

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 text appearing in red on the cover page of the Prospectus, 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 Article 5.3 of Directive 2003/71/EC as amended (the “**Prospectus Directive**”). Application has been made to the French *Autorité des marchés financiers* (the “**AMF**”) for approval of the Prospectus in its capacity as competent authority in France pursuant to Article 212-2 of its General Regulations (*Règlement général*) which implements the Prospectus Directive in France. 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. The Prospectus may only be communicated to persons in the United Kingdom in circumstances where the provisions of section 21(1) of the FSMA do not apply to the Issuer and is directed solely at persons in the United Kingdom who (i) have professional experience in matters relating to investments, such persons falling within the definition of “investment professionals” in Article 19(5) of the FSMA (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”) or (ii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order or other persons to whom it may lawfully be 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 (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and applicable regulations thereunder.

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., BBVA Securities Inc., ING Financial Markets LLC, Santander Investment Securities Inc., Standard Chartered Bank, Bankia S.A., BMO Capital Markets Corp., CIBC World Markets Corp., National Bank of Canada Financial Inc., Scotia Capital (USA) Inc. and Wells Fargo Securities, 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 Notes

Issue Price for the Notes: 100%

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 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*) which will be governed by, and construed in accordance with, French law.

The Notes will bear interest on their Prevailing Outstanding Amount (as defined in Condition 2 (*Interpretation*) in “*Terms and Conditions of the Notes*”) at the applicable Rate of Interest from (and including) March 25, 2019 (the “**Issue Date**”) and interest shall be payable semi-annually in arrears on March 25 and September 25 in each year (each an “**Interest Payment Date**”) from (and including) September 25, 2019 to (but excluding) March 25, 2024 (the “**First Call Date**”) at the rate of 6.625% 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 occurring after each Reset Date will be equal to the Reset Rate of Interest which amounts to the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin (4.149 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 approval of the Relevant Regulator, redeem the Notes in whole, but not in part, on any Reset Date at their Original Principal Amount or at any time following the occurrence of a Capital Event or a Tax Event at the Prevailing Outstanding Amount (each term as defined in Condition 2 (*Interpretation*) in “*Terms and Conditions of the Notes*”).

The Prevailing Outstanding Amount of the Notes will be written down if the Group CET1 Ratio falls below 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 a Write-Down. Following such reduction, some or all of the principal amount of the Notes may, at the Issuer’s discretion, be reinstated, up to the Original Principal Amount, if certain conditions are met. See Condition 6 (*Write-Down and Reinstatement*) in “*Terms and Conditions of the Notes*”. If a Capital Event, an Alignment 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 5.3 of Directive 2003/71/EC of November 4, 2003, as amended (the “**Prospectus Directive**”).

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.

The Notes are expected to be rated BBB- by Standard & Poor’s Global Ratings Europe Limited (“**Standard & Poor’s**”), Ba1 by Moody’s Investors Services Ltd. (“**Moody’s**”) and BBB- by Fitch France S.A.S. (“**Fitch France**”). Each of Standard & Poor’s, Moody’s and Fitch France 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 December 20, 2018). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

On each Reset Date, amounts payable under the Notes will be calculated by reference to the 5-Year Mid-Swap Rate, which is provided by ICE Benchmark Administration Limited. As of the date of this Prospectus, ICE Benchmark Administration Limited appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011). This register is available on the ESMA’s website at <https://registers.esma.europa.eu/>.

Investing in the Notes involves certain risks. See “Risk Factors” beginning on page 31 below for risk factors relevant to an investment in the Notes.

The Notes will be issued in registered form 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 March 25, 2019, 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 has been made to the AMF in France for approval of this Prospectus in its capacity as competent authority pursuant to Article 212-2 of its General Regulations (*Règlement général*) which implements the Prospectus Directive on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market in France.

**Sole Bookrunner and Global Coordinator
BNP PARIBAS**

Joint Lead Managers

BBVA

ING

Santander

**Standard Chartered
Bank**

Co-Managers

BANKIA

**BMO Capital
Markets**

**CIBC Capital
Markets**

**National Bank
of Canada
Financial
Markets**

Scotiabank

**Wells Fargo
Securities**

The date of this Prospectus is March 19, 2019.

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**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. 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 “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation. The expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU), and includes any relevant implementing measure in the Member State.

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 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.

Restrictions on marketing and sales to retail investors

The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

In particular, in June 2015, the U.K. Financial Conduct Authority (the “**FCA**”) published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (the “**PI Instrument**”).

In addition, (i) on January 1, 2018, the provisions of the PRIPs Regulation became directly applicable in all EEA member states and (ii) MiFID II was required to be implemented in EEA member states by January 3, 2018. Together, the PI Instrument, the PRIPs Regulation and MiFID II are referred to as the “**Regulations**”.

The Regulations set out various obligations in relation to (i) the manufacturing and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible 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) including the Regulations.

Certain or all of the Initial Purchasers are required to comply with the Regulations. 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:

1. it is not a retail client (as defined in MiFID II);
2. whether or not it is subject to the Regulations, it will not:
 - (A) sell or offer the Notes (or any beneficial interest therein) to retail clients (as defined in MiFID II) or
 - (B) communicate (including the distribution of this 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 (as defined in MiFID II).

In selling or offering the Notes or making or approving communications relating to the Notes, it may not rely on the limited exemptions set out in the PI Instrument; and

3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Each prospective investor further acknowledges that:

- (i) the identified target market for the Notes (for the purposes of the product governance obligations in MiFID II), taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on February 5, 2018, is eligible counterparties and professional clients; and
- (ii) no key information document (KID) under the PRIIPs Regulation 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.

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

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.

This Prospectus is only being distributed to, and is only directed at, persons in the United Kingdom who are “qualified investors” as defined in Section 86(7) of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) or otherwise in circumstances which do not require the publication by the Issuer of a prospectus pursuant to section 85(1) of the FSMA. 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

“**Order**”); or (ii) who are high net worth companies falling within Article 49(2)(a) to (d) of the 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 (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French *Code monétaire et financier* and applicable regulations thereunder.

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 Directive, as implemented in that Member State, 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 Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, 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.

As used herein, the expression “**Prospectus Directive**” means Directive 2003/71/EC, as amended.

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PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

I hereby certify, having taken all reasonable care to ensure that such is the case that, to the best of my knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

BNP Paribas
16 boulevard des Italiens
75009 Paris
France

Represented by Michel Konczaty
in his capacity as Deputy Chief Operating Officer

Dated March 18, 2019



In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* (the “**AMF**”), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa n°19-106 on March 19, 2019. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information in it is coherent”. It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

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 items in this Prospectus include, but are not limited to, statements made under “*Risk Factors*.” 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 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:

Risks related to the macroeconomic environment:

- Adverse economic and financial conditions have in the past had and may in the future have an impact on the Issuer and the markets in which it operates;
- Given the global scope of its activities, the Issuer may be vulnerable to certain political, macroeconomic or financial risks in the countries and regions where it operates;
- The Issuer’s access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors;
- The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks;

Risks related to the market environment:

- Significant interest rate changes could adversely affect the Issuer’s revenues or profitability;
- The soundness and conduct of other financial institutions and market participants could adversely affect the Issuer;
- The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility;
- The Issuer may generate lower revenues from commission and fee based businesses during market downturns;
- Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses;
- The Issuer must ensure that its assets and liabilities properly match in order to avoid exposure to losses;

Regulatory risks:

- Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Issuer and the financial and economic environment in which it operates;
- The Issuer could become subject to a resolution proceeding;
- The Issuer is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates;
- The Issuer 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;

Risks related to implementation of the Issuer's strategy:

- Risks related to the implementation of the Issuer's strategic plans;
- The Issuer may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions;

Risks related to the management of the Issuer's business:

- The Issuer is exposed to credit risk and counterparty risk;
- A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect the Issuer's results of operations and financial condition;
- The Issuer's hedging strategies may not prevent losses;
- Adjustments to the carrying value of the Issuer's securities and derivatives portfolios and the Issuer's own debt could have an impact on its net income and shareholders' equity;
- The credit ratings of the Issuer may be downgraded, which would weigh on its profitability;
- Intense competition by banking and non-banking operators could adversely affect the Issuer's revenues and profitability;

Risks related to the Issuer's operations:

- The Issuer's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses;
- An interruption in or a breach of the Issuer's information systems may cause substantial losses of client or customer information, damage to the Issuer's reputation and financial losses;
- The Issuer's competitive position could be harmed if its reputation is damaged; and
- Other factors as described under "Risk Factors".

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 Directive and shall be incorporated in, and form part of, this Prospectus (the “**Documents Incorporated by Reference**”):

- a. the English version of the Issuer’s 2018 registration document (*Document de référence et rapport financier annuel*) published by the Issuer and filed with the AMF on March 5, 2019 under n°D.19-0114) (the “**BNPP 2018 Registration Document**”), 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;
- b. Chapters 3 (other than 3.6 (Outlook)), 4 and 5 of the English version of the Issuer’s 2017 registration document (*Document de référence et rapport financier annuel*) published by the Issuer and filed with the AMF on March 6, 2018 under n°D.18-0104) (the “**BNPP 2017 Registration Document**”; and
- c. Chapters 4 and 5 of the English version of the Issuer’s 2016 registration document (*Document de référence et rapport financier annuel*) published by the Issuer and filed with the AMF on March 7, 2017 under n°D.17-0132) (the “**BNPP 2016 Registration Document**”)

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

- any section entitled “Person Responsible”, “Articles of Association” or “Table of Concordance” 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.

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 (c) 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 XI of the Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive. Any information not listed in the cross-reference list below but included in the Documents Incorporated by Reference is provided for information purposes only.

BNPP 2018 REGISTRATION DOCUMENT	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
3. Risk Factors	
3.1. Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 277 to 464 of the BNPP 2018 Registration Document
4. Information about the Issuer	
4.1. History and development of the Issuer:	Page 5 of the BNPP 2018 Registration Document
4.1.1. The legal and commercial name of the Issuer;	Page 585 of the BNPP 2018 Registration Document
4.1.2. The place of registration of the Issuer and its registration number;	Pages 585 and 606 (back cover) of the BNPP 2018 Registration Document
4.1.3. The date of incorporation and the length of life of the Issuer, except where indefinite;	Page 585 of the BNPP 2018 Registration Document
4.1.4. - the domicile and legal form of the Issuer, - the legislation under which the Issuer operates, - its country of incorporation, and - the address and telephone number of its registered office (or principal place of business if different from its registered office).	Pages 585 and 606 (back cover) of the BNPP 2018 Registration Document
4.1.5. Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	Pages 280, 316, 317 and 577 of the BNPP 2018 Registration Document
5. Business Overview	
5.1.1. A brief description of - the Issuer's principal activities stating, - the main categories of products sold and/or services performed.	Pages 6 to 15, 196 to 199 and 578 to 584 of the BNPP 2018 Registration Document

BNPP 2018 REGISTRATION DOCUMENT	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
5.1.2. An indication of any significant new products and/or activities.	Pages 6 to 15, 135, 196 to 199 and 578 to 584 of the BNPP 2018 Registration Document
5.1.3. A brief description of the principal markets in which the Issuer competes.	Pages 6 to 15, 196 to 199 and 578 to 584 of the BNPP 2018 Registration Document
5.1.4. The basis for any statements in the registration document made by the Issuer regarding its competitive position.	Pages 6 to 15 and 114 to 127 of the BNPP 2018 Registration Document
6. Organizational Structure	
6.1. If the Issuer is part of a group, a brief description of the group and of the Issuer's position within it.	Page 4, 6 and 576 of the BNPP 2018 Registration Document
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.	Pages 261 to 268, 496 to 501, 576 and 578 to 584 of the BNPP 2018 Registration Document
7. Trend information	
7.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	"Trend Information" section on pages 283 to 286 of the BNPP 2018 Registration Document
8. Profit Forecasts or Estimates	
8.1. A statement setting out the principal assumptions upon which the Issuer has based its forecast, or estimate. 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; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.	NA
8.2. A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or	NA

BNPP 2018 REGISTRATION DOCUMENT

Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004

<p>estimate is consistent with the accounting policies of the Issuer.</p> <p>Where financial information relates to the previous financial year and only contains non-misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements:</p> <p>(a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;</p> <p>(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;</p> <p>(c) this financial information has not been audited.</p>	
<p>8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.</p>	<p>NA</p>
<p>9. Administrative, Management, and Supervisory Bodies</p>	
<p>9.1. Names, business addresses and functions in the Issuer of the following persons, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>	<p>Pages 31 to 45 and 98 of the BNPP 2018 Registration Document</p>

BNPP 2018 REGISTRATION DOCUMENT

Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004

<p>9.2. Administrative, Management, and Supervisory bodies conflicts of interests.</p> <p>Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated.</p> <p>In the event that there are no such conflicts, make a statement to that effect.</p>	<p>Pages 49 to 50, 63 to 64 and 74 to 94 of the BNPP 2018 Registration Document</p>
<p>10. Major Shareholders</p>	
<p>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.</p>	<p>Pages 16 to 17 of the BNPP 2018 Registration Document</p>
<p>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.</p>	<p>Page 17 of the BNPP 2018 Registration Document</p>
<p>11. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses (2018 financial statements)</p>	
<p>Profit and loss account for the year ended December 31, 2018.</p>	<p>Page 152 of the BNPP 2018 Registration Document</p>
<p>Statement of net income and changes in assets and liabilities recognised directly in equity.</p>	<p>Page 153 of the BNPP 2018 Registration Document</p>
<p>Balance sheet at December 31, 2018.</p>	<p>Page 154 of the BNPP 2018 Registration Document</p>
<p>Cash flow statement for the year ended December 31, 2018.</p>	<p>Page 155 of the BNPP 2018 Registration Document</p>
<p>Statement of changes in shareholders' equity between January 1, 2017 and December 31, 2018.</p>	<p>Pages 156 to 157 of the BNPP 2018 Registration Document</p>
<p>Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union.</p>	<p>Pages 158 to 269 of the BNPP 2018 Registration Document</p>
<p>Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended December 31, 2018.</p>	<p>Pages 270 to 276 of the BNPP 2018 Registration Document</p>

BNPP 2018 REGISTRATION DOCUMENT	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
Chapter 5 (" <i>Risks and Capital Adequacy</i> ")	Pages 277 to 464 of the BNPP 2018 Registration Document

BNPP 2017 REGISTRATION DOCUMENT	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
Profit and loss account for the year ended December 31, 2017.	Page 140 of the BNPP 2017 Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity.	Page 141 of the BNPP 2017 Registration Document
Balance sheet at December 31, 2017.	Page 142 of the BNPP 2017 Registration Document
Cash flow statement for the year ended December 31, 2017.	Page 143 of the BNPP 2017 Registration Document
Statement of changes in shareholders' equity between January 1, 2016 and December 31, 2017.	Pages 144 and 145 of the BNPP 2017 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union.	Pages 146 to 236 of the BNPP 2017 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended December 31, 2017.	Pages 237 and 242 of the BNPP 2017 Registration Document
Chapter 5 (" <i>Risks and Capital Adequacy</i> ")	Pages 243 to 438 of the BNPP 2017 Registration Document

BNPP 2016 REGISTRATION DOCUMENT	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
Profit and loss account for the year ended December 31, 2016.	Page 134 of the BNPP 2016 Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity.	Page 135 of the BNPP 2016 Registration Document
Balance sheet at December 31, 2016.	Page 136 of the BNPP 2016 Registration Document

BNPP 2016 REGISTRATION DOCUMENT	
<i>Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004</i>	
Cash flow statement for the year ended December 31, 2016.	Page 137 of the BNPP 2016 Registration Document
Statement of changes in shareholders' equity between January 1, 2015 and December 31, 2016.	Pages 138 and 139 of the BNPP 2016 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union.	Pages 140 and 231 of the BNPP 2016 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended December 31, 2016.	Pages 232 and 233 of the BNPP 2016 Registration Document
Chapter 5 (" <i>Risks and Capital Adequacy</i> ")	Pages 235 to 412 of the BNPP 2016 Registration Document

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. See “*Exchange Rate and Currency Information.*”

The audited consolidated financial statements as of December 31, 2018, 2017 and 2016 and for the years ended December 31, 2018, 2017 and 2016 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.

