTC.

All interests in the Global Notes, including those held through Euroclear or Clearstream, Luxembourg, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg will also be subject to the procedures and requirements of these systems. The laws of some jurisdictions require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of beneficial owners of interests in the Global Notes to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests. For certain other restrictions on the transferability of the Notes, see "— *Exchange of Book-Entry Notes for Certificated Notes*."

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or Holders thereof for any purpose.

Payments in respect of the principal of and premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be payable by the Fiscal Agent to DTC in its capacity as the registered Holder under the Agency Agreement. The Issuer and the Fiscal Agent will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, none of the Issuer, the Fiscal Agent or any agent of the Issuer or the Fiscal Agent has or will have any responsibility or liability for:

- any aspect of DTC's records or any Participant's or Indirect Participant's records relating to, or payments made on account of beneficial ownership interests in, the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes, or

- any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

The Issuer understands that DTC's current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of the Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Fiscal Agent or the Issuer. Neither the Issuer nor the Fiscal Agent will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and the Issuer and the Fiscal Agent may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Except for trades involving only Euroclear and Clearstream, Luxembourg participants, interests in the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between Participants in DTC, on the one hand, and Euroclear or Clearstream, Luxembourg participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by their depositaries. Cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream, Luxembourg participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream, Luxembourg.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a Global Note from a Participant in DTC will be credited and reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream, Luxembourg) immediately following the settlement date of DTC. The Issuer understands that cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream, Luxembourg participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC's settlement date.

The Issuer understands that DTC will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account with DTC interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the Global Note among participants in DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and the procedures may be discontinued at any time. Neither the Issuer nor the Fiscal Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

The information in this section concerning DTC, Euroclear and Clearstream, Luxembourg and their book-entry systems has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Exchange of Book-Entry Notes for Certificated Notes

The Global Notes are exchangeable for certificated Notes in definitive form without interest coupons only in the following limited circumstances:

- DTC notifies the Issuer that it is unwilling or unable to continue as depository for the Global Notes or DTC ceases to be a clearing agency registered under the Exchange Act at a time when DTC is required to be so registered in order to act as depository, and in each case the Issuer fails to appoint a successor depository within ninety (90) calendar days of such notice; or

- the Issuer, at its option, notifies the Fiscal Agent in writing that the Issuer elects to cause the issuance of Notes in definitive form under the Agency Agreement subject to the procedures of the depository.

In all cases, certificated Notes delivered in exchange for any Rule 144A Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "*Notice to U.S. Investors*" unless the Issuer determines otherwise in accordance with the Agency Agreement and in compliance with applicable law.

Exchanges Between a Regulation S Global Note and Rule 144A Global Note

During the Distribution Compliance Period (as defined in Regulation S under the Securities Act), beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A and the transferor first delivers to the Fiscal Agent a written certificate to the effect that the Notes are being transferred to a person who the transferor reasonably believes is a Qualified Institutional Buyer within the meaning of Rule 144A, purchasing for its own account or the account of a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the corresponding Regulation S Global Note, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Fiscal Agent a written certificate to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S.

Transfers involving an exchange of a beneficial interest in the Regulation S Global Note for a beneficial interest in the Rule 144A Global Note or vice versa will be effected in DTC by means of an instruction originated by the Fiscal Agent through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest.

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.

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 Considerations, U.S. Federal Income Tax Considerations, and Possible FATCA Consequences.

French Taxation Considerations

The descriptions below are intended as a brief summary of certain French tax consequences that may be relevant to holders of Notes who do not concurrently hold shares of the Issuer. Persons who are in any doubt as to their tax position should consult a professional tax adviser. 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.

This summary does not describe the consequences of the conversion of the Notes and the tax considerations relevant to the holding and the disposition of the Conversion Shares (or Conversion Shares in the form of ADRs). Investors are urged to consult with their tax advisors in this respect.