EXCHANGE RATE AND CURRENCY INFORMATION

The following table shows the period-end, average, high and low exchange rates based on the Noon Buying Rate in New York City for cable transfers in foreign currencies as certified by the Federal Reserve Bank of New York (the “**Noon Buying Rate**”) for the euro, expressed in U.S. dollars per one euro, for the periods and dates indicated. On March 15, 2019, the Noon Buying Rate was U.S. \$1.13 per one euro.

Month U.S. dollar/Euro	Period End	Average Rate*	High	Low
March 2019 (through March 15, 2019)	1.13	1.13	1.14	1.12
February 2019	1.14	1.13	1.15	1.13
January 2019	1.15	1.14	1.15	1.13
December 2018	1.15	1.14	1.15	1.13
November 2018	1.13	1.14	1.15	1.13
October 2018	1.13	1.15	1.16	1.13
September 2018	1.16	1.17	1.18	1.16
August 2018	1.16	1.15	1.17	1.13
July 2018	1.17	1.17	1.17	1.16
June 2018	1.17	1.17	1.18	1.16
May 2018	1.17	1.18	1.20	1.16
April 2018	1.21	1.23	1.24	1.21
March 2018	1.23	1.23	1.24	1.22

Year U.S. dollar/Euro	Period End	Average Rate*	High	Low
2019 (through March 15, 2019)	1.13	1.14	1.15	1.12
2018	1.15	1.18	1.25	1.13
2017	1.20	1.13	1.20	1.04
2016	1.06	1.11	1.15	1.04
2015	1.09	1.11	1.20	1.05
2014	1.21	1.33	1.39	1.21

* The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for year average; on each business day of the month (or portion thereof) for monthly average.

Source: Federal Reserve Bank of New York

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in exchange rates that may occur at any time in the future. No representations are made herein that the euro or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or euros, as the case may be, at any particular rate.

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 (of which the Issuer is the parent company) is a European leading provider of banking and financial services. It has four domestic retail banking markets in Europe, namely France, Belgium, Italy and Luxembourg.

The Group operates in 72 countries and has more than 202,000 employees, including approximately 154,000 in Europe. It holds key positions in its two main businesses:

- Retail Banking and Services, which includes:
 - Domestic Markets, comprising:
 - French Retail Banking (FRB),
 - BNL banca commerciale (BNL bc), Italian retail banking,
 - Belgian Retail Banking (BRB),
 - Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);
 - International Financial Services, comprising:
 - Europe-Mediterranean,
 - BancWest,
 - Personal Finance,
 - Insurance,
 - Wealth and Asset Management;
- Corporate and Institutional Banking (CIB):
 - Corporate Banking,
 - Global Markets,
 - Securities Services.

At December 31, 2018, the Group had consolidated assets of €2,040.1 billion and shareholders' equity (Group share including income for 2018) of €101.5 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 2018 Registration Document relating to the Bank and the Group which was filed with the French *Autorité des marchés financiers* (the "AMF") on March 5, 2019. See "*Documents Incorporated by Reference.*"

In addition, the following recent development is noted: on March 1, 2019, BNP Paribas announced the sale of 92.25 million shares (listed on the Bombay Stock Exchange) of SBI Life by BNP Paribas Cardif, an insurance subsidiary of the Issuer. The sale amounts to 9.23% of SBI Life's outstanding share capital. BNP Paribas Group anticipates that it will record in its consolidated results for the first quarter of 2019 a capital gain net of tax of approximately €450 million and that the sale will

have a positive impact of nearly 5bp on the Group CET1 Ratio as of March 31, 2019. Following the sale, BNP Paribas Cardif holds a 12.77% stake in SBI Life.

Regulatory Capital Ratios

As of December 31, 2018, with a Group CET1 Ratio, Tier 1 capital ratio and total capital ratio of respectively 11.8%, 13.1% and 15.0% on a fully-loaded basis, the Group largely complies with the capital requirements that are applicable as of January 1, 2019 (i.e., respectively 9.83%, 11.33% and 13.33%).

A “**fully-loaded**” ratio means a ratio that fully takes into account regulatory requirements which are fully applicable as from January 1, 2019.

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 Notes.
Issue Price:	100%
Status of the Notes:	<p>The Notes are deeply subordinated notes of the Issuer issued pursuant to the provisions of Article L.228-97 of the French <i>Code de commerce</i>.</p> <p>The obligations of the Issuer in respect of the Notes constitute direct, unsecured and Deeply Subordinated Obligations of the Issuer and rank <i>pari passu</i> and without any preference among themselves and rateably with all other present or future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the present and future <i>prêts participatifs</i> granted to the Issuer and present and future <i>titres participatifs</i>, Eligible Subordinated Obligations and Unsubordinated Obligations issued by the Issuer as more fully described in Condition 4 (<i>Status of the Notes</i>).</p>
Interest and Interest Payment Dates:	<p>The Notes will bear interest from (and including) the Issue Date to (but excluding) the First Call Date at the rate of 6.625% per annum, payable semi-annually in arrears on March 25 and September 25 in each year, commencing on September 25, 2019.</p> <p>The rate of interest will reset on the First Call Date and on each Reset Date thereafter and will be equal to the then prevailing 5-Year Mid-Swap Rate plus the Margin, as determined by the Calculation Agent.</p>
5-Year Mid-Swap Rate Fallback	The 5-Year Mid-Swap Rate is based on a LIBOR swap rate. In the event that LIBOR (and hence the 5-Year Mid-Swap Rate) is discontinued or the relevant rate administrator or supervisor publicly states that within six months, LIBOR will be discontinued, prohibited from being used or that its use will be subject to restrictions or adverse consequences, the 5-Year Mid-Swap Rate will be adjusted to a new market reference rate (if available) without the need to obtain the consent of Noteholders.
First Call Date:	The Interest Payment Date falling on or about March 25, 2024.
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:	<p>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.</p> <p>The Issuer will cancel the payment of an Interest Amount (in whole or, as the case may be, in part) if the Relevant Regulator notifies in writing the Issuer that, in accordance with the Relevant Rules, it has</p>

determined that the Interest Amount (in whole or in part) should be cancelled based on its assessment of the financial and solvency situation of the Issuer.

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

- (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 *Code monétaire et financier* (implementing Article 141(2) of the CRD IV), or in provisions of the Relevant Rules relating to other limitations on distributions or payments, as amended or replaced, would cause any Maximum Distributable Amount then applicable to be exceeded (to the extent the limitation in Article 141(3) of the CRD IV, or any other limitation related to the Maximum Distributable Amount in the CRD IV or the BRRD, is then applicable).

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

Write-Down:

The Prevailing Outstanding Amount of the Notes will be written down if the Group CET1 Ratio falls below 5.125 per cent. (all as defined in Condition 2 (*Interpretation*)). Holders may lose some or all of their investment as a result of a Write-Down.

Reinstatement:

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

At no time may the Prevailing Outstanding Amount exceed the Original Principal Amount of the Notes.

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

- (i) any previous Reinstatement of the Notes out of the Relevant Group Net Income since the Reference Date;
- (ii) the aggregate amount of any interest on the Notes that has been paid since the Reference Date on the basis of a Prevailing

Outstanding Amount that is lower than the Original Principal Amount;

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

would exceed the Maximum Reinstatement Amount.

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

Maximum Distributable Amount:

As of the date of this Prospectus, the Maximum Distributable Amount is an amount determined in accordance with Article 141 of the CRD IV, based on whether certain capital buffers are maintained by the Group. If any such capital 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 IV, or in provisions of the Relevant Rules relating to other limitations on distributions or payments, 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 capital buffers will apply at different dates. In addition, the new version of the CRR, if adopted in its current form, may require the application of the Maximum Distributable Amount if the Group fails to maintain a required leverage ratio buffer or would fail to meet its capital ratio buffers in addition to its minimum requirement of own funds and eligible liabilities. As a result, it is difficult to predict how the Maximum Distributable Amount will impact Holders of the Notes. See *“Regulatory Capital Ratios”* and *“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, and will be required to cancel all or some of the interest payments in certain cases.”*

Undated Securities:

The Notes have no fixed maturity and 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

	<p>the time a judgment is issued for the judicial liquidation (<i>liquidation judiciaire</i>) of the Issuer or if the Issuer is liquidated for any other reason.</p>
Optional Redemption by the Issuer on any Reset Date:	<p>The Issuer may (at its option but subject to Condition 7.8 (<i>Conditions to Redemption and Purchase</i>)) redeem the then outstanding Notes, on the relevant Optional Redemption Date in whole at their Original Principal Amount, together with accrued interest.</p>
Optional Redemption Date:	<p>Each of the Reset Dates.</p>
Optional Redemption by the Issuer upon the Occurrence of a Tax Event or a Capital Event:	<p>Subject as provided herein, in particular to the provisions of Condition 7.8 (<i>Conditions to Redemption and Purchase</i>), upon the occurrence of a Capital Event or a Tax Event, the Issuer may, at its option at any time, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount together with accrued interest thereon.</p> <p>“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.</p> <p>“Tax Event” means a Tax Deduction Event, a Withholding Tax Event or a Gross-Up Event (each as defined in Condition 7.4 (<i>Optional Redemption upon the occurrence of a Tax Event</i>)).</p>
Substitution and Variation:	<p>Following the occurrence of a Special Event, the Issuer may, at any time, without the consent of the Holders and subject to (i) receiving any consent required from, the Relevant Regulator, and (ii) having given no less than fifteen (15) nor more than forty-five (45) calendar days’ notice to the Fiscal Agent and the Holders (in accordance with Condition 16 (<i>Notices</i>)) 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.</p> <p>If the Issuer has given a notice to the Holders 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.</p> <p>“Alignment Event” will be deemed to have occurred if, as a result of any change or amendment in the Relevant Rules at any time after the Issue Date, the Issuer would be able to issue a capital instrument qualifying as Additional Tier 1 Capital that contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those in the Conditions, which provisions, if they had been included in the Conditions, would have prevented the Notes from qualifying as Additional Tier 1 Capital immediately prior to such change in the Relevant Rules.</p> <p>“Special Event” means any of a Tax Event, an Alignment Event or a Capital Event.</p>

Waiver of Set-Off:	In accordance with Condition 8.8 (<i>Waiver of set-off</i>), 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.
Purchases:	The Issuer may, but is not obliged to, subject to the provisions of Condition 7.8 (<i>Conditions to Redemption and Purchase</i>), 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 approval and provided that certain other conditions contained in Condition 7.8 (<i>Conditions to Redemption and Purchase</i>) are met.
Events of Default:	None.
Negative Pledge:	None.
Cross Default:	None.
Statutory Write-down or Conversion:	<p>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 (<i>Statutory Write-down or Conversion</i>)) by the Relevant Resolution Authority (as defined in Condition 18 (<i>Statutory Write-down or Conversion</i>)).</p> <p>This is in addition to the terms of the Notes that provide for a Write-Down of the principal amount as described above under “Write-Down.” The Bail-in or Loss Absorption Power may be exercised by the Relevant Resolution Authority even if the Group CET1 Ratio remains above the relevant threshold levels. In addition, if the Bail-in or Loss Absorption Power is exercised, the Issuer will not have the ability to institute a reinstatement of the principal amount of the Notes upon a Reinstatement.</p>
Meetings of Noteholders and Modifications:	<p>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 Holders for such matters without calling a meeting. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at any relevant meeting or who did not consent to the relevant matter and Holders who voted in a manner contrary to the majority.</p> <p>The Issuer may also make any modification to the Notes without the consent of the Holders in certain cases provided in Condition 14 (<i>Meetings of Noteholders, Modification, Supplemental</i></p>

Agreements). Any such modification shall be binding on the Holders.

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 approval of the Relevant Regulator.

Further Issues: Subject to the prior information of the Relevant Regulator, the Issuer may from time to time without the consent of the Holders to 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).

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 Holders, 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 issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000.

Rating: The Notes are expected to be rated BBB- by Standard & Poor's Global Ratings Europe Limited, Ba1 by Moody's Investors Services Ltd. and BBB- by Fitch France S.A.S. 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: 05565AHN6
ISIN: US05565AHN63
Regulation S Global Note:
CUSIP: F1R15XK93
ISIN: USF1R15XK938

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 (<i>Status of the Notes</i>) 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 " <i>Risk Factors</i> ."
Sole Bookrunner and Global Coordinator:	BNP Paribas Securities Corp.
Joint Lead Managers:	BBVA Securities Inc. ING Financial Markets LLC Santander Investment Securities Inc. Standard Chartered Bank
Co-Managers:	Bankia S.A. BMO Capital Markets Corp. CIBC World Markets Corp. National Bank of Canada Financial Inc. Scotia Capital (USA) Inc. Wells Fargo Securities, LLC
Fiscal Agent, 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, 2018, 2017, 2016, 2015, and 2014. 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, 2018, December 31, 2017, December 31, 2016 and December 31, 2015, including (in the last case) comparative columns for the year ended December 31, 2014. Such financial statements, which are either incorporated by reference to this Prospectus or available at www.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 year ended December 31, 2018 reflect IFRS 9 and IFRS 15 applicable as from January 1, 2018. The comparative period information (as of and for the year ended December 31, 2017) does not reflect the application of such standards but does reflect certain changes in presentation (as summarized in the footnotes to the 2018/2017 tables below). In addition, a balance sheet as of January 1, 2018 reflecting the adoption of IFRS 9 and IFRS 15 is provided as a comparative reference. As the consolidated financial statements of the Group as of and for the years ended December 31, 2016, 2015 and 2014 do not reflect such standards and changes in presentation, the financial data as of such dates and for such periods is presented separately in the tables below. We also draw your attention to the fact that selected financial data as of and for the year ended December 31, 2014 have been restated (as specified in the footnotes to the 2016/2015/2014 tables below) due to changes in IFRS.