Tax Treatment of Interest on the Notes

Pursuant to Article 125 A III of the French *Code général des impôts*, payments of interest and other revenues made by the Issuer on such Notes are not subject to withholding tax unless such payments are made outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"), in which case a 75% withholding tax is applicable subject to exceptions, certain of which are set forth below, and to more favorable provisions of any applicable double tax treaty. The 75% withholding tax is applicable irrespective of the tax residence of the Noteholder. The list of Non-Cooperative States is published by a ministerial executive order, which may be updated at any time and in principle at least once a year. The provisions of the French *Code général des impôts* referring to Article 238-0 A of the same Code shall apply to Non-Cooperative States added on this list as from the first day of the third month following the publication of the ministerial executive order. A law published on October 24, 2018, no. 2018-898, (i) removed the specific exclusion of the member States of the European Union, (ii) expanded such a list to include states and jurisdictions on the blacklist published by the Council of the European Union as amended from time to time and (iii) as a consequence, expanded this withholding tax regime to certain states and jurisdictions included on such a blacklist.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues 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 a bank account opened in a financial institution established in such a Non-Cooperative State. The abovementioned law which amended the Non-Cooperative State list as described above, expands this regime to all the states and jurisdictions included on the blacklist published by the Council of the European Union as amended from time to time. Under certain conditions, any such non-deductible interest or other revenues may be recharacterized as constructive dividends pursuant to Articles 109 et seq. of the French Code général des impôts, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis 2 of the same Code, at a rate of (i) 25% for fiscal years opened on or after January 1, 2022 (ii) 12.8% for Noteholders who are non-French tax resident individuals, in each case (x) unless payments are made in Non-Cooperative States (which include states and jurisdictions included on the blacklist published by the Council of the European Union as amended from time to time subject to certain limitations for the application of the withholding tax set forth in Article 119 bis 2 of the French *Code général des impôts*) in which case the withholding tax rate would be equal to 75% and (y) subject to certain exceptions and to more favorable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French *Code général des impôts*, nor, to the extent the relevant interest or revenues relate to genuine transactions and is not in an abnormal or exaggerated amount, the Deductibility Exclusion and the withholding tax set out under Article 119 *bis* 2 that may be levied as a result of such Deductibility Exclusion, will apply in respect of the Notes provided that the Issuer can prove that the main purpose and effect of such issue of Notes is not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**").

In addition, under French tax administrative guidelines (BOI INT DG 20 50 20 dated June 6, 2023, no. 290 and BOI INT DG 20 50 30 dated June 14, 2022, no 150), an issue of Notes benefits from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign 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 by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

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

Since the Notes will be cleared through a qualifying clearing system at the time of their issue that is not located in a Non-Cooperative State, they will fall under the Exception. Consequently, payments of interest and other revenues made by the Issuer under the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Pursuant to Article 125 A of the French *Code général des impôts* (i.e., where the paying agent (*établissement payeur*) is located in France), subject to certain exceptions, interest and similar revenues received by French tax resident individuals are subject to a 12.8% levy withheld at source, 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 at source at an aggregate rate of 17.2% on such interest or other similar revenues paid to French tax resident individuals. Holders of Notes who are French tax resident individuals are urged to consult with their usual tax advisor on the way the 12.8% levy and the 17.2% social security contributions are collected, where the paying agent is not located in France.

Taxation on Sale or Other Disposition

Under Article 244 *bis* C of the French *Code général des impôts*, a person that is not a resident of France for the purpose of French taxation generally is not subject to any French income tax or capital gains tax on any gain derived from the sale or other disposition of a debt security, unless such debt security forms part of the business property of a permanent establishment or a fixed base that such person maintains in France.

U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of the Notes or Conversion Shares or ADRs that is a U.S. Holder. For purposes of this summary, a "**U.S. Holder**" means a person that for U.S. federal income tax purposes is a beneficial

owner of a Note or a Conversion Share or ADR and is a domestic corporation or is otherwise subject to U.S. federal income tax on a net income basis in respect of the Notes or Conversion Shares or ADRs. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes. In particular, the summary deals only with U.S. Holders that will acquire Notes as part of the initial offering and will hold the Notes, Conversion Shares or ADRs as capital assets. It does not address all the tax consequences that may apply to U.S. Holders that are individuals or holders subject to special tax rules, such as banks, insurance companies, dealers in securities, persons that own or are deemed to own 10% or more of the Issuer's voting shares or 10% or more of the total value of all classes of the Issuer's shares, tax-exempt entities, certain financial institutions, traders in securities that elect to use the mark-to-market method of accounting for their securities, regulated investment companies, partnerships or other passthrough entities that hold the Notes, Conversion Shares or ADRs or investors therein, persons that hedge their exposure in the Issuer's securities or will hold the Notes, Conversion Shares or ADRs as a position in a "straddle" or "conversion" transaction or as part of a "synthetic security" or other integrated financial transaction or persons whose functional currency is not the U.S. dollar.

Moreover, this discussion does not address any tax consequences relating to any alternative minimum taxes, the Medicare tax on investment income or any U.S. federal tax consequences (such as the estate or gift tax) other than U.S. federal income tax consequences. This discussion does not address U.S. state, local and non-U.S. tax consequences.

This summary is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, in each case as of the date hereof, changes to any of which subsequent to the date of this Prospectus may affect the tax consequences described herein, possibly with retroactive effect. You should consult your tax adviser with respect to the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning or disposing of the Notes, Conversion Shares or ADRs in your particular circumstances and the possible effects of any changes in applicable tax laws.

In general, a U.S. Holder of ADRs will be treated, for U.S. federal income tax purposes, as the beneficial owner of the underlying Conversion Shares that are represented by those ADRs. References to "Conversion Shares" below apply to both Conversion Shares and ADRs, unless the context indicates otherwise.

U.S. Holders

Tax Treatment of Payments on the Notes and Conversion Shares

The Notes will be treated as equity of the Issuer for U.S. federal income tax purposes. Accordingly, interest payments with respect to the Notes, and distributions with respect to the Conversion Shares, will be treated as distributions on the stock of the Issuer and as dividends to the extent paid out of the current or accumulated earnings and profits of the Issuer, as determined under U.S. federal income tax principles. Because the Issuer does not expect to maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that such payments and distributions to U.S. Holders generally will be reported as dividends.