BNP Paribas Group	Year ended December 31, 2018	Year ended December 31, 2017⁽¹⁾
<i>(in millions of euros, except share data)</i>		
Income Statement (EU-IFRS)	(IFRS9&IFRS 15)	(IAS39)
Net interest income	21,062	21,191
Commission income.....	12,925	12,943
Commission expense.....	(3,718)	(3,513)
Net gain on financial instruments at fair value through profit or loss	5,808	5,346
Net gains on financial instruments at fair value through equity	315	1,711
Net gains on derecognised financial assets at amortised cost	(5)	55
Net income from insurance activities	4,064	3,813
Net income from other activities.....	2,065	1,615
Revenues	42,516	43,161
Salary and employee benefit expense	(16,617)	(16,496)
Other operating expenses.....	(12,290)	(11,729)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(1,676)	(1,719)
Gross operating income	11,933	13,217
Cost of risk.....	(2,764)	(2,907)
Operating income	9,169	10,310
Share of earnings of associates.....	628	713
Net gain on non-current assets	358	488
Change in value of goodwill	53	(201)
Income taxes	(2,203)	(3,103)
Minority interests.....	479	448
Net income attributable to equity holders	7,526	7,759
Basic earnings per share	5.73	6.05
Diluted earnings per share.....	5.73	6.05

(1) Revised presentation based on the reclassifications and the re-labelling within Net Banking Income described in note 2a to the Issuer's consolidated financial statements included in the BNPP 2018 Registration Document, incorporated by reference herein: re-labelling of "net gains on available-for sale financial assets and other assets not measured at fair value" to "net gains on financial assets at fair value through equity" and "net gains on derecognised financial assets at amortised cost", reclassification of items related to insurance activities.

BNP Paribas Group

(in millions of euros, except share data)

Income Statement (EU-IFRS)	Year ended December 31,		
	2016	2015	2014 ⁽¹⁾
Net interest income	22,376	22,553	20,319
Net commission income	7,202	7,615	7,388
Net gain on financial instruments at fair value through profit or loss	6,189	6,054	4,631
Net gain on available-for-sale financial assets and other financial assets not measured at fair value	2,211	1,485	1,969
Net income from other activities	5,433	5,231	4,861
Revenues	43,411	42,938	39,168
Salary and employee benefit expense	(16,402)	(16,061)	(14,801)
Other operating expenses	(11,279)	(11,539)	(10,157)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets ..	(1,697)	(1,654)	(1,566)
Gross operating income	14,033	13,684	12,644
Cost of risk	(3,262)	(3,797)	(3,705)
Costs related to the comprehensive settlement with U.S. authorities	–	(100)	(6,000)
Operating income	10,771	9,787	2,939
Share of earnings of associates	633	589	407
Net gain on non-current assets	(12)	996	155
Change in value of goodwill	(182)	(993)	(351)
Income taxes	(3,095)	(3,335)	(2,643)
Minority interests	413	350	350
Net income attributable to equity holders	7,702	6,694	157
Basic earnings per share	6.00	5.14	(0.07)
Diluted earnings per share	6.00	5.13	(0.07)

(1) Restated according to the IFRIC 21 interpretation. For further information, see notes 1.a and 2 to the Issuer's consolidated financial statements included in Chapter 4 of the BNPP 2015 Registration Document, available at www.invest.bnpparibas.com.

BNP Paribas Group Balance Sheet (EU-IFRS)	At December 31, 2018	At January 1, 2018 ⁽¹⁾	At December 31, 2017 ⁽²⁾
(in millions of euros)	(IFRS9&IFRS 15)	(IFRS9&IFRS 15)	(IAS39)
Assets			
Cash and balances at central banks ..	185,119	178,433	178,446
Financial assets at fair value through profit or loss			
Securities	121,954	130,326	122,964
Loans and repurchase agreements	183,716	144,948	143,988
Derivative financial instruments	232,895	229,896	229,897
Derivatives used for hedging purposes	9,810	13,721	13,723
Financial assets at fair value through equity			
Debt Securities	53,838	53,942	110,881

BNP Paribas Group Balance Sheet (EU-IFRS)	At December 31, 2018	At January 1, 2018⁽¹⁾	At December 31, 2017⁽²⁾
Equity Securities.....	2,151	2,330	6,928
Financial assets at amortised cost			
Loans and advances to credit institutions	19,556	20,356	20,405
Loans and advances to customers	765,871	731,176	735,013
Debt Securities	75,073	69,426	15,378
Remeasurement adjustment on interest-rate risk hedged portfolios.....	2,787	3,064	3,064
Financial investments of insurance activities	232,308	227,712	227,712
Current and deferred tax assets.....	7,220	7,368	6,568
Accrued income and other assets	103,346	92,961	92,875
Equity-method investments.....	5,772	6,221	6,426
Property, plant and equipment and investment property.....	26,652	25,000	25,000
Intangible assets	3,783	3,327	3,327
Goodwill	8,487	9,571	9,571
Non-current assets held for sale	498		
Total Assets.....	2,040,836	1,949,778	1,952,166

(1) As of January 1, 2018 after implementation of IFRS 9 and IFRS 15. For further information, see note 2.b to the Issuer's consolidated financial statements included in the BNPP 2018 Registration Document, incorporated by reference herein.

(2) Revised presentation, based on reclassifications and adjustments, mainly related to the re-labelling of financial instruments item headings, the reclassification of financial instruments of insurance activities into "Investments of insurance activities", and the impact of securities recognition at settlement date. For further information, see note 2.a to the Issuer's consolidated financial statements included in the BNPP 2018 Registration Document, incorporated by reference herein.

BNP Paribas Group Balance Sheet (EU-IFRS)	At December 31, 2018	At January 1, 2018⁽¹⁾	At December 31, 2017⁽²⁾
<i>(in millions of euros)</i>	(IFRS9&IFRS15)	(IFRS9&IFRS15)	(IAS39)
<i>Liabilities and Shareholders' Equity</i>			
Deposits from central banks	1,354	1,471	1,471
Financial liabilities at fair value through profit or loss			
Securities	75,189	67,087	67,087
Deposits and repurchase agreements	204,039	174,645	174,645
Issued debt securities	54,908	50,490	50,490
Derivative financial instruments..	225,804	227,644	227,644
Derivatives used for hedging purposes	11,677	15,682	15,682
Financial liabilities at amortised cost			
Deposits from credit institutions	78,915	76,503	76,503
Deposits from customers.....	796,548	760,941	760,941
Debt securities	151,451	148,156	148,156
Subordinated debt.....	17,627	15,951	15,951
Remeasurement adjustment on interest-rate risk hedged portfolios	2,470	2,372	2,372
Current and deferred tax liabilities...	2,255	2,234	2,466
Accrued expenses and other liabilities	89,562	80,472	79,994
Technical reserves of insurance companies	213,691	210,494	210,494
Provisions for contingencies and charges	9,620	11,084	11,061
Minority interests in consolidated subsidiaries	4,259	5,126	5,226
Shareholders' equity (group share).....	101,467	99,426	101,983
Total Liabilities and Shareholders' Equity	2,040,836	1,949,778	1,952,166

(1) As of January 1, 2018 after implementation of IFRS 9 and IFRS 15. For further information, see note 2.b to the Issuer's consolidated financial statements included in the BNPP 2018 Registration Document, incorporated by reference herein.

(2) Revised presentation, based on reclassifications and adjustments, mainly related to the re-labelling of financial instruments item headings, the reclassification of financial instruments of insurance activities into "Investments of insurance activities", and the impact of securities recognition at settlement date. For further information, see note 2.a to the Issuer's consolidated financial statements included in the BNPP 2018 Registration Document, incorporated by reference herein.

BNP Paribas Group Balance Sheet (EU-IFRS)	At December 31, 2016	At December 31, 2015	At December 31, 2014⁽¹⁾
<i>(in millions of euros)</i>			
<i>Assets</i>			
Cash and amounts due from central banks and post office banks	160,400	134,547	117,473
Financial assets at fair value through profit or loss			
Trading securities	123,679	133,500	156,546
Loans and repurchase agreements	152,242	131,783	165,776
Instruments designated at fair value through profit or loss	87,644	83,076	78,827
Derivative financial instruments	328,162	336,624	412,498
Derivatives used for hedging purposes	18,133	18,063	19,766
Available-for-sale financial assets	267,559	258,933	252,292
Loans and receivables due from credit institutions	47,411	43,427	43,348
Loans and receivables due from customers	712,233	682,497	657,403
Remeasurement adjustment on interest-rate risk hedged portfolios	4,664	4,555	5,603
Held-to-maturity financial assets	6,100	7,757	8,965
Current and deferred tax assets	7,966	7,865	8,628
Accrued income and other assets	115,967	108,018	110,088
Policyholders' surplus reserve			
Equity-method investments...	6,910	6,896	7,371
Investment property	1,911	1,639	1,614
Property, plant and equipment	22,523	21,593	18,032
Intangible assets	3,239	3,104	2,951
Goodwill	10,216	10,316	10,577
Total Assets	<u>2,076,959</u>	<u>1,994,193</u>	<u>2,077,758</u>

(1) Restated according to the IFRIC 21 interpretation. For further information, see notes 1.a and 2 to the Issuer's consolidated financial statements included in Chapter 4 of the BNPP 2015 Registration Document, available at www.invest.bnpparibas.com.

BNP Paribas Group Balance Sheet (EU-IFRS)	At December 31, 2016	At December 31, 2015	At December 31, 2014⁽¹⁾
<i>(in millions of euros)</i>			
<i>Liabilities and Shareholders' Equity</i>			
Due to central banks and post office banks	233	2,385	1,680
Financial liabilities at fair value through profit or loss			
Trading securities	70,326	82,544	78,912
Borrowings and repurchase agreements	183,206	156,771	196,733
Instruments designated at fair value through profit or loss	54,076	53,118	57,632
Derivative financial instruments....	318,740	325,828	410,250
Derivatives used for hedging purposes	19,626	21,068	22,993
Due to credit institutions	75,660	84,146	90,352
Due to customers	765,953	700,309	641,549
Debt securities	153,422	159,447	187,074
Remeasurement adjustment on interest-rate risk hedged portfolios	4,202	3,946	4,765
Current and deferred tax liabilities	3,087	2,993	2,920
Accrued expenses and other liabilities	99,407	88,629	87,722
Technical reserves of insurance companies.....	193,626	185,043	175,214
Provisions for contingencies and charges	11,801	11,345	12,337
Subordinated debt.....	18,374	16,544	13,936
Minority interests in consolidated subsidiaries	4,555	3,808	4,231
Shareholders' equity (group share)...	100,665	96,269	89,458
Total Liabilities and Shareholders' Equity	<u>2,076,959</u>	<u>1,994,193</u>	<u>2,077,758</u>

(1) Restated according to the IFRIC 21 interpretation. For further information, see notes 1.a and 2 to the Issuer's consolidated financial statements included in Chapter 4 of the BNPP 2015 Registration Document, available at www.invest.bnpparibas.com.

The following table sets forth information regarding the Group's regulatory capital ratios as of December 31, 2018, 2017, 2016, 2015, 2014 and 2013.

BNP Paribas Group Capital Ratios (EU-IFRS)*

	At December 31,					
	<u>2018</u>⁽¹⁾	<u>2017</u>⁽¹⁾	<u>2016</u>⁽¹⁾	<u>2015</u>⁽¹⁾	<u>2014</u>⁽¹⁾	<u>2013</u>⁽¹⁾
Total ratio	15.0%	14.8%	14.5%	13.6%	12.6%	12.5%
Tier 1 ratio	13.1%	13.2%	12.9%	12.2%	11.5%	11.7%
Risk-weighted assets (in billions of euros)	647	641	638	630	614	622

(1) Basel 3 ratios, taking into consideration CRR transitory provisions (but with full deduction of goodwill). Subject to the provisions of Article 26.2 of (EU) regulation n° 575/2013.

* 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. See "Table of Capitalization and Medium-to-Long Term Indebtedness".

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 2018 Registration Document). 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

The main categories of risks inherent in the Issuer’s business are presented below. They may be measured through risk-weighted assets or other indicia to the extent risk-weighted assets are not relevant.

Credit risk: Credit risk is defined as the probability of a borrower or counterparty defaulting on its obligations to the Issuer. 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. The Issuer’s risk-weighted assets subject to this type of risk amounted to €504 billion at December 31, 2018. 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.

Operational risk: 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.). Operational risks include 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. The Issuer’s risk-weighted assets subject to this type of risk amounted to €73 billion at December 31, 2018.

Counterparty risk: Counterparty risk arises from the Issuer’s credit risk in the specific context of market transactions, investments, and/or settlements. The amount of this risk varies over time depending on fluctuations in market parameters affecting the potential future value of the transactions concerned. The Issuer’s risk-weighted assets subject to this type of risk amounted to €27 billion at December 31, 2018.

Market risk: Market risk is the risk of loss of value caused by an unfavorable trend in prices or market parameters. Market parameters 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. The Issuer’s risk-weighted assets subject to this type of risk amounted to €20 billion at December 31, 2018.

Securitization risk: 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 under a securitization structure (including derivatives and liquidity lines) is considered to be a securitization. The bulk of these commitments are in the prudential banking portfolio. The Issuer’s risk-weighted assets subject to this type of risk amounted to €7 billion at December 31, 2018.

Risks related to deferred taxes and certain holdings in credit or financial institutions: amounts below the prudential capital deduction thresholds generate risk-weighted assets amounting to €17 billion at December 31, 2018.

Liquidity risk: Liquidity risk is the risk that the Issuer will not be able to honor its commitments or unwind or offset a position due to market conditions or specific factors within a specified period of time and at a reasonable cost. It reflects the risk of not being able to cope with net cash outflows, including collateral requirements, over short-term to long-term horizons. The Group’s specific risk can be assessed through its short-term liquidity ratio (Liquidity Coverage Ratio), which analyzes the hedging of net cash outflows during a 30-day stress period.

More generally, the risks to which the Group is exposed may arise from a number of factors related, among other things, to changes in its macroeconomic, competitive, market and regulatory environment or the implementation of its strategy, its business or its operations. These risk factors are described in detail below.

Risks Related to the Macroeconomic Environment

Adverse economic and financial conditions have in the past had and may in the future have an impact on the Issuer and the markets in which it operates.

The Issuer's business is sensitive to changes in the financial markets and more generally to economic conditions in France, Europe and the rest of the world. A deterioration in economic conditions in the markets where the Issuer operates could have some or all of the following impacts:

- Adverse economic conditions could affect the business and operations of the Issuer's customers, reducing credit demand and trading volume and resulting in an increased rate of default on loans and receivables;
- A decline in market prices of bonds, shares and commodities could impact many of the businesses of the Issuer, including in particular trading, investment banking and asset management revenues;
- Macroeconomic policies adopted in response to actual or anticipated economic conditions could have unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn could affect the Issuer's businesses that are most exposed to market risk;
- Perceived favorable economic conditions generally or in specific business sectors could result in asset price bubbles, which could in turn exacerbate the impact of corrections when conditions become less favorable;
- A significant economic disruption (such as the global financial crisis of 2008 or the European sovereign debt crisis of 2011) could have a severe impact on all of the Issuer's activities, particularly 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;
- A significant deterioration of market and economic conditions resulting from, among other things, from adverse political and geopolitical events such as natural disasters, societal unrest, geopolitical tensions (in particular protectionist measures), acts of terrorism, cyber-attacks, military conflicts or threats thereof and related risks could affect the operating environment for financial institutions episodically or for extended periods.

European markets may be affected by a number of factors in 2019, including continuing uncertainty resulting from the decision of the United Kingdom to leave the European Union, evolving monetary policy in Europe and the United States and uncertain political and economic conditions in certain large European countries. Markets in the United States may be affected by factors, such as trade policy or a tendency towards political stalemate, which has affected credit and currency markets globally. Asian markets could be impacted by factors such as slower than expected economic growth rates in certain countries in the region.

Share prices have recently experienced significant volatility, which may occur again. Credit markets and the value of fixed income assets could be adversely affected if interest rates were to rise as central banks continue to scale back the extraordinary support measures put in place in response to recent adverse economic conditions. Conversely, a continued or renewed loosening of monetary policy would weigh on banks' profitability. The price of oil has been particularly volatile in recent months, and could be impacted by unpredictable geopolitical factors in regions such as the Middle East and Russia.

More generally, increased volatility of financial markets could adversely affect the Issuer's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in other investments. Severe market disruptions and extreme market volatility have occurred in recent years and may occur again in the future, which could result in significant losses for the Issuer. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and

future contracts, options and structured products. The volatility of financial markets makes it difficult to predict trends and implement effective trading strategies.

It is difficult to predict when economic or market downturns will occur, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or global markets more generally, were to deteriorate or become more volatile, the Issuer's operations could be disrupted, and its business, results of operations and financial condition could be adversely affected.

Given the global scope of its activities, the Issuer may be vulnerable to certain political, macroeconomic or financial risks in the countries and regions where it operates.

The Issuer is subject to country risk, meaning the risk that economic, financial, political or social conditions in a given foreign country in which it operates could affect its business and results. The Issuer 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 Issuer operates could make it difficult for it to carry out its business and lead to losses or impairment of assets.

As of December 31, 2018, 32% of the Issuer's commercial lending portfolio was comprised of loans to borrowers in France, 14% by loans to borrowers in Belgium and Luxembourg, 10% by loans to borrowers in Italy, 19% by loans to borrowers in other European countries, 13% by loans to borrowers in North America and 6% by loans to borrowers in Asia. Adverse conditions that particularly affect these countries and regions would have a particularly significant impact on the Issuer. In addition, the 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.

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

The financial crisis, the euro zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks in recent years. 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 Issuer, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the "ECB" at times increased substantially. If such adverse credit market conditions were to reappear in the event of prolonged stagnation of growth, deflation, resurgence of the financial crisis, the sovereign debt crisis or new forms of financial crises, factors relating to the financial industry in general or to the Issuer in particular, the effect on the liquidity of the European financial sector in general and the Issuer in particular could be materially adverse and have a negative impact on the Issuer's results of operations and financial condition.

The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks.

Since the 2008-2009 financial crisis, global markets have been characterized by an extended period of low interest rates. If the low interest rate environment continues as a result of continued monetary loosening, low growth or other factors, the Issuer's profitability may be affected. In this respect, after announcing in December 2018 the end of its quantitative easing policy, in early March 2019 – in the face of slower than anticipated growth – the ECB announced a status quo on its benchmark lending rates until at least the end of 2019 as well as a new program of below market (indeed negative) rate lending to banks. During periods of low interest rates, interest rate spreads tend to tighten, and the Issuer may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. In addition, the Issuer has been facing and may continue to face an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted and may continue to result in a decrease in the

average interest rate of the Issuer's portfolio of loans thereby causing a decline in the Issuer's net interest income from its lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the Issuer from its funding activities. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility. Low interest rates may also negatively affect the profitability of the Issuer's insurance activities, which may not be able to generate sufficient returns to be competitive with other investment products. Low interest rates may also adversely affect commissions charged by the Issuer's asset management subsidiaries on money market and other fixed income products. A reduction in credit spreads and decline in retail banking income resulting from lower portfolio interest rates may adversely affect the profitability of the Issuer's retail banking operations.

On the other hand, the end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. In this respect, the U.S. Federal Reserve has been tightening its monetary policy in recent years. If market interest rates were to rise, a portfolio featuring significant amounts of lower interest loans and fixed income assets would be expected to decline in value. If the Issuer's hedging strategies are ineffective or provide only a partial hedge against such a change in value, the Issuer could incur losses. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. More generally, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

Risks Related to the Market Environment

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

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

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

The Issuer'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, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. The Issuer 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 Issuer 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 Issuer cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Issuer or in case of a failure of a significant financial market participant such as a central counterparty. It is worth noting in this respect that regulatory changes requiring mandatory clearing of standardized over-the-counter (OTC) derivatives through central counterparties have resulted in an increase of the exposure of financial market participants to such central counterparties.

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 Issuer, announced losses or exposure to losses in substantial amounts. The Issuer remains the subject of various claims in connection with the Madoff matter; see Note 8.b “Contingent liabilities: legal proceedings and arbitration” to the Issuer’s consolidated financial statements as of and for the year ended December 31, 2018.

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

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

The Issuer 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 Issuer’s expectations may lead to losses relating to a broad range of other products that the Issuer uses, including swaps, forward and future contracts, options and structured products.

To the extent that the Issuer 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 Issuer 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 it to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Issuer 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 from which it expects to gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Issuer did not anticipate or against which it is not hedged, the Issuer might realize a loss on those paired positions. Such losses, if significant, could adversely affect the Issuer’s results and financial condition.

The 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. 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 Group’s exposure to market risk in extreme scenarios could be greater than the exposures predicted by its quantification techniques.

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

Financial and economic conditions affect the number and size of transactions for which the Issuer 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 it 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 Issuer charges for managing its clients’ portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients’ portfolios or increases the amount of withdrawals would reduce the revenues the Issuer receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by the Issuer’s mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Issuer receives from its asset management business. The Issuer experienced some or all of these effects during the various significant market downturns of recent years and could experience them again in future market downturns, which may occur periodically and unexpectedly.

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

In some of the Issuer's businesses, particularly Global Markets 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 Issuer 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 Issuer calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant losses that the Issuer did not anticipate.

The Issuer must ensure that its assets and liabilities properly match in order to avoid exposure to losses.

The Issuer 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 many of the Issuer's assets is uncertain, and if the Issuer receives lower revenues than expected at a given time, it might require additional funding from the market in order to meet its obligations on its liabilities. While the Issuer imposes strict limits on the gaps between its assets and its liabilities as part of its risk management procedures, it cannot be certain that these limits will be fully effective to eliminate potential losses arising from asset and liability mismatches.

Regulatory Risks

Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Issuer and the financial and economic environment in which it operates.

Laws and regulations have been enacted in the past few years or could be adopted, 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 Issuer and other financial institutions operate. The measures that have been or may be proposed and adopted include:

- more stringent capital and liquidity requirements (particularly for global systemically important banks such as the Issuer), as well as changes to the risk-weighting methodologies and the methods of using internal models that 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 financing;
- restrictions or prohibitions on 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"), 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, which can initiate resolution proceedings for banking institutions such as the Issuer, and the Single Resolution Fund (the "SRF"), whose financing is provided for by the Issuer (up to its annual contribution) and 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;
- 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 privacy and cybersecurity requirements; and
- strengthening the powers of supervisory bodies, such as the French Prudential Supervision and Resolution Authority (the “**ACPR**”) and the creation of new authorities, including the adoption of the Single Resolution Mechanism in October 2013, which placed the Issuer under the direct supervision of the ECB as of November 2014.

It is impossible to predict what additional measures will be adopted and, given the complexity and continuing uncertainty of a certain number of these measures, to determine their impact on the Issuer. The cumulative effect of these measures, whether already adopted or in the process of being adopted, has been and could continue to be a decrease in the Issuer'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 or reduce the demand for the products and services offered by the Issuer, require the Issuer to proceed with internal reorganizations, structural changes or reallocations, affect the ability of the Issuer to carry on certain activities or to attract and/or retain and, more generally, affect its competitiveness and profitability, which could have an impact on its profitability, financial condition and operating results.

The Issuer could become subject to a resolution proceeding.

The BRRD and the Ordinance of August 20, 2015 confer upon the ACPR or the SRB the power to commence resolution proceedings for a banking institution, such as the Issuer, 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.

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

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

The implementation of these tools and powers with respect to the Issuer may result in significant structural changes to the 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 Issuer'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 Issuer whose remaining business or assets are insufficient to support the claims of all or any of the creditors of the Issuer.

The Issuer is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.

The Issuer 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 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 data privacy 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 Issuer and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed 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 Issuer's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

The Issuer 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 Issuer 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 Issuer'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 Issuer faces significant legal risk in its business, 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.

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

The Issuer is currently involved in various litigations and investigations as summarized in Note 8.b “Contingent liabilities: legal proceedings and arbitration” to its consolidated financial statements as of and for the year ended December 31, 2018. 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 Issuer’s operating results for any particular period.

Risks Related to the Implementation of the Issuer’s Strategy

Risks related to the implementation of the Issuer’s strategic plans.

The Issuer announced a strategic plan for the 2017-2020 period on February 7, 2017. This plan contemplates a number of initiatives, including the implementation of new customer pathways, the digital transformation of the Issuer, continuing to improve operating efficiency and various business development initiatives. The Issuer closely monitors these initiatives and provided an update on its 2020 targets on February 6, 2019.

The plan also includes a number of financial targets and objectives relating to net banking income, operating costs, net income, capital adequacy ratios and return on equity, among other things. These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions.

The Issuer’s actual results could vary significantly from these targets and objectives for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section.

Additionally, as part of the Issuer’s commitment to environmental responsibility within its CSR policy, it has announced a number of initiatives to support the energy transition towards a low-carbon economy, including a reduction in financing for energies with the most negative environmental impact. These measures (and any future ones along similar lines) may in certain cases adversely affect the Issuer’s results in the relevant sectors.

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

The Issuer makes acquisitions on a regular basis. Integrating acquired businesses is a long and complex process. Successful integration and the realization of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realization. Moreover, the integration of the Issuer’s existing operations with those of the acquired operations could interfere with the respective businesses and divert management’s attention from other aspects of the Issuer’s business, which could have a negative impact on the business and results of the Issuer. 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 Issuer undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the Issuer may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

Risks Related to the Management of the Issuer's Business

The Issuer is exposed to credit risk and counterparty risk.

As a credit institution, the Issuer is exposed to the creditworthiness of its customers and counterparties. These risks impact the Group's consolidated financial statements when a customer or counterparty is unable to honour its obligations and when the book value of these obligations in the Issuer's records is positive. The customer or counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. If the level of customer or counterparty defaults increases compared to recent historically low levels, the Issuer may have to record significant charges for possible bad and doubtful debts, affecting its profitability.

While the Issuer 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 Issuer is exposed to the risk of default by the party providing the credit risk coverage (such as a counterparty on derivatives) or to the risk of loss of value of any collateral. In addition, only a portion of the Issuer's overall credit risk and counterparty risk is covered by these techniques. Accordingly, the Issuer has significant exposure to these risks.

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

In connection with its lending activities, the Issuer regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". The Issuer'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 different asset classes. Although the Issuer seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in the Issuer'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 Issuer's results of operations and financial condition.

The Issuer's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that the Issuer uses to hedge its exposure to various types of risk in its businesses is not effective, the Issuer may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Issuer 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 Issuer'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 Issuer'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 Issuer's reported earnings.

Adjustments to the carrying value of the Issuer's securities and derivatives portfolios and the Issuer's own debt could have an impact on its net income and shareholders' equity.

The carrying value of the Issuer'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. Most of the

adjustments are made on the basis of changes in fair value of its assets or its 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 its consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, its capital adequacy ratios. 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.

The credit ratings of the Issuer may be downgraded, which would weigh on its profitability.

Credit ratings have a significant impact on the Issuer's liquidity. A downgrade in the Issuer's credit rating could affect its liquidity and competitive position. It could also increase the Issuer'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 Issuer'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 Issuer'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 Issuer's creditworthiness. Furthermore, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to the Issuer'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 Group.

Intense competition by banking and non-banking operators could adversely affect the Issuer's revenues and profitability.

Competition is intense in all of the Issuer'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 or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms. In particular, 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 or technological innovation (e.g., internet and mobile operators, digital platforms, fintechs), could be more competitive by offering lower prices or more innovative services. In addition, new payment systems and crypto-currencies, such as Bitcoin, and new technology that facilitate transaction processes, such as blockchain, have developed in recent years. While it is difficult to predict the effects of these emerging technologies as well as any applicable regulations, their use could nevertheless reduce the Issuer's market share or secure investments that otherwise would have used technology used by more established financial institutions, such as the Issuer. If the Issuer is unable to respond to the competitive environment in France or in its other major markets by offering attractive, innovative and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Issuer 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, could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Issuer.

Risks Related to the Issuer's Operations

The Issuer's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

The Issuer 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 Issuer'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 Issuer may have failed to identify or anticipate. The Issuer's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future

behavior, valuations, assumptions or estimates. Some of the Issuer's qualitative tools and metrics for managing risk are based on its use of observed historical market behavior. The Issuer applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the Issuer uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g., if the Issuer 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 Issuer's ability to manage its risks. The Issuer's losses could therefore be significantly greater than the historical measures indicate. In addition, the Issuer'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.

An interruption in or a breach of the Issuer's information systems may cause substantial losses of client or customer information, damage to the Issuer's reputation and financial losses.

As with most other banks, the Issuer relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing and blockchain technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Issuer's customer relationship management, general ledger, deposit, servicing and/or loan organization systems or could cause the Issuer to incur significant costs in recovering and verifying lost data. The Issuer 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 Issuer 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 Group's subsidiaries, employees, partners and clients. 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 Issuer 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 Issuer's information systems or those of its providers and any subsequent disclosure of confidential information related to any client, counterpart or employee of the Issuer (or any other person) or any intrusion or attack against the Issuer's communication system could cause significant losses and have an adverse effect on the Issuer's reputation, financial condition and results of operations.

Moreover, the Issuer 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 Issuer to execute or facilitate financial transactions. Due to its increased interaction with clients, the Issuer is also exposed to the risk of operational malfunction of the latter's information systems. The Group's communications and data systems and those of its clients, service providers and counterparties may also be subject to malfunctions or interruptions by as a result of cyber-crime or cyber-terrorism. The Issuer 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 cyberattack, these malfunctions or interruptions will be adequately resolved.

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

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the Issuer's ability to attract and retain customers. The Issuer's reputation could be harmed if it fails to adequately promote and market its products and services. The Issuer's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Issuer's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, the Issuer's reputation

could be damaged by employee misconduct, fraud or misconduct by market participants to which the Issuer is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action such as the settlement the Issuer entered into in with the U.S. authorities for violations of U.S. laws and regulations regarding economic sanctions. Such risks to reputation have recently increased as a result of the growing use of social networks within the economic sphere. The loss of business that could result from damage to the Issuer's reputation could have an adverse effect on its results of operations and financial position.

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.

The Notes are complex instruments that may not be suitable for certain investors.

The Notes are complex financial instruments and may not be a suitable investment for certain investors. Each potential investor in the Notes should determine the suitability of such investment in light of its own circumstances and have sufficient financial resources and liquidity to bear the risks of an investment in the Notes, including the possibility that the entire amount of the Notes could be lost. A potential investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of cancellation of Interest Amounts or a Trigger Event and the market value of the Notes, and the impact of this investment on the potential investor's overall investment portfolio.