Payments received by a U.S. Holder that are treated as dividends generally will be foreign-source ordinary income and will not be eligible for the dividends-received deduction applicable to corporate U.S. Holders.

Dividends paid in a currency other than U.S. dollars generally will be includible in a U.S. Holder's income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are distributed. Any gain or loss on a subsequent sale, conversion or other disposition of such non-U.S. currency by such U.S. Holder generally will be treated as ordinary income or loss and generally will be income or loss from sources within the United States.

Sale, Exchange or Redemption of the Notes and Conversion Shares

Subject to the discussion below under "*—PFIC Rules*," a U.S. Holder will generally recognize capital gain or loss upon the sale, exchange, redemption or other disposition of Notes or Conversion Shares (other than a conversion of the Notes into Conversion Shares, as discussed below) in an amount equal to the difference between the amount realized on such disposition and the U.S. Holder's adjusted tax

basis in the Notes or Conversion Shares. A U.S. Holder's tax basis in a Note generally will be the price paid for the Note. Gain or loss recognized upon a sale or other disposition of the Notes or Conversion Shares by a U.S. Holder will generally be U.S. source capital gain or loss, and generally will be long-term capital gain or loss if the Notes or Conversion Shares, as applicable, are held for more than one year. The deductibility of capital losses is subject to limitations.

A U.S. Holder that continues to hold, or be deemed to hold, equity of the Issuer (including common shares) following a redemption of the U.S. Holder's Notes may be subject to Section 302 of the Code, which could cause the redemption proceeds to be treated as dividend income, and treated as described in "—Tax Treatment of Payments on the Notes and Conversion Shares" above. Redemption proceeds received by a U.S. Holder that does not own (and is not deemed to own) a substantial proportion of the voting shares of the Issuer, or whose proportionate ownership (including deemed ownership) of such shares does not increase as a result of the redemption or a related transaction, however, should be treated as "not essentially equivalent to a dividend" under Section 302.

We expect that deposits and withdrawals of Ordinary Shares by U.S. Holders in exchange for ADRs will not result in the realization of gain or loss for U.S. federal income tax purposes.

Conversion of the Notes

A U.S. Holder generally will not recognize any gain or loss in respect of the receipt of Conversion Shares pursuant to a Conversion. A U.S. Holder's tax basis in Conversion Shares received pursuant to a Conversion will equal the tax basis of the Notes converted, and the holding period of such Conversion Shares will generally include the period during which the Notes were held prior to the Conversion. A U.S. Holder's tax basis in a Note generally will be the price paid for the Note. Where different blocks of Notes were acquired at different times or at different prices, the tax basis and holding period of the Conversion Shares may be determined by reference to each such block of Notes.

Adjustment of the Maximum Conversion Ratio

The Maximum Conversion Ratio is subject to adjustment under certain circumstances described above under "*Terms and Conditions of the Notes—6.6. Adjustments to the Maximum Conversion Ratio*". A U.S. Holder of the Notes may be treated as having received a constructive distribution if and to the extent that certain adjustments (or, in some cases, certain failures to make adjustments) to the fixed conversion rates increase a U.S. Holder's proportionate interest in the assets or earnings of the Issuer. If adjustments that do not qualify as being pursuant to a bona fide reasonable adjustment formula are made (or, in some cases, adjustments that do so qualify fail to be made), U.S. Holders of Notes may be treated as having received a distribution even though they have not received any cash or property. For example, an increase in the Maximum Conversion Ratio to reflect an extraordinary dividend to holders of Ordinary Shares will generally give rise to a constructive taxable distribution to the U.S. Holders of the Notes. Any constructive distribution will be includable in such U.S. Holder's income at its fair market value at the time of the distribution in a manner described above under "—Tax Treatment of Payments on the Notes and Conversion Shares." Adjustments to the Maximum Conversion Ratio made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution of the interest of the U.S. Holder of the Notes, however, will generally not be considered to result in a constructive distribution to the U.S. Holder.

Substitution and Variation of the Notes

The terms of the Notes provide that, in certain circumstances, the Issuer may substitute the Notes or vary the terms of the Notes. Any such substitution or variation might be treated for U.S. federal income tax purposes as a deemed disposition of the Notes by a U.S. Holder in exchange for the new substituted or varied notes. Assuming the new substituted or varied notes are treated as equity of the Issuer for U.S. federal income tax purposes, the deemed disposition should qualify as tax-free under sections 368(a)(1)(E) and/or 1036 of the Code.

PFIC Rules

Special U.S. federal income tax rules apply to U.S. persons owning shares of a "passive foreign investment company," or "**PFIC**." If the Issuer is treated as a PFIC for any year during which a U.S. Holder owns the Notes, the U.S. Holder may be subject to adverse tax consequences upon a sale, exchange, or other disposition of the Notes, or upon the receipt of certain "excess distributions" in

respect of the Notes. Based on consolidated financial statements, the Issuer believes that it was not a PFIC for U.S. federal income tax purposes with respect to its prior taxable year. In addition, based on the Issuer's current expectations regarding the value and nature of its assets and the sources and nature of its income, the Issuer does not anticipate becoming a PFIC for the current taxable year or in the foreseeable future.