The Notes are deeply subordinated obligations.

The Issuer's obligations under the Notes are unsecured and Deeply Subordinated Obligations of the Issuer and will be subordinated to the present and future *prêts participatifs* granted to the Issuer and all present and future *titres participatifs*, Eligible Subordinated Obligations and Unsubordinated Obligations of the Issuer, as more fully described in Condition 4 (*Status of the Notes*).

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 rights of payment of the Holders of the Notes will be subordinated to the payment in full of the unsubordinated creditors of the Issuer and any other creditors whose claims rank senior to the Notes and, subject to such payment in full, the Holders will be paid in priority to any Issuer Shares. After the complete payment of creditors whose claim ranks senior to the Notes on the judicial liquidation (*liquidation judiciaire*) or other liquidation of the Issuer, the amount payable by the Issuer in respect of the Notes shall be limited to the Prevailing Outstanding Amount and any other amounts payable in respect of the 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 Notes on the liquidation of the Issuer, the obligations of the Issuer in connection with the Notes shall terminate by operation of law. There is a substantial risk that investors in subordinated notes such as the Notes will lose all or some of their investment if the Issuer becomes insolvent.

The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Notes.

The terms and conditions of the Notes (the "**Conditions**") place no restriction on the amount of debt that the Issuer may issue that ranks senior to the Notes, or on the amount of securities it may issue that rank *pari passu* with the Notes. The issue of any such debt or securities may reduce the amount recoverable by Holders upon liquidation of the Issuer and may increase the aggregate amount of distributions on Tier 1 Capital instruments, thereby increasing the risk that Interest Amounts are cancelled if Distributable Amounts are insufficient. See "*—The Issuer may cancel all or some of the interest payments at its discretion for any reason, and will be required to cancel all or some of the interest payments in certain cases.*"

Moreover, the French law known as the "loi Sapin" (*relatif à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) that entered into force on December 11, 2016, has created a new ranking for "senior non preferred notes". Pursuant to this amendment, Article L.613-

30-3 of the French Monetary and Financial Code (*Code monétaire et financier*) provides that debt securities, securities, that are “non structured” debt securities (as defined in Article R.613-28 of the French *Code monétaire et financier*), issued by any French credit institution as from the date of entry into force of the law 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 (such as the Notes) of such credit institution in a judicial liquidation proceeding. Holders of the Notes will be subordinated to the holders of such securities that will be issued by the Issuer as well as to any other holders of securities ranking senior to the Notes in any liquidation proceedings.

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

As the Notes are intended to qualify as Additional Tier 1 Capital instruments under the CRD IV Rules, the Issuer may elect, 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 payments or distributions of the kind referred to in Article 141(2) of the CRD IV or in provisions of the Relevant Rules relating to other limitations on distributions or payments, would cause any Maximum Distributable Amount to be exceeded. Distributions referred to in Article 141(2) of the CRD IV include dividends, payments, distributions and write-up amounts on all Tier 1 instruments (including the Notes and other Additional Tier 1 Capital instruments), and certain bonuses paid to employees. The Maximum Distributable Amount is a complex concept that will apply if, as of the date of this Prospectus, certain capital buffers (and if the new version of the CRR is adopted, leverage buffers) are not maintained, as discussed in more detail below. It is generally equal to a percentage of the current period’s net income, group share, with the percentage depending on the extent to which the relevant ratios are below the buffer levels.
- The Relevant Regulator notifies the Issuer that it has determined, in its sole discretion, that the Interest Amount should be canceled in whole or in part based on its assessment of the financial and solvency situation of the Issuer.

As of December 31, 2018, distributable retained earnings (considered by the Issuer to be equivalent to Distributable Items as used in the Conditions) of the Issuer amounted to €30.5 billion.

The Maximum Distributable Amount is a complex concept, and its determination is subject to some uncertainty. As a result, the Issuer and the Group’s capital and leverage 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. Holders 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 CRD IV or provisions of the Relevant Rules relating to other limitations on distributions or payments. In particular, according to Article 141(2) to (6) of CRD IV, institutions that fail to meet the combined buffer requirement are required to calculate the Maximum Distributable Amount and are prohibited, before the calculation of the Maximum Distributable Amount, from *inter alia* making payments on Additional Tier 1 instruments (such as the Notes). In any event, the Issuer will have discretion as to how the Maximum Distributable Amount will be applied if insufficient to meet all expected distributions and payments and, in this respect, is not obliged to take the interest of the Holders into account.

Moreover, 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. See "*—The Issuer's interests may not be aligned with those of investors in the Notes*".

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

The determination of the Maximum Distributable Amount is particularly complex.

The Maximum Distributable Amount imposes a cap on the Issuer's ability to pay interest on the Notes, and on the Issuer's ability to reinstate the Prevailing Outstanding Amount of the Notes following a Write-Down upon occurrence of a Trigger Event. There are a number of factors that render the application of the Maximum Distributable Amount particularly complex:

- As of the date of this prospectus, it applies when certain capital buffers are not maintained. A "capital buffer" is an amount of capital that a financial institution is required to maintain beyond the minimum amount required by the Relevant Rules. If the institution fails to meet the capital buffer, it becomes subject to restrictions on payments and distributions on shares and other Tier 1 instruments (including Additional Tier 1 instruments such as the Notes), and on the payment of certain bonuses to employees. There are several different buffers, some of which are intended to encourage countercyclical behavior (with extra capital retained when profits are robust), and others of which are intended to provide additional capital cushions for institutions whose failure would result in a significant systemic risk.
- The capital conservation buffer, the institution-specific countercyclical capital buffer and the G-SIB buffer apply on a fully-loaded basis since January 1, 2019. The systemic risk buffer may be applied at any time upon decision of the relevant authorities. As a result, the potential impact of the Maximum Distributable Amount on the Notes may change over time. In addition, if the new version of the CRR is adopted in its current form, institutions will be subject to distribution restrictions applicable in case of breach of the leverage ratio buffer.
- The Issuer will have the discretion to determine how to allocate the Maximum Distributable Amount among the different types of payments contemplated in Article 141(2) of the CRD IV or in provisions of the Relevant Rules relating to other limitations on distributions or payments. 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.

In addition to the "Pillar 1" capital requirements set out in CRD IV, CRD IV contemplates that competent authorities may require additional "Pillar 2" capital to be maintained by an institution relating to elements of risks which are not fully captured by the minimum "own funds" requirements ("**additional own funds**").

requirements”) or to address micro-prudential requirements. The combined buffer requirement applies in addition to “Pillar 1” and “Pillar 2” requirements.

The European Banking Authority (the “EBA”) published guidelines on December 19, 2014 addressed to national supervisors on common procedures and methodologies for the supervisory review and evaluation process (“SREP”) which contained guidelines proposing a common approach to determining the amount and composition of additional own funds requirements and which were implemented with effect from January 1, 2016. These guidelines contemplate that national supervisors should set by January 1, 2019 (or earlier, if they so decide at their discretion) a requirement to cover certain risks with additional own funds which is composed of at least 56% Common Equity Tier 1 capital and at least 75% tier 1 capital and the remainder in tier 2 capital. The guidelines also contemplate that national supervisors should not set additional own funds requirements in respect of risks which are already covered by capital buffer requirements and/or additional micro-prudential requirements.

On December 18, 2015, the EBA issued an opinion which clarified that the Maximum Distributable Amount should be calculated taking into account both “Pillar 1” and “Pillar 2” capital requirements which should be met at all times, as well as the combined buffer requirement.

On July 29, 2016, the EBA and the ECB announced that, when setting the capital requirements applicable to banks as of January 1, 2017 as part of the SREP, a distinction would be made between the “Pillar 2 requirement” (“P2R”) and “Pillar 2 guidance” (“P2G”) and that only P2R would be taken into account for purposes of determining the Maximum Distributable Amount.

Following the SREP performed by the ECB for 2018, the CET1 Ratio that the Group has to respect on a consolidated basis was set at 9.83% as of January 1, 2019, as confirmed by the final notification received from the ECB, of which 1.5% for the G-SIB buffer, 2.5% for the conservation buffer, 0.08% for the countercyclical capital buffer and 1.25% for the P2R (excluding the P2G). The tier 1 capital requirement is thus set at 11.33% and the total capital requirement at 13.33% for 2019, as confirmed by the final notification received from the ECB.

As at December 31, 2018, the pro-forma buffer to Maximum Distributable Amount based on the 2018 SREP (as confirmed by the final notification received from the ECB) is €10.9 billion (based on capital requirements as at January 1, 2019 and €647 billion of risk-weighted assets as at December 31, 2018).

Competent authorities have wide supervisory powers at their disposal in CRD IV and BRRD to take appropriate supervisory measures in a range of circumstances, including when institutions breach capital requirements, including P2R or capital buffers. In particular, if capital requirements are no longer met, CRD IV and BRRD ensure that additional intervention powers are available to competent authorities (these additional measures may also be taken by competent authorities prior to a failure to meet minimum requirements). These include: withdrawal of authorization, early intervention measures, and resolution actions.

The EBA has indicated that, while P2G is not a legal minimum and does not impact the threshold for the Maximum Distributable Amount, banks are expected to follow guidance in normal circumstances except when explicitly agreed, for example in severe adverse economic conditions, and that competent authorities have remedial tools if an institution refuses to follow such guidance. The ECB has clarified that if a bank breaches P2G, this will not result in automatic action by the supervisor but instead that a breach of P2G will be used to fine-tune remedial measures based on the individual situation of the bank.

There can be no assurance as to the applicable future P2R or P2G (which may change from time to time), as to the manner in which P2R or P2G may be disclosed publicly in the future, as to whether such requirement or guidance will remain constant or as to the nature of the supervisory actions or remedial measures that may be taken in case of breach of P2R or P2G.

In addition, any increase in applicable capital requirements, for instance as a result of the imposition by supervisors of additional capital requirements (due to stricter legislation, any imposition or increase of capital buffers or any increase in the P2R applicable to the Issuer) increases the likelihood of a failure by the Issuer to meet the combined buffer requirement and therefore 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 the Maximum Distributable Amount. The implementation of Article 141(2) of CRD IV in France or any other similar provision of the Relevant Rules, including its

inter-relationship with the minimum and additional capital requirements, buffers and macro-prudential tools (including the calculation of the Maximum Distributable Amount), remains uncertain in many respects. Such uncertainty can be expected to continue while the relevant authorities in the European Union and France continue to develop their approach to the application of the relevant rules.

Furthermore, the new versions of the BRRD and the CRR introduce a requirement for MREL/TLAC to be taken into account in the calculation of the Maximum Distributable Amount (in addition to “Pillar 1”, P2R and the combined buffer requirement), subject to a nine-month grace period in case of inability to issue eligible debt, during which restrictions relating to Maximum Distributable Amounts would not be triggered, but authorities would be able to take other appropriate measures. The introduction of such additional requirements could impact the Issuer’s ability to meet the combined buffer requirement, which in turn, might impact its ability to make payments on the Notes (which could affect the market value of the Notes).

These issues and other possible issues of interpretation make it difficult to determine how the Maximum Distributable Amount will apply as a practical matter to limit interest payments on the Notes and the reinstatement of the Prevailing Outstanding Amount of the Notes following a Write-Down. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

The principal amount of the Notes may be reduced to absorb losses.

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

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

The Prevailing Outstanding Amount of the Notes may also be subject to write-down or conversion to equity in certain circumstances under the European Bank Recovery and Resolution Directive, as transposed into French law. See “—*The Notes may be subject to 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.*” It is not certain how the contractual write-down mechanism (and the related provisions on return to financial health) contemplated in the Conditions would interact with the statutory write-down and conversion mechanisms contemplated under the recovery and resolution regime, if both mechanisms were triggered (particularly if the contractual mechanisms in the Conditions were triggered first).

The Notes may be subject to 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.

Pursuant to the BRRD, as transposed into French law by a decree-law dated August 20, 2015, 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. If the institution is placed in resolution, resolution authorities have the power *inter alia* to ensure that capital instruments (including Additional Tier 1 Instruments such as the Notes) and eligible liabilities, absorb losses of the issuing institution, through the write-down or conversion to equity of such instruments (the “**Bail-In Tool**”). In addition, the BRRD provides that the resolution authorities must exercise the write-down of capital instruments or the conversion into Common Equity Tier 1 instruments of Additional Tier 1 Instruments (such as the Notes) and tier 2 instruments if the institution has not yet been placed in resolution but any of the following conditions are met: (i) where the determination has been made that conditions for resolution have been met, before any resolution action is taken, (ii) the appropriate authority determines that unless that power is exercised in relation to the relevant capital instruments, the institution or the group will no longer be viable or (iii) extraordinary public financial support is required by the institution. The Conditions contain provisions giving effect to the Bail-In Tool and the write-down or conversion of capital instruments outside the placement in resolution. See Condition 18 (*Statutory Write-down or Conversion*).

As a result, the Bail-In Tool or the above provisions may provide for additional circumstances, beyond those contemplated in the Conditions, in which the Notes might be written-down (or converted to equity at a time when the Issuer’s share price is likely to be significantly depressed).

The use of the Bail-In Tool and/or the write-down or conversion of capital instruments outside the placement in resolution could result in the full or partial write-down or conversion to equity of the Notes, or in a variation of the terms of the Notes which may result in Holders losing some or all of their investment. The exercise of any power under the BRRD as applied to the Issuer or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders, 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 market value of the Notes to decline more rapidly than would be the case in the absence of such tools.

On November 23, 2016, the European Commission issued several legislative proposals (the latest versions of which were published by the EU Presidency in February 2019) proposing to amend a number of key EU banking directives and regulations, including CRD IV, CRR, BRRD and the Single Resolution Mechanism. If adopted, these legislative proposals would, among other things, give effect to the FSB TLAC Term Sheet and modify the requirements applicable to the “minimum requirement for own funds and eligible liabilities” (“**MREL**”). They would also introduce a moratorium tool, i.e. the power to temporarily suspend payments or the entry into or performance of obligations, outside of insolvency or resolution proceedings. The implementation of the current texts and the new proposals, and their application to the Issuer or the taking of any action thereunder is currently uncertain and could materially affect the activity and financial condition of the Issuer and the value of the Notes. It is not yet possible to assess the full impact of the BRRD (and the French law provisions implementing the BRRD) as well as of the new proposals on the Issuer and there can be no assurance that their implementation or the taking of any actions currently contemplated in it will not adversely affect the rights of the Holders, the price or value of their investment in the Notes and/or the ability of the Issuer to fully and timely satisfy its obligations under the Notes.

In addition to these powers, the BRRD provides the resolution authorities with broader powers to implement other resolution measures, which may include, among other things, the 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, 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. If the Issuer’s financial condition deteriorates, or is perceived to deteriorate, the existence of these powers could cause the market value of the Notes to decline more rapidly than would be the case in the absence of such powers.

Finally, Holders may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant resolution authority to exercise its resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise.

For further information about the BRRD and related French legislation, see “*Government Supervision and Regulation of Credit Institutions in France.*”

The calculation of the Group CET1 Ratio will be affected by a number of factors, many of which may be outside the Issuer’s control and the Holders will bear the risk of changes in the Group CET1 Ratio.