Specified Foreign Financial Assets

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of US$ 50,000 on the last day of the taxable year or US$ 75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Backup Withholding and Information Reporting

Payments on the Notes or sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless (1) the U.S. taxpayer is a corporation (other than a S corporation) or other exempt recipient or (2) in the case of backup withholding, the U.S. taxpayer provides a correct taxpayer identification number and certifies that the U.S. taxpayer is not subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. taxpayer's U.S. federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

Possible FATCA Consequences

As a result of FATCA and related intergovernmental agreements, Noteholders may be required to provide information and tax documentation regarding their identities as well as that of their direct and indirect owners, and this information may be reported to relevant tax authorities, including the IRS. It is also possible that payments on the Notes may be subject to a withholding tax of 30% to the extent such payments are considered to be "foreign passthru payments." Regulations implementing this rule have not yet been adopted or proposed and the IRS has indicated that any such regulations would not be effective for payments made prior to two years after the date on which final regulations on this issue are published. It is unclear to what extent (if any) payments on securities such as the Notes would be considered "foreign passthru payments" or to what extent (if any) passthru payment withholding may be required under intergovernmental agreements. The Issuer will not pay additional amounts on account of any withholding tax imposed by FATCA.

FATCA is particularly complex and its application to the Issuer, the Notes, and the Noteholders is uncertain at this time. Investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA for this investment.

BENEFIT PLAN INVESTOR CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain restrictions on employee benefit plans ("**ERISA Plans**") that are subject to Title I of ERISA and on persons who are fiduciaries with respect to these ERISA Plans. In accordance with ERISA's general fiduciary requirements, a fiduciary with respect to an ERISA Plan who is considering the purchase of the Notes on behalf of the ERISA Plan should determine whether the purchase is permitted under the governing ERISA Plan documents and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Other provisions of ERISA and section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but to which section 4975 of the Code applies, such as individual retirement accounts ("**IRAs**") together with ERISA Plans and any entities or accounts whose underlying assets include the assets of any such plans or ERISA Plans, "**Plans**")) and persons who have certain specified relationships to the Plan ("parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of section 4975 of the Code). A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. A fiduciary of a Plan (including the owner of an IRA) that engages in a prohibited transaction may also be subject to penalties and liabilities under ERISA and/or the Code. Thus, a Plan fiduciary considering the purchase of the Notes should consider whether such a purchase might constitute or result in a prohibited transaction under ERISA or section 4975 of the Code.

The Issuer, directly or through its affiliates, may be considered a "party in interest" or a "disqualified person" with respect to many Plans. The purchase of the Notes by a Plan with respect to which the Issuer is a party in interest or a disqualified person may constitute or result in a prohibited transaction under ERISA or section 4975 of the Code, unless the Notes are acquired pursuant to and in accordance with an applicable exemption. Certain administrative class exemptions may be available such as Prohibited Transaction Class Exemption ("**PTCE**") 84-14 (an exemption for certain transactions determined by an independent qualified professional asset manager), PTCE 91-38 (an exemption for certain transactions involving bank collective investment funds), PTCE 90-1 (an exemption for certain transactions involving insurance company pooled separate accounts), PTCE 95-60 (an exemption for certain transactions involving insurance company general accounts) or PTCE 96-23 (an exemption for certain transactions determined by an in-house asset manager). In addition, the statutory exemption under section 408(b)(17) of ERISA and section 4975(d)(20) of the Code may be available, provided (i) none of the Issuer or Initial Purchasers or affiliates or employees thereof is a Plan fiduciary that has or exercises any discretionary authority or control with respect to the Plan's assets used to purchase the Notes or renders investment advice with respect to those assets and (ii) the Plan is paying no more than adequate consideration for the Notes. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes. Any Plan fiduciary (including the owner of an IRA) considering the purchase of the Notes should consider carefully the possibility of prohibited transactions and the availability of exemptions. Governmental, church and non-U.S. plans, while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of section 4975 of the Code, may nevertheless be subject to local, state, federal or non-U.S. laws that are substantially similar to the foregoing provisions of ERISA and the Code. ANY PERSON INVESTING THE ASSETS OF ANY EMPLOYEE BENEFIT PLAN OR OTHER RETIREMENT ACCOUNT, INCLUDING ANY SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, PROPOSING TO ACQUIRE ANY NOTES SHOULD CONSULT WITH ITS COUNSEL.

By its purchase of any Note, the purchaser or transferee thereof (and the person, if any, directing the acquisition of the Note by the purchaser or transferee) will be deemed to represent, on each calendar day from the date on which the purchaser or transferee acquires the Note through and including the date on which the purchaser or transferee disposes of its interest in such Note, either that (a) such purchaser or transferee is not a Plan or a governmental, church or non-U.S. plan which is subject to any non-U.S., federal, state or local law that is substantially similar to the provisions of section 406 of ERISA or section 4975 of the Code or (b) the purchase, holding and disposition of such Note will not result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or in the case of a governmental, church or non-U.S. plan, any substantially similar non-U.S., federal, state or local law) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been (and will continue to be) satisfied.

PLAN OF DISTRIBUTION

Subject to the terms and conditions in the purchase agreement, dated August 7, 2023 (the "**Purchase Agreement**"), between the Issuer and the initial purchasers listed below (the "**Initial Purchasers**"), for whom BNP Paribas Securities Corp. is acting as representative, each Initial Purchaser named below has severally agreed to purchase the principal amounts of the Notes set forth opposite its name.

Initial Purchaser		Principal Amount of Notes
BNP Paribas Securities Corp.	$	1,434,750,000
Scotia Capital (USA) Inc.	$	11,250,000
BBVA Securities Inc.	$	11,250,000
Intesa Sanpaolo IMI Securities Corp.	$	11,250,000
BMO Capital Markets Corp.	$	5,250,000
Desjardins Securities Inc.	$	5,250,000
National Bank of Canada Financial Inc.	$	5,250,000
KBC Securities USA LLC	$	5,250,000
SMBC Nikko Securities America, Inc.	$	5,250,000
Mizuho Securities USA LLC	$	5,250,000
Total	**$**	**1,500,000,000**

The Initial Purchasers initially propose to offer the Notes for resale at the respective issue prices that appear on the cover of this Prospectus. After the initial offering, the Initial Purchasers may change the issue prices and any other selling terms. The Initial Purchasers may offer and sell Notes through certain of their affiliates. The offering of the Notes by the Initial Purchasers is subject to receipt and acceptance and subject to the Initial Purchasers' right to reject any order in whole or in part.

In the Purchase Agreement, the Issuer has agreed that it will indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the Initial Purchasers may be required to make in respect of those liabilities.

Certain Initial Purchasers may not be U.S. registered broker-dealers and therefore may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that any such Initial Purchaser intends to effect sales of the Perpetual Fixed Rate Resettable Additional Tier 1 Contingent Convertible Notes in the United States, it will do so only through one or more U.S. registered broker-dealers or otherwise as permitted by applicable U.S. law.

Notes Are Not Being Registered in the U.S.

The Notes have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in 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 or such state securities laws. The Notes are being offered and sold in the United States only to Qualified Institutional Buyers (as defined in Rule 144A) and outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Initial Purchaser has agreed that:

(i) except as permitted by the Purchase Agreement, it will not offer, sell or deliver the Notes (x) as part of their distribution at any time or (y) otherwise until after the end of the Distribution Compliance Period, within the United States or to, or for the account or benefit of, U.S. persons, except to Qualified Institutional Buyers in a transaction exempt from the registration requirements of the Securities Act, and

(ii) it will send to each dealer to which it sells the Notes during the Distribution Compliance Period a confirmation or other notice setting out 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.

In addition, until forty (40) calendar days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act.

Each purchaser of the Notes will be deemed to have made the acknowledgements, representations and agreements as described under "*Notice to U.S. Investors.*"

Notice to Canadian Residents

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Notes. The Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the Notes and any representation to the contrary is an offence. In Canada, this document constitutes an offering of the securities only in those Canadian jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such securities.

The offering of the Notes in Canada is being made on a private placement basis in reliance on exemptions from the prospectus requirements under the securities laws of each applicable Canadian province and territory where the Notes may be offered and sold, and therein may only be made with investors that are purchasing as principal and that qualify as both an "accredited investor" as such term is defined in National Instrument 45-106 *Prospectus Exemptions* or, in Ontario, in the *Securities Act* (Ontario), as applicable, and as a "permitted client" as such term is defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations.* Any offer and sale of the Notes in any province or territory of Canada may only be made through a dealer that is properly registered under the securities legislation of the applicable province or territory wherein the Notes are offered and/or sold or, alternatively, by a dealer that qualifies under and is relying upon an exemption from the registration requirements therein.

Any resale of the Notes by an investor resident in Canada must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with prospectus and registration requirements, statutory exemptions from the prospectus and registration requirements or under a discretionary exemption from the prospectus and registration requirements granted by the applicable Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Notes outside of Canada.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages, or both, in addition to any other rights they may have at law, if this offering document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

The Initial Purchasers may have an ownership, lending or other relationship with the Issuer of the Notes offered by this Prospectus that may cause the Issuer or the selling securityholder to be a "related issuer" or "connected issuer" to the Initial Purchasers, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts* ("**NI 33-105**"). Pursuant to Sections 3A.3 and/or 3A.4, as applicable, of NI 33-105, the Initial Purchasers and the Issuer are relying on an exemption from the disclosure requirements relating to the relationship between the Initial Purchasers and the Issuer prescribed by Section 2.1(1) of NI 33-105.

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement*.