The occurrence of a Trigger Event, and therefore a write-down of the Prevailing Outstanding Amount of the Notes, is inherently unpredictable and depends on a number of factors, many of which may be outside the Issuer’s control. Although the Issuer currently publicly reports the fully-loaded Group CET1 Ratio only as of each quarterly period end, a Trigger Event will occur if, at any time, the Issuer determines that the Group CET1 Ratio is less than 5.125 per cent. The Issuer currently only publicly reports the Group CET1 Ratio quarterly as of the period end, and therefore, during the quarterly period, there is no published updating of the Group CET1 Ratio and there may be no prior warning of adverse changes in the Group CET1 Ratio. Because the Relevant Regulator may require the Group CET1 Ratio to be calculated as of any date, a Trigger Event could occur at any time. The calculation of the Group CET1 Ratio 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 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).

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Prevailing Outstanding Amount of the Notes may be written down. Accordingly, the trading behavior of the Notes may not necessarily follow the trading behavior of other types of subordinated securities. Any indication that the Group CET1 Ratio is approaching the level that would trigger a Trigger Event (whether actual or perceived) may have an adverse effect on the market 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.

The Issuer’s interests may not be aligned with those of investors in the Notes.

The Group CET1 Ratio, Distributable Items and any Maximum Distributable Amount will depend in part on decisions made by the Issuer and other entities in the Group relating to their businesses and operations, as well as the management of their capital position. The Issuer and other entities in the Group will have no obligation to consider the interests of Holders in connection with their strategic decisions, including in respect of capital management and the relationship among the various entities in the Group and the Group’s structure. The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that 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. Holders 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 Holders to lose the amount of their investment in the Notes.

The Issuer may not realize objectives related to its capital structure.

The Issuer has announced certain objectives relating to the Group CET1 Ratio and its total capital ratio. See “*Regulatory Capital Ratios.*” These objectives are forward looking statements that are based on a

number of assumptions, many of which concern matters that are uncertain, including the future net income of the Group, market conditions and assumptions about risk-weighted assets. Any of these assumptions could prove incorrect, and the actual results of the Issuer may vary for a number of reasons, including the materialization of one or more of the risk factors described under “—*Risks Relating to the Issuer and its Operations*”. If the Issuer fails to realize these objectives, it could have an adverse effect on the trading price of the Notes or the financial condition of the Issuer. It also increases the likelihood of a failure by the Issuer to meet the combined buffer requirement and therefore 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 the Maximum Distributable Amount. See “—*The Issuer may cancel all or some of the interest payments at its discretion for any reason, and will be required to cancel all or some of the interest payments in certain cases.*”

The Notes are undated securities with no specified maturity date.

The Notes are undated securities with no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Notes at any time (and, in any event, subject to the prior approval of the Relevant Regulator). The Holders 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.

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

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

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

The Issuer considers the Notes to be debt for French tax purposes based on their characteristics and accounting treatment and therefore expects that interest payments under the Notes will be fully deductible by the Issuer and exempt from withholding tax if they are not held by shareholders of the Issuer and remain admitted to a recognized clearing system. Recently, the European commission took the position that the tax deductibility of interest on certain hybrid regulatory capital instruments issued by banks in the Netherlands raises State aid concerns and could therefore be incompatible with European law, because it was available only for instruments issued by banks and insurance companies, and not by other Dutch companies. The Dutch Finance law for 2019 abolished such tax deductibility as a consequence of the European Commission position. In contrast to the situation in the Netherlands, the deductibility in France of interest on Additional Tier 1 instruments (such as the Notes) does not present the same discriminatory characteristics, as it is based on common French legal, accounting and tax law principles rather than legislation specific to banks and insurance companies, and tax deductions on similar instruments are recorded by French companies that are neither banks nor insurance companies. The Issuer is not aware of any proposal to specifically limit the deductibility of interest on Additional Tier 1 instruments in France. The consequences of this development, however, are not foreseeable. The Notes may be subject to early redemption if interest ceases to be fully deductible or withholding taxes were to apply as a result of the French tax authorities taking a different position or a change in French law or regulations or in their application or interpretation by the French tax authorities.

An optional redemption feature may limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value 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.

The Issuer may be expected to redeem the Notes when its cost of borrowing 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.

The Notes do not provide for any events of default.

In no event will Holders of the Notes be able to accelerate the maturity of their Notes, which shall be due only in the event of the Issuer's liquidation. Accordingly, in the event that any payment on the Notes is not made when due, including the payment of any interest, the Holders will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Holders 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.

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

Following the occurrence of a Special Event (i.e., a Tax Event, an Alignment 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 its option, and without the consent or approval of the Holders which may otherwise be required under the Conditions, elect either (i) to substitute all (but not some only) of the Notes or (ii) modify the terms of all (but not some only) of such Notes, so that they become or remain Compliant Securities. Compliant Securities are securities issued directly or indirectly by the Issuer that have terms not materially less favorable to the Holders than the terms of the relevant Notes. See Condition 7.5 (*Substitution/Variation*).

The terms of the Notes include a waiver of any set-off rights.

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 Note 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.

LIBOR reforms may impact the calculation of the 5-Year Mid-Swap Rate and may adversely affect the value of and return on the Notes.

The 5-Year Mid-Swap Rate used to calculate the Reset Rate of Interest on the First Call Date and each Reset Date is currently linked to the London Interbank Offered Rate ("**LIBOR**"). Accordingly, changes in the method by which LIBOR is calculated or the discontinuation of LIBOR may impact the value of and return on the Notes.

LIBOR is subject to ongoing national and international regulatory reforms. Some of these reforms are already effective while others are still to be implemented. Following the implementation of any such reforms, the manner of the administration or determination of LIBOR may change with the result that it may perform differently than in the past, or its calculation method may be revised, or it could be eliminated entirely.

In June 2016, the European Union adopted a Regulation (the "**Benchmark Regulation**") on indices (such as LIBOR) used in the European Union as benchmarks in financial contracts. The Benchmark Regulation entered into force on June 20, 2016 with the majority of its provisions applying from January 1, 2018. It provides that administrators of benchmarks in the European Union (such as ICE Benchmark Administration Limited which currently administers LIBOR) must comply with a code of conduct designed primarily to ensure reliability of input data, governing issues such as conflicts of interest, internal controls and benchmark methodologies. The Benchmark Regulation could have a material impact on the Notes, in particular, if the terms of LIBOR are changed in order to comply with the requirements of the Benchmark Regulation.

Benchmark administrators in the United Kingdom will be required to comply with the Benchmark Regulation so long as the United Kingdom remains part of the European Union (and possibly thereafter, depending on the terms of withdrawal), and will also be required to comply with U.K. national requirements. U.K. national requirements may have a particularly significant impact on the calculation of LIBOR (or whether LIBOR continues to exist as a benchmark). On July 27, 2017, the Financial

Conduct Authority (the “FCA”) announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. The FCA announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

It is not possible to predict the effect of any reforms to LIBOR or whether LIBOR will in fact be discontinued after 2021. Changes in the methods pursuant to which LIBOR is determined, or the announcement that it will be replaced with a successor or alternative rate, could result in a sudden or prolonged increase or decrease in the reported values of LIBOR or its successor or alternative rate, increased volatility or other effects. If this were to occur, the Reset Rate of Interest on and the trading value of the Notes could be adversely affected.

If the 5-Year Mid-Swap Rate is discontinued, the reset of the interest rate on the Notes will be changed in ways that may be adverse to holders of such Notes, without any requirement that the consent of such holders be obtained.

Pursuant to the Conditions, if the Issuer or the Calculation Agent determines at any time that the Screen Page 5-Year Mid-Swap Rate has been discontinued or if the Calculation Agent has been notified in writing by the Issuer that the administrator of the 5-Year Mid-Swap Rate or the supervisor of the 5-Year Mid-Swap Rate has made a public statement that, on a specified date within the next 6 months, the 5-Year Mid-Swap Rate will be discontinued, prohibited from being used or that its use will be subject to restrictions or adverse consequences, the Calculation Agent will use, as a substitute for the Screen Page 5-Year Mid-Swap Rate, the alternative rate to the Screen Page 5-Year Mid-Swap Rate selected by the central bank, reserve bank, monetary authority or any similar institution in New York that is consistent with industry accepted standards which has been identified to it by the Issuer, provided that if the Issuer is unable to determine such an alternative, the Issuer will appoint a 5-Year Mid-Swap Rate Determination Agent (which may be the Issuer, an affiliate of the Issuer, a leading bank in New York or such other entity that the Issuer in its sole and absolute discretion determines to be competent to carry out such role) who will determine a Replacement 5-Year Mid-Swap Rate, as well as (after consultation of the Issuer) any necessary changes to the business day convention, the definition of business day, the Reset Rate of Interest Determination Date, the day count fraction and any method for calculating the Replacement 5-Year Mid-Swap Rate, including any adjustment factor needed to make such Replacement 5-Year Mid-Swap Rate comparable to the Screen Page 5-Year Mid-Swap Rate. Such Replacement 5-Year Mid-Swap Rate will (in the absence of manifest error) be final and binding, and will apply to the Notes without any requirement that the Issuer obtain consent of any Noteholders.

The Replacement 5-Year Mid-Swap Rate, which may have no or very limited trading history, may perform differently from the discontinued Screen Page 5-Year Mid-Swap Rate. For example, there are currently proposals to replace LIBOR (to which the Screen Page 5-Year Mid-Swap Rate is linked and which generally has a term of one, three or six months) with the secured overnight funding rate (“SOFR”) which does not reflect the implicit credit risk of the banking sector, while LIBOR is a term rate that reflects banking sector credit risk. Accordingly, an adjustment factor will be needed to account for the basis difference between SOFR (or any successor rate) and LIBOR. There is no market-accepted adjustment factor as of the date of this prospectus. Similarly, proposals have been made to use a rate on highly rated government obligations to replace LIBOR, which is currently based on interbank lending rates and carries an implicit element of credit risk of the banking sector. These and other changes could significantly affect the performance of LIBOR and the Screen Page 5-Year Mid-Swap Rate compared to their historical and expected performances. This could in turn impact the Reset Rate of Interest on and trading value of the Notes. There can be no assurance that any adjustment factor applied to the Notes will produce the same result as would the continued use of LIBOR.

If the Issuer or the 5-Year Mid-Swap Rate Determination Agent is unable to determine an appropriate Replacement 5-Year Mid-Swap Rate for the Screen Page 5-Year Mid-Swap Rate, then the Reset Rate of Interest on the Notes for the relevant Reset Interest Period will be determined based on the last Screen Page 5-Year Mid-Swap Rate available on the Screen Page as determined by the Calculation Agent. The Conditions also provide for a fallback that involves consulting Reset Reference Banks for 5-Year Mid-Swap Rate Quotations which may prove to be unworkable if the Reset Reference Banks decline to provide such quotations for a sustained period of time (or at all), in which case the Reset Rate of Interest on the Notes for the relevant Reset Interest Period will also be determined based on the last Screen Page 5-Year Mid-Swap Rate available on the Screen Page as determined by the Calculation Agent. This would practically eliminate the reset of the interest rate thereafter with the Notes perpetually maintaining the same rate of interest and effectively being converted to fixed rate

instruments. For the avoidance of doubt, the Issuer may also redeem the then outstanding Notes on each of the Reset Dates.

Even if the Issuer or the 5-Year Mid-Swap Rate Determination Agent is able to determine an appropriate Replacement 5-Year Mid-Swap Rate, if the replacement of the Screen Page 5-Year Mid-Swap Rate with the Replacement 5-Year Mid-Swap Rate would prevent the aggregate outstanding nominal amount of the Notes from qualifying as Additional Tier 1 Capital, the Issuer may decide not to change the rate of interest but instead to fix such rate of interest on the basis of the last available Screen Page 5-Year Mid-Swap Rate. This could occur if, for example, the switch to the Replacement 5-Year Mid-Swap Rate would create an incentive to redeem the Notes that would be inconsistent with the requirements necessary to maintain the Additional Tier 1 Capital status of the Notes. This mechanism would result in the Notes being effectively converted to fixed rate instruments.

If, under any of the scenarios described above, the Notes are effectively converted to fixed rate instruments, investors holding Notes that have effectively become fixed rate instruments might incur costs from unwinding hedges. Moreover, in a rising interest rate environment, holders of such Notes will not benefit from any increase in rates. The trading value of the Notes could as a consequence be adversely affected.

It is possible that, if the 5-Year Mid-Swap Rate is discontinued, it will take some time before a clear successor rate is established in the market. Accordingly, the Conditions of the Notes provide as an ultimate fallback that, if the Issuer or the 5-Year Mid-Swap Rate Determination Agent appointed by the Issuer, as applicable, considers that a Replacement 5-Year Mid-Swap Rate that it has chosen is no longer substantially comparable to the Screen Page 5-Year Mid-Swap Rate or does not constitute an industry accepted successor rate, the Issuer will appoint or re-appoint a 5-Year Mid-Swap Rate Determination Agent (which may or may not be the same entity as the original 5-Year Mid-Swap Rate Determination Agent) for the purposes of confirming the Replacement 5-Year Mid-Swap Rate or determining a substitute Replacement 5-Year Mid-Swap Rate (despite the continued existence of the initial Replacement 5-Year Mid-Swap Rate). Any such substitute Replacement 5-Year Mid-Swap Rate, once designated pursuant to the Conditions, will apply to the Notes without the consent of their holders. This could impact the Reset Rate of Interest on and trading value of the Notes. In addition, any holders of the Notes that enter into hedging instruments based on the original Replacement 5-Year Mid-Swap Rate may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the new Replacement 5-Year Mid-Swap Rate.

Return on the Notes may be limited or delayed by the insolvency of the Issuer.

Your return may be limited or delayed if the Issuer were to become insolvent and/or were subject to a *mandat ad hoc* procedure, conciliation procedure (*procédure de conciliation*), safeguard procedure (*procédure de sauvegarde*), accelerated safeguard procedure (*procédure de sauvegarde accélérée*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), judicial reorganization (*redressement judiciaire*) or a liquidation procedure (*liquidation judiciaire*).

Application of French insolvency law could affect the Issuer's ability to make payments on the Notes and French insolvency laws may not be as favorable to you as the insolvency laws of the United States and other countries. Under French insolvency law holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard procedure, an accelerated safeguard procedure, an accelerated financial safeguard procedure or a judicial reorganization procedure is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance program (such as a medium term note program) and regardless of their ranking and their governing law.

The Assembly deliberates on any proposed safeguard plan, proposed accelerated safeguard plan, proposed accelerated financial safeguard plan or proposed judicial reorganization plan applicable to the Issuer and may further agree to:

- Partially or totally reschedule payments which are due and/or write-off debts and/or convert debts into equity (including with respect to amounts owed under the Notes); and/or

- Establish an unequal treatment between holders of debt securities (including the Holders) as appropriate under the circumstances.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the amount of debt securities held by the holders attending such Assembly or represented thereat who have cast a vote at such Assembly). No quorum is required to hold the Assembly.