Notice to Prospective Investors in the European Economic Area

Each Initial Purchaser 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 EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

b) a customer within the meaning of 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 the PRIIPs 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 PRIIPs Regulation.

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

Notice to Prospective Investors in the United Kingdom

Each Initial Purchaser 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 UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

a) 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 EUWA; or

b) 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 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.

Each of the Initial Purchasers has represented, warranted 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 the Notes in circumstances in which Section 21(1) of the FSMA does not 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 the Notes in, from or otherwise involving the United Kingdom.

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

Price, Stabilization, Short Positions and Penalty Bids

In connection with the offering of the Notes, the Initial Purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the Initial Purchaser. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the prices of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Overallotments, stabilizing transactions and syndicate covering transactions may cause the prices of the Notes to be higher than

it would otherwise be in the absence of those transactions. If the Initial Purchasers engage in overallotment, stabilizing or syndicate covering transactions, they may discontinue them at any time.

The Initial Purchasers also may impose a penalty bid. This occurs when a particular Initial Purchaser repays to the Initial Purchasers a portion of the underwriting discount received by it because the Initial Purchasers (or their affiliates) have repurchased Notes sold by or for the account of such Initial Purchaser in stabilizing or syndicate covering transactions.

Neither the Issuer nor the Initial Purchasers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of the Notes. In addition, neither the Issuer nor the Initial Purchasers makes any representation that anyone will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Other Relationships

The Initial Purchasers and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The several Initial Purchasers and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and the Initial Purchasers have not provided any legal, accounting, regulatory or tax advice with respect to any offering contemplated hereby and the Issuer has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. Where any of the Initial Purchasers or their affiliates has a lending relationship with the Issuer, certain of those Initial Purchasers or their affiliates routinely hedge, and certain other of those Initial Purchasers may hedge, their credit exposure to the Issuer consistent with their customary risk management policies. Typically, these Initial Purchasers 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 the Issuer's securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes.

Certain of the Initial Purchasers and their respective affiliates have engaged, directly or indirectly or may be in the future engaged in investment and commercial banking, corporate finance or financial advisory services for the Issuer and/or its affiliates for which they may have received customary fees and commissions, and they expect to provide these services to the Issuer and/or its affiliates in the future, for which they will receive customary fees and commissions. In the ordinary course of their various business activities, the Initial Purchasers and their respective 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, and such investment and securities activities may involve securities and/or instruments of the Issuer. The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Conflicts of Interest between the Issuer and the Initial Purchasers

BNP Paribas Securities Corp., the Sole Bookrunner and Global Coordinator of the offering of the Notes, is a wholly-owned subsidiary of the Issuer. Certain of the Joint Lead Managers and Co-Managers have issued financial instruments linked to BNP Paribas SA.

Settlement

The Issuer expects that delivery of the Notes will be made against payment on the respective Notes on or about the date specified on the cover page of this Prospectus, which will be five business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "T+5"). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to

trade the Notes more than two business days prior to their date of delivery will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

NOTICE TO U.S. INVESTORS

Because of the following restrictions on the Notes, purchasers are advised to read the below carefully and consult legal counsel prior to making any offer, resale, pledge or other transfer of any 144A Notes or Regulation S Notes.

The Issuer has not been registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Notes have not been, and will not be, registered under the Securities Act or the state securities laws of any state of the United States or the securities laws of any other jurisdiction 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. Accordingly, the Notes are being offered and sold only (i) to QIBs in reliance on Rule 144A ("**Rule 144A Notes**"), or (ii) to persons other than U.S. persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S ("**Regulation S Notes**"). The terms "United States," "non-U.S. person" and "offshore transactions" used in this section have the meanings given to them under Regulation S.

Each holder and beneficial owner of 144A Notes and Regulation S Notes acquired in connection with their initial distribution and each transferee of 144A Notes from any such Holder or beneficial owner will be deemed to have represented and agreed with the Issuer as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(i) It is purchasing the 144A Notes or Regulation S Notes, as the case may be, for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is: (a) a QIB and is aware that the sale to it is being made in reliance on Rule 144A or (b) a non-U.S. person making the purchase in compliance with Regulation S.

(ii) It understands and acknowledges that the Issuer has not been registered under the Investment Company Act and that the 144A Notes and the Regulation S Notes have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

(iii) In the case of a purchaser of 144A Notes, it shall not resell or otherwise transfer any of the 144A Notes, unless such resale or transfer is made (a) to the Issuer of such 144A Notes, (b) inside the United States to a QIB in compliance with Rule 144A, or (c) outside the United States in offshore transactions in compliance with Regulation S.

(iv) In the case of a purchaser of Regulation S Notes, it acknowledges that until forty (40) calendar days after the later of the commencement of the offering and the closing of the offering of the Regulation S Notes, any offer or sale of Regulation S Notes within the United States by a broker/dealer (whether or not participating in the offering) not made in compliance with Rule 144A may violate the registration requirements of the Securities Act.

(v) It will, and each subsequent Holder or beneficial owner is required to, notify any subsequent purchaser of 144A Notes or Regulation S Notes from it of the restrictions on transfer of such Notes.

(vi) It acknowledges that neither the Issuer nor the Fiscal and Paying Agent (as defined herein) will be required to accept for registration of transfer any 144A Notes or Regulation S Notes acquired by it, except upon presentation of evidence satisfactory to the Issuer and the Fiscal and Paying Agent that the restrictions on transfer set forth herein have been complied with.

(vii) It acknowledges that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing representations and agreements and agrees that if any of the representations or agreements deemed to have been made by its purchase of the 144A Notes or Regulation S Notes are no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers. If it is acquiring the 144A Notes or Regulation S Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment

discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each such account.

(viii) It acknowledges that the foregoing restrictions apply to Holders of beneficial interests in the 144A Notes and Regulation S Notes as well as to registered Holders of such Notes.

(ix) It represents that, on each day from the date on which it acquires the 144A Notes or Regulation S Notes through and including the date on which it disposes of its interests in such Notes, either (a) it is not an "employee benefit plan" as defined in section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), subject to Title I of ERISA, a "plan" as defined in section 4975 of the Code to which section 4975 of the Code applies (including individual retirement accounts), an entity or account whose underlying assets include the assets of any such employee benefit plan or plan by reason of the Department of Labor regulation located at 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA), or any governmental, church or non-U.S. plan which is subject to any non-U.S., federal, state or local law that is substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or section 4975 of the Code or (b) its purchase, holding and subsequent disposition of such Note will not result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, any substantially similar non-U.S., federal, state or local law) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been (and will continue to be) satisfied.

The certificates representing the 144A Notes or Regulation S Notes will bear a legend to the following effect, unless the Issuer determines otherwise in compliance with applicable law:

> THE ISSUER OF THE NOTES EVIDENCED HEREBY (THE "**NOTES**") HAS NOT BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND SUCH NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER, OR AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND IN ACCORDANCE WITH THE TRANSFER RESTRICTIONS CONTAINED IN THE NOTES AND THE AGENCY AGREEMENT UNDER WHICH THIS NOTE WAS ISSUED.
>
> THE ACQUISITION OF THE NOTES BY, OR ON BEHALF OF, OR WITH THE ASSETS OF ANY "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), SUBJECT TO TITLE I OF ERISA, OR ANY "PLAN" AS DEFINED IN SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") TO WHICH SECTION 4975 OF THE CODE APPLIES, OR ANY ENTITY OR ACCOUNT WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN BY REASON OF THE DEPARTMENT OF LABOR REGULATION LOCATED AT 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA), OR ANY GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY NON-U.S., FEDERAL, STATE OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE IS PROHIBITED UNLESS SUCH PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF THE NOTES WOULD NOT RESULT IN ANY PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR UNDER SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUBSTANTIALLY SIMILAR NON-U.S., FEDERAL, STATE OR LOCAL LAW) UNLESS AN EXEMPTION IS AVAILABLE WITH RESPECT TO SUCH TRANSACTIONS AND ALL THE CONDITIONS OF SUCH EXEMPTION HAVE BEEN (AND WILL CONTINUE TO BE) SATISFIED.

LEGAL MATTERS

Cleary Gottlieb Steen & Hamilton LLP, New York, New York, and Paris, France, will act as U.S. and French legal counsel to the Initial Purchasers. Eric Malinvaud, Head of CIB Legal France at BNP Paribas, will act as legal counsel to the Issuer as to French law.

STATUTORY AUDITORS

The Group's consolidated financial statements as of and for the years ended December 31, 2022, December 31, 2021 and December 31, 2020 incorporated by reference herein have been audited by Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars as joint independent statutory auditors (*Commissaires aux comptes*).

GENERAL INFORMATION

1. Corporate Authorizations

The issue of the Notes by the Issuer was decided on August 7, 2023, by Jean-Laurent Bonnafé, Chief Executive Officer of the Issuer acting pursuant to resolutions of the board of directors (*conseil d'administration*) of the Issuer dated May 16, 2023 upon delegation from the shareholders' meeting (*assemblée générale*) of the Company held on May 16, 2023.

2. Admission to trading

This Prospectus has been approved on August 8, 2023 under the approval number n°23-353 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 August 14, 2023 or as soon as practicable thereafter. The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately €20,000.

3. Documents Available

Copies of the following:

(i) the up-to-date *Statuts* of the Issuer;

(ii) the Documents Incorporated by Reference;

(iii) the Agency Agreement; and

(iv) 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 Paying Agent. In addition, this Prospectus and all the Documents Incorporated by Reference are also available on the Issuer's website: "www.invest.bnpparibas.com" and on the AMF's website: "www.amf-france.org".

4. Significant change in the financial position or financial performance

Except as disclosed in this Prospectus (including the information incorporated by reference), there has been no significant change in the financial position of the Issuer since December 31, 2022 (being the end of the last financial period for which financial statements have been published) and no significant change in the financial performance of the Issuer since June 30, 2023 (being the end of the last financial period for which financial statements or interim financial information have been published).