The receiver (*administrateur judiciaire*) is allowed to take into account the existence of voting or subordination agreements entered into by a holder of notes, or the existence or an arrangement providing that a third party will pay the holder's claims, in full or in part, in order to reduce such holder's voting rights within the Assembly. The receiver must disclose the method to compute such voting rights and the interested holder may dispute such computation before the president of the competent commercial court. These provisions could apply to a Holder who has entered into a hedging arrangement in relation to the Notes.

For the avoidance of doubt, the provisions relating to the Meetings of Noteholders set out in Condition 14 (*Meetings of Noteholders, Modification, Supplemental Agreements*) of the Conditions will not be applicable in these circumstances.

Specific provisions related to insolvency proceedings for credit institutions are described in the section entitled "*Government Supervision and Regulation of Credit Institutions in France*." In particular, the ACPR must approve in advance the opening of any safeguard, judicial reorganization or liquidation procedure.

Please refer to the risk factor "*—The Notes may be subject to write-down, variation (including to zero), suspension or conversion to equity either in the context of, or outside of, a resolution procedure applicable to the Issuer*" and the section entitled "*Government Supervision and Regulation of Credit Institutions in France*" for a description of resolution measures including, critically, the bail-in, which can be implemented under the French banking reform and the BRRD.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by banks is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other industrialized countries and areas. There can be no assurance that events in France, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

There will be no prior market for the Notes.

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 Holders 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 listed on Euronext Paris. There is no obligation on the part of any party to make a market in the Notes.

Moreover, although pursuant to Condition 7.6 (*Purchase*) the Issuer can purchase Notes at any time (subject to regulatory approval), the Issuer is not obligated to do so. Purchases made by the Issuer could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can sell these Notes on the secondary market.

The Notes are expected to be rated as non-investment grade securities by certain rating agencies and will be subject to the risks associated with non-investment grade securities.

The Notes, upon issue, are expected to be rated as non-investment grade securities by certain rating agencies, and as such may be subject to a higher risk of price volatility than higher-rated securities. The trading prices of securities rated below investment grade are often more sensitive to adverse Issuer, political, regulatory, market and economic developments, and may be more difficult to sell, than higher-rated securities. In addition, the ratings assigned to the Notes are subject to future changes in rating agency methodologies. If any rating assigned to the Notes and/or the Issuer is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Notes may be reduced.

A credit rating reduction may result in a reduction in the trading value of the Notes.

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuer by standard statistical rating services, such as Moody's, Standard & Poor's and Fitch France. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these or other rating agencies could result in a reduction in the trading value of the Notes.

The credit rating assigned to the Notes may be reduced or withdrawn.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time. In particular, such suspension, reduction or withdrawal may result from a change in the rating methodology of the assigning rating agency. Such event could adversely affect the liquidity or market value of the Notes.

Credit ratings assigned to the Issuer or the Notes may not reflect all the risks associated with an investment in the Notes.

Ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies. Changes in credit rating agencies' views of the level of implicit sovereign support for European banks and their groups are likely to lead to ratings downgrades.

Upon issuance, it is expected that the Notes will be rated by credit rating agencies and may in the future be rated by additional credit rating agencies, although the Issuer is under no obligation to ensure that the Notes are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these risk factors and other factors that may affect the liquidity or market value of the Notes.

If credit rating agencies perceive there to be adverse changes in the factors affecting the Issuer's credit rating, including by virtue of change to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to the Issuer and/or its securities. In particular, Moody's, Standard & Poor's and Fitch each recently published revised methodologies applicable to bank ratings (including the Issuer) which resulted in credit rating actions being taken on the Issuer's ratings. Further revisions to ratings methodologies and actions on the Issuer's ratings by the credit rating agencies may occur in the future.

The Conditions of the Notes contain no negative pledge or covenants.

There is no negative pledge in respect of the Notes. 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, investors in the Notes 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.

Potential Conflicts.

BNP Paribas Securities Corp., the Sole Bookrunner and Global Coordinator in this offering, is a subsidiary of the Issuer. The 5-Year Mid-Swap Rate Determination Agent, if appointed, may also be the Issuer or an affiliate of the Issuer. The economic interests of the Sole Bookrunner and Global Coordinator and of the 5-Year Mid-Swap Rate Determination Agent are potentially adverse to your interests as an investor in the Notes.

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

On February 14, 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”). However, Estonia has since stated that it will not participate. The Commission’s Proposal has very broad scope and would, if adopted in its current form, subject certain transactions in securities such as the Notes to a financial transaction tax (the “**FTT**”) of, generally, at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

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.

The FTT proposal is still under discussion and remains subject to negotiation between the Participating Member States (excluding Estonia). 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 Participating Member States (excluding Estonia) may decide to withdraw. Prospective holders of Notes are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

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

The U.S. federal income tax treatment of a write-down or reinstatement of the Notes is uncertain.

No statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of a write-down of the Notes, including the effect of the potential for a future reinstatement of the Notes. Among other matters, there is no authority addressing whether you would be entitled to a deduction for loss at the time of a write-down. You may, for example, be required to wait to take a deduction until it is certain that no reinstatement can occur, or until there is an actual or deemed sale, exchange or other taxable disposition of the Notes. It is also possible that, if you take a deduction at the time of a write-down, you may be required to recognize gain at the time of a future reinstatement. See “*U.S. Federal Income Tax Considerations Relating to the Notes—U.S. Holders—Write-Down or Reinstatement of the Notes*”. We urge you to consult your tax advisers to determine the U.S. federal income tax consequences of a write-down or reinstatement of the Notes.

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. dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or the U.S. dollar may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the 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 market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

Investors located in the United States may encounter difficulties in enforcing their rights under the US 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 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.

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

The following table¹ 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 December 31, 2018 and September 30, 2018 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 December 31, 2018.

For the avoidance of doubt, the figures in the table below are derived from the Group's financial statements (i.e., they do not take into account prudential deductions) and are used for the purposes of the Group's prudential capital calculations.

<i>(in millions of euros)</i>	As of <u>December 31,</u> <u>2018</u>	As of <u>September 30,</u> <u>2018</u> <i>(unaudited)</i>
Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)²		
<i>Senior preferred debt at fair value through profit or loss</i>	37,516	38,082
<i>Senior preferred debt at amortized cost.....</i>	48,223	47,965
Total Senior Preferred Debt	85,739	86,047
<i>Senior non preferred debt at amortized cost.....</i>	23,549	22,468
Total Senior Non Preferred Debt	23,549	22,468
<i>Redeemable subordinated debt at amortized cost</i>	14,929	13,825
<i>Undated subordinated notes at amortized cost³.....</i>	516	513
<i>Undated participating subordinated notes at amortized cost⁴....</i>	225	225
<i>Redeemable subordinated debt at fair value through profit or loss.....</i>	118	119
<i>Perpetual subordinated notes at fair value through profit or loss^{5,6}</i>	669	669
<i>Preferred shares and equivalent instruments⁷</i>	8,240	8,227
Total Subordinated Debt	24,697	23,577
<i>Issued capital⁸</i>	2,500	2,500
<i>Additional paid-in capital</i>	24,537	24,581
<i>Retained earnings</i>	61,928	61,558
<i>Unrealized or deferred gains and losses attributable to Shareholders.....</i>	503	118
Total Shareholders' Equity and Equivalents (net of proposed dividends)	89,468	88,757
<i>Minority interests (net of proposed dividends)</i>	4,049	3,987
Total Capitalization and Medium-to-Long Term Indebtedness.....	227,502	224,837

Notes:

(1) The Group has previously presented its consolidated capitalization and medium-to-long term indebtedness using the accounting scope of consolidation. The capitalization table is presented using the prudential scope of consolidation as from September 30, 2018. As stated in Section 5.2 of the Group's Registration Document, the

material differences between the prudential scope of consolidation and the accounting scope of consolidation are the following:

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

(2) All medium- and long-term senior preferred debt of 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 private placements in France and abroad.

Euro against foreign currency as at December 31, 2016, CAD = 1.415, GBP = 0.855, CHF = 1.072, HKD = 8.170, JPY = 122.984, USD = 1.053.

Euro against foreign currency as at December 31, 2017, CAD = 1.506, GBP = 0.889, CHF = 1.171, HKD = 9.387, JPY = 135.303, USD = 1.201.

Euro against foreign currency as at December 31, 2018, CAD = 1,563, GBP = 0,898 , CHF = 1,126 , HKD = 8,972, JPY = 125,594 , USD = 1,146.

(3) At December 31, 2018, the remaining subordinated debt included €493 million of undated floating-rate subordinated notes (TSDIs).

(4) Undated participating subordinated notes issued by BNP SA in July 1984 for a total amount of €337 million are redeemable only in the event of the liquidation of 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 December 31, 2018 was 1,434,092 amounting to approximately €215 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 December 31, 2018, there were 28,698 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.

(5) Subordinated debt corresponds to an issue of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) made by Fortis Bank SA/NV (now acting in Belgium under the commercial name BNP Paribas Fortis) in December 2007, for an initial nominal amount of €3 billion, which has now been reduced to an outstanding nominal amount of €948 million corresponding to a market value of €669 million at December 31, 2018. They bear interest at a floating rate equal to three-month EURIBOR plus a margin equal to 2% paid quarterly in arrears. The CASHES are undated but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price per Ageas share of €239.40. However, as of 19 December 2014, the CASHES are subject to automatic exchange into Ageas shares if the price of Ageas shares is equal to or higher than €359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.

On 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.

As at December 31, 2018, the subordinated liability is eligible to Tier 1 capital for €205 million (considering both the transitional period and the cancellation of the aforementioned agreement).

(6) Carrying amount of the CASHES, of which the amount eligible for Tier 1 treatment was 205 M€ as of December 31, 2017 and 205 M€ as of December 31, 2018.

(7) 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.

(8) At December 31, 2018, the Issuer's share capital stood at €2,499,597,122 divided into 1,249,798,561 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.

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 (the “**CRD IV**”) and Regulation (EU) No. 575/2013 of June 26, 2013 (the “**CRR**”), which together with implementing acts and regulations constitute the corpus of texts known as the “**CRD IV 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, as from 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, consists of CET1; this buffer became applicable as from January 1, 2016 and increased gradually to become 2.5% as from January 1, 2019.
- a buffer for global systemically important banks (“**G-SIBs**”), which aims to reduce the risk of failure of major institutions, also consists of CET1; this buffer became applicable as from January 1, 2016 and was at 1.5% for the Group as of 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, consists of CET1; this buffer is at 0.08% as of January 1, 2019.

In addition, the Group may become required to comply with other capital buffers such as the systemic risk buffer. The systemic risk buffer is not applicable at this stage.

Between January 1, 2014 and January 1, 2019 (the “**Phase-in Period**”), the capital requirements gradually increased, as shown in the table below.

	2014	2015	2016	2017	2018	As from 2019
Minimum “Pillar 1” requirements						
CET1	4.0%	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%
Total capital (Tier 1 + Tier 2)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Additional CET1 requirements ^(*)						
Capital conservation buffer			0.625%	1.250%	1.875%	2.5%
Countercyclical capital buffer					0.03%	0.08%
G-SIBs buffer applicable to BNP Paribas			0.5%	1.0%	1.5%	1.5%

^(*) Note: No requirement yet fixed for the systemic risk buffer.

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

“Pillar 2” Requirement

Following the Supervisory Review and Evaluation Process performed by the ECB for 2018, the Group CET1 Ratio that the Group must respect was set at 9.83% as of January 1, 2019, as confirmed by the final notification received from the ECB, of which 1.5% for the G-SIB buffer, 2.5% for the conservation buffer, 0.08% for the countercyclical capital buffer, and 1.25% for the “Pillar 2” requirement (“P2R”) (excluding the “Pillar 2” guidance (“P2G”). The tier 1 capital requirement is thus set at 11.33% and the total capital requirement at 13.33% for 2019, as confirmed by the final notification received from the ECB.

The main regulatory capital ratios of the BNP Paribas Group are presented below on a “phased-in” basis and on a “fully-loaded” basis. The “phased-in” ratios are determined on the basis of certain transitional rules that applied over time in respect notably of the treatment of certain minority interests, certain deferred tax assets and interests in entities in the financial sector. The “phased-in” ratios are used to determine regulatory compliance during the Phase-in Period. The “fully-loaded” ratios are calculated as if the CRD IV Rules applicable as from 2019 were fully implemented as of the date of calculation of the relevant ratio.

This section should be read together with the BNPP 2018 Registration Document 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.”

	01.01.18 (SREP 2017)	01.01.19 (SREP 2018*)
Minimum requirement (“Pillar 1”)		
CET1	4.5%	4.5%
Tier 1 (CET1 + AT1)	6.0%	6.0%
Total capital (Tier 1 + Tier 2)	8.0%	8.0%
Additional CET1 requirement (*)		
Capital conservation buffer	1.875%	2.50%
G-SIBs buffer applicable to BNP Paribas	1.5%	1.5%
Countercyclical capital buffer	0.03%	0.08%
“Pillar 2” Requirement	1.25%	1.25%
Total requirement		
CET1	9.155%	9.83%
Tier 1 (CET1 + AT1)	10.655%	11.33%
Total capital (Tier 1 + Tier 2)	12.655%	13.33%

(*) Note: Excluding “Pillar 2” guidance

* The “Pillar 2” requirement included in the SREP for 2019 has been confirmed by the final notification received from the ECB.

Capital Adequacy Ratios

The table below shows the Group’s main regulatory capital ratios on a phased-in and fully-loaded basis as of December 31, 2017, January 1, 2018 (restated as noted below) and December 31, 2018.

<i>In billions of euros</i>	Basel 3 (phased-in)		
	December 31, 2017	January 1, 2018*	December 31, 2018
Common Equity Tier 1 (CET1) Capital	76.1	74.5	76.2
Tier 1 Capital	84.4	82.7	84.9
Total Capital	94.7	93.3	97.2
Risk-Weighted Assets	640.6	634.7	647.0
Ratios			
Common Equity Tier 1 (CET1) Capital	11.9%	11,7%	11.8%
Tier 1 Capital	13.2%	13.0%	13.1%
Total Capital	14.8%	14.7%	15.0%
Basel 3 (fully-loaded)			
Common Equity Tier 1 (CET1) Capital	75.7	73.9	76.1
Tier 1 Capital	83.8	81.9	84.8
Total Capital	94.0	92.5	97.1
Risk-Weighted Assets	642.1	634.7	647.0
Ratio			
Common Equity Tier 1 (CET1) Capital	11.8%	11.6%	11.8%
Tier 1 Capital	13.0%	12.9%	13.1%
Total Capital	14.6%	14.6%	15.0%

* Restated to give effect to the adoption of IFRS 9 and the deduction of the irrevocable payment commitments related to the Single Resolution Fund and the Deposit Guarantee Scheme. For further information, see Chapter 5.1 of the BNPP 2018 Registration Document, incorporated by reference herein.

As shown in the above table, as of December 31, 2018, with a Group CET1 Ratio, Tier 1 capital ratio and total capital ratio of respectively 11.8%, 13.1% and 15.0% on a fully-loaded basis, the Group largely complies with the capital requirements that are applicable as of January 1, 2019 (i.e., respectively 9.83%, 11.33% and 13.33%). The fully-loaded Group CET1 Ratio of 11.8% represents €76.1 billion and thus is €43.0 billion above the 5.125% Group CET1 Ratio that is the Trigger Level for a Trigger Event. The total capital ratio at December 31, 2018 includes 1.3% and 1.9%, respectively, of Additional Tier 1 and Tier 2 instruments.