5. Material adverse change in the prospects

Except as disclosed in this Prospectus (including the information incorporated by reference), there has been no material adverse change in the prospects of the Issuer since December 31, 2022 (being the end of the last financial period for which audited financial statements have been published).

6. Financial statements

The statutory auditors have audited the financial statements of BNP Paribas for the years ended December 31, 2022, December 31, 2021 and December 31, 2020. They have also reviewed the condensed interim consolidated financial statements of BNP Paribas as of and for the six-month period ended June 30, 2023.The French statutory auditors carry out their engagements in accordance with professional standards applicable in France.

7. Legal and Arbitration Proceedings

Save as disclosed on pages 273 to 274 of the BNPP Universal Registration Document as at December 31, 2022,on pages 84 to 85 of the First Amendment to the BNPP Universal Registration Document as at December 31, 2022, on pages 186 to 187 of the Second Amendment to the BNPP Universal Registration Document as at December 31, 2022 and on pages 109 to 110 of the Third Amendment to the BNPP Universal Registration Document as at December 31, 2022, 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.

8. 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 June 30, 2023.

9. 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 Holders in respect of the Notes.

10. Dependence of the Issuer upon other members of the Group

Not applicable.

11. 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.

12. 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 May 24, 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements as of and for the year ended December 31, 2023. The firm was first appointed at the Annual General Meeting of May 23, 2006.

Deloitte & Associés is represented by Laurence Dubois.

Deputy:

Société BEAS, 6, place de la Pyramide, 92908, Paris – La Défense, (92), France, SIREN No. 315 172 445, Nanterre Trade and Companies Register.

PricewaterhouseCoopers Audit was appointed as Statutory Auditor at the Annual General Meeting of May 24, 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements as of and for the year ended December 31, 2023. The firm was first appointed at the Annual General Meeting of May 26, 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 May 24, 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements as of and for the year ended December 31, 2023. The firm was first appointed at the Annual General Meeting of May 23, 2000.

Mazars is represented by Virginie Chauvin.

Deputy:

Charles de Boisriou, 61 rue Henri Regnault, Courbevoie (92), France.

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

13. Clearing Systems

The Notes have been accepted for clearance through The Depository Trust Company (55 Water Street, 1SL, New York, NY 10041-0099), Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg) and Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) with the CUSIP numbers Rule 144A: 05565A 5R0 and Regulation S: F1067P AE6. The International Securities Identification Number (ISIN) codes for the Notes are Rule 144A: US05565A5R02 and Regulation S: USF1067PAE63.

14. Yield

The yield is 8.500 per cent *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. The Issuer does not intend to provide post-issuance information.

15. Conversion of the Notes

In the event of the occurrence of a Trigger Event, the Notes are mandatorily and irrevocably convertible into ordinary shares in the capital of BNP Paribas, S.A. and Conversion will occur at the Conversion Ratio. The Ordinary Shares are listed on Euronext Paris, which is a regulated market for the purposes of MiFID II. The ISIN for the Ordinary Shares is FR0000131104. Information about the past and future performance of the Ordinary Shares and their volatility can be obtained free of charge from the website of Euronext www.euronext.com. The information contained in such webpage shall not be deemed to constitute a part of this Prospectus.

REGISTERED OFFICE OF THE ISSUER

BNP PARIBAS
Legal Entity Identifier (LEI): R0MUWSFPU8MPRO8K5P83
16 boulevard des Italiens
75009 Paris
France

SOLE BOOKRUNNER AND GLOBAL COORDINATOR

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United States of America

JOINT LEAD MANAGERS

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250 Vesey Street, 24th Floor,
New York, NY 10281
United States

BBVA Securities Inc.
1345 Avenue of the Americas,
44th Floor,
New York, NY 10105
United States

Intesa Sanpaolo IMI Securities Corp.
1 William St,
New York, NY 10004
United States

CO-MANAGERS

BMO Capital Markets Corp.
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New York, NY 10036
United States

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1170 Peel Street, Suite 300,
Montreal, Quebec H3B 0A9
Canada

National Bank of Canada Financial Inc.
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New York, NY 10022
United States

KBC Securities USA LLC
1177 Avenue of the Americas, 39th Floor,
New York, NY 10036

SMBC Nikko Securities America, Inc.
277 Park Ave,
New York, NY 10172-0003
United States

Mizuho Securities USA LLC
1271 Avenue of the Americas,
New York, NY 10020
United States

FISCAL AGENT, INTEREST CALCULATION AGENT, TRANSFER AGENT, REGISTRAR AND PAYING AGENT

The Bank of New York Mellon
240 Greenwich Street, Floor 7-East
New York, NY 10286
United States of America

CONVERSION CALCULATION AGENT

Conv-Ex Advisors Limited
30 Crown Place
London EC2A 4EB
United Kingdom

STATUTORY AUDITORS

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6, place de la Pyramide
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France

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France

LEGAL ADVISERS

To the Initial Purchasers

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75008 Paris
France