The Group is targeting to have in 2020 a Group CET1 Ratio and a total capital ratio, each on a fully-loaded Basel 3 basis, of at least 12% and 15%, respectively; Additional Tier 1 and Tier 2 instruments would constitute approximately 3% of the latter.

In addition, the Group's TLAC ratio stood at 21% as at December 31, 2018 versus a requirement (including the conservation buffer and G-SIB buffer) of 20% at such date. It consisted of the total capital of 15%, 2.5% of preferred senior debt and 3.6% of non preferred senior debt.

GOVERNMENT SUPERVISION AND REGULATION OF CREDIT INSTITUTIONS IN FRANCE

The French Banking System

The French banking system consists primarily of privately-owned banks and financial institutions, as well as a number of state-owned banks and financial institutions, all of which are subject to the same banking laws and regulations generally.

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 competent EU and French authorities, set forth the conditions under which credit institutions, including banks, may operate. The French Monetary and Financial Code 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 framework of the single supervisory mechanism adopted by the European Union in 2013 (the “**Single Supervisory Mechanism**”) with respect to credit institutions established in the Euro-zone or non-Euro-zone countries electing to participate in the Single Supervisory Mechanism.

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 authorize credit institutions and to withdraw authorization of credit institutions;
- (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, securitisation, 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 the management process, 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 credit institutions or group does not meet or is likely to breach the applicable prudential requirements including structural changes required to prevent financial stress or failure but excluding however resolution measures.

With respect to institutions deemed “less significant”, the ECB has exclusive powers to adopt decisions only with respect to (a) and (b) above.

In each case, 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 have not been 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). 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, liquidity and leverage*” 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, particularly in their fixing of short-term interest rates, are also affected in practice by the rates at which the *Banque de France* intervenes in the French domestic interbank market.

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.

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 usually submitted on a quarterly basis, as well as 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 also has 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

Capital, liquidity and leverage

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. New banking regulations implementing the Basel III reforms were adopted on June 26, 2013: 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 (the "**CRD IV**") and 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 (the "**CRR**"). The CRR (with the exception of some of its provisions, which will enter into effect at later dates) became directly applicable in all EU member states including France on January 1, 2014. The CRD IV became effective on January 1, 2014 (except for capital buffer provisions which became applicable on January 1, 2016) and was implemented under French law by the banking reform dated February 20, 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*).

The BNP Paribas Group must comply with minimum capital ratio requirements. In addition to these requirements, the principal regulations applicable to credit institutions such as BNP Paribas concern risk diversification and liquidity, monetary policy, restrictions on equity investments and reporting requirements. As of the date hereof, in the various countries in which BNP Paribas operates, it complies with the specific regulatory ratio requirements in accordance with procedures established by the relevant supervisory authorities.

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 to be obtained by dividing the institution's relevant eligible regulatory capital by its risk-weighted assets. The Banking Authority may also require French credit institutions to maintain capital in excess of the requirements described above. In addition, they have to comply with certain Common Equity Tier 1 buffer requirements, including a capital conservation buffer of 2.5% that is applicable to all institutions, a systemic institution buffer, as well as other Common Equity Tier 1 buffers to cover countercyclical and systemic risks. In France, on June 29, 2018, the High Council for Financial Stability (*Haut Conseil de Stabilité Financière*, or the "**HCSF**") raised the rate for the countercyclical buffer from 0% to 0.25% of French credit risk-weighted assets ("**RWAs**"). On 23 January 2019, the HCSF confirmed the entry into force in France of this countercyclical capital buffer requirement at 0.25% starting on July 1, 2019. The countercyclical capital buffer 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.

French credit institutions must satisfy, on a consolidated basis, certain restrictions relating to concentration of risks (*ratio de contrôle des grands risques*). The aggregate of a French credit institution's loans and a portion of certain other exposure (*risques*) 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 European Commission's proposals (published in November 2016 and subsequently amended) to amend the CRD IV, the capital that can be taken into account to calculate the large exposures limit would be limited to Tier 1 capital and global systemically important banks' ("G-SIBs") exposures to other G-SIBs would be 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 is known as the liquidity coverage ratio ("LCR") which is now fully applicable following a phase-in period. In addition, in accordance with the recommendations of the Basel Committee, the European Commission's proposals to amend the CRD IV and CRR introduce a binding net stable funding ratio ("NSFR") set at a minimum level of 100%, which indicates that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions.

Under the CRR, following an initial observation period ended on December 31, 2017, each group is required to maintain a leverage ratio. 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.

According to the current proposal to amend the CRR (the latest version of which was published by the EU Presidency in February 2019), a leverage ratio requirement of 3% of Tier 1 capital would be added to the own funds requirements in article 92 of the CRR which institutions must meet in addition to their risk based requirements. A leverage ratio add-on for G-SIBs (equal to 50% of the G-SIB buffer referred to in the paragraph below) has also been included in the latest CRR version.

Moreover, 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 no lower than 72.5% of RWAs as calculated by the Basel III framework's standardized approaches. These new rules are expected to come into effect in 2022 and the output floor is expected to be implemented gradually beginning in January 2022 and reaching its final level in 2027. This proposal will be subject to consultation and impact assessment before it is implemented into EU law.

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" (*influence notable*, presumed when the credit institution controls at least 20% of the voting rights) in 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. 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.

Additional Funding

The governor of the *Banque de France*, as chairman of the ACPR, after requesting the opinion of the ECB, 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 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 IV 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 cap of variable compensation will apply to compensation awarded for services or performance as from the year 2014.

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 in accordance with the varying degree of risk attached to the relevant clients and transactions.

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. 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

European Bank Resolution and Recovery Directive

On May 15, 2014, the European Parliament and the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms: 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 (the "BRRD"). The stated aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. Since November 2014, the ECB is competent with respect to supervisory tasks relating to recovery plans and early intervention measures. As of January 1, 2016, the Single Resolution Board became competent with respect to 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. The BRRD has been transposed in France by the Ordinance 2015-1024 of August 20, 2015 and implementing decrees. Further implementing measures of the BRRD are expected, including implementing regulations to be adopted by the Commission.

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, which includes situations where:
 - (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.
- (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 eligible liabilities (including 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 eligible 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 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, eligible liabilities (including 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, including Additional Tier 1 Instruments such as the Notes, 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.

The Bail-In Tool became applicable as of January 1, 2016.

Single Resolution Mechanism

The Regulation (EU) No 806/2014 of the European Parliament and of the Council of July 15, 2014 (the “**Single Resolution Mechanism Regulation**”) 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.

Single Resolution Board

The Single Resolution Board is in charge of resolution planning and preparation of resolution decisions in accordance with the BRRD with respect to banks and banking groups subject to the supervision of the ECB pursuant to the Single Supervisory Mechanism, including BNP Paribas. The Single Resolution Board became applicable as of January 1, 2016.

Single Resolution Fund

The purpose of the Single Resolution Fund is to ensure that funding is available while a bank is being restructured, 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 Single Resolution Fund became applicable as of January 1, 2016 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. 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 called for.

MREL and TLAC

To ensure that the Bail-in Tool will be effective if it is ever needed, institutions are required to maintain a minimum level of own funds and eligible liabilities, calculated as a percentage of their own funds and total liabilities based on certain criteria including systemic importance. The percentage will be determined for each institution by the Relevant Resolution Authority (as defined in Condition 18 (*Statutory Write-down or Conversion*)). This minimum level is known as the "minimum requirement for own funds and eligible liabilities" or "**MREL**" and is to be set in accordance with Article 45 of the BRRD and Commission Delegated Regulation (EU) 2016/1450 of May 23, 2016 published on September 3, 2016. Relevant Resolution Authorities may determine an appropriate transitional period to reach the final MREL.

On November 9, 2015, the Financial Stability Board 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 "**TLAC**" (or "total loss absorbing capacity") requirements are intended to ensure that losses are absorbed by shareholders and creditors, other than creditors in respect of priority liabilities, rather than being borne by government support systems. The TLAC requirements are intended to ensure that losses are absorbed by shareholders and creditors, other than creditors in respect of excluded liabilities, rather than being borne by government support systems. The TLAC requirements impose a level of "Minimum TLAC" that will be determined individually for each G-SIB, in an amount at least equal to (i) 16% of risk-weighted assets through January 1, 2022 and 18% thereafter, and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements or buffer requirements). The TLAC requirements will, when adopted and implemented in France, apply in addition to capital requirements applicable to the BNP Paribas Group. Even though TLAC and MREL pursue the same regulatory objective, their respective requirements and criteria differ.

In addition, the French law known as the "loi Sapin" (*relatif à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) that entered into force on December 11, 2016, has created a new ranking for "senior non preferred notes". Pursuant to this amendment, Article L.613-30-3 of the French Monetary and Financial Code (*Code monétaire et financier*) provides that securities that are "non structured" debt securities (as defined in Article R.613-28 of the French *Code monétaire et financier*), issued by any French credit institution as from the date of entry into force of the law 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 (such as the Notes) of such credit institution in a judicial liquidation proceeding.

EU Banking Proposals

On November 23, 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including the CRD IV, the CRR and the BRRD and the Single Resolution Mechanism, the purpose of which is *inter alia* to reflect more accurately long-term funding risk and excessive leverage, increase the loss-absorption capacity of globally

significant institutions, improve the treatment of market risks by increasing the risk sensitivity of the existing rules and increase convergence within the European Union in the area of insolvency law and restructuring proceedings, particularly through the introduction of a moratorium tool. In February 2019, the EU Presidency published compromise texts amending the legislative proposals which are scheduled to be adopted in 2019.

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 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 March 18, 2019 by Valérie Brunerie, Head of Medium and Long Term Operational Management of the Issuer, acting pursuant to resolutions of the board of directors (*conseil d’administration*) of the Issuer dated May 3, 2018.

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 March 25, 2019 (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 calculation agent (the “**Calculation Agent**”). Reference below to the “**Agent**” shall be to the Fiscal Agent, Paying Agent and/or the Calculation Agent, as the case may be.

2. Interpretation

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

“**5-Year Mid-Swap Rate**” means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest Period:

- (i) the mid-swap rate for U.S. dollar swaps with a term of five (5) years which appears on the Screen Page as of 11:00 a.m. (New York City time) on such Reset Rate of Interest Determination Date (the “**Screen Page 5-Year Mid-Swap Rate**”); or
- (ii) if such rate does not appear on the Screen Page at such time on such Reset Rate of Interest Determination Date, except as provided in clause (iii) below, the Reset Reference Bank Rate on such Reset Rate of Interest Determination Date;
- (iii) Notwithstanding clause (ii) above, if the Issuer or the Calculation Agent determines at any time prior to any Reset Rate of Interest Determination Date, that the Screen Page 5-Year Mid-Swap Rate has been discontinued or if the Calculation Agent has been notified in writing by the Issuer that the administrator of the 5-Year Mid-Swap Rate or the supervisor of the 5-Year Mid-Swap Rate has made a public statement that, on a specified date within the next 6 months, the 5-Year Mid-Swap Rate will be discontinued, prohibited from being used or that its use will be subject to restrictions or adverse consequences then the following provisions shall apply to the Notes, the Calculation Agent will use, as a substitute for the Screen Page 5-Year Mid-Swap Rate, the alternative rate to the Screen Page 5-Year Mid-Swap Rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in New York that is consistent with industry accepted standards which has been identified to it by the Issuer, provided that if the Issuer is unable to determine such an alternative, the Issuer will as soon as reasonably practicable (and in any event before the business day prior to the applicable Reset Rate of Interest Determination Date) appoint an agent (the “**5-Year Mid-Swap Rate Determination Agent**”), which will determine whether a substitute or successor rate for purposes of determining the 5-Year Mid-Swap Rate on each Reset Rate of Interest Determination Date falling on such date or thereafter that is substantially comparable to the Screen Page 5-Year Mid-Swap Rate is available. If the 5-Year Mid-Swap Rate Determination Agent determines that there is an industry accepted successor rate, the 5-Year Mid-Swap Rate Determination Agent will notify the Issuer of such successor rate to be used by the Calculation Agent to determine the 5-Year Mid-Swap Rate.

If the 5-Year Mid-Swap Rate Determination Agent or the Issuer has determined a substitute or successor rate in accordance with the foregoing (such rate, the “**Replacement 5-Year Mid-Swap Rate**”), for the purposes of determining the 5-Year Mid-Swap Rate on each Reset Rate of Interest Determination Date falling on or after such determination, (a) the 5-Year Mid-Swap Rate Determination Agent (after consultation with the Issuer) or the Issuer, as applicable, will also determine changes (if any) to the business day convention, the definition of business day, the Reset Rate of Interest Determination Date, the day count fraction, and any method for obtaining the 5-Year Replacement Mid-Swap Rate, including any adjustment factor needed to make such Replacement 5-Year Mid-Swap Rate comparable to the Screen Page 5-Year Mid-Swap Rate, in each case acting in good faith and in a commercially reasonable manner that is consistent with industry-accepted practices for such Replacement 5-Year Mid-Swap Rates; (b) references to the 5-Year Mid-Swap Rate in these Conditions will be deemed to be references to the relevant Replacement 5-Year Mid-Swap Rate, including any alternative method for determining such rate as described in (a) above; (c) the 5-Year Mid-Swap Rate Determination Agent, if one has been appointed, will notify the Issuer of the foregoing as soon as reasonably practicable; and (d) the Issuer will give a notice to the Noteholders, the Calculation Agent and the Fiscal and Paying Agent specifying the Replacement 5-Year Mid-Swap Rate, as well as the details described in (a) above as soon as reasonably practicable but in any event no later than 5:00 p.m. (New York City time) on the business day prior to the applicable Reset Rate of Interest Determination Date.

The determination of the Replacement 5-Year Mid-Swap Rate and the other matters referred to above by the 5-Year Mid-Swap Rate Determination Agent or the Issuer will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent, the Fiscal and Paying Agent and the Noteholders, unless the Issuer or the 5-Year Mid-Swap Rate Determination Agent determines at a later date that the 5-Year Replacement Mid-Swap Rate is no longer substantially comparable to the 5-Year Mid-Swap Rate or does not constitute an industry accepted successor rate, in which case the Issuer shall appoint or re-appoint a 5-Year Mid-Swap Rate Determination Agent, as the case may be (which may or may not be the same entity as the original 5-Year Mid-Swap Rate Determination Agent or the Calculation Agent) for the purpose of confirming the 5-Year Mid-Swap Replacement Rate or determining a substitute 5-Year Replacement Mid-Swap Rate in an identical manner as described in this clause (iii). If the 5-Year Replacement Mid-Swap Rate Determination Agent is unable to or otherwise does not determine a substitute 5-Year Replacement Mid-Swap Rate, then the 5-Year Replacement Mid-Swap Rate will remain unchanged.

For the avoidance of doubt, each Noteholder shall be deemed to have accepted the 5-Year Replacement Mid-Swap Rate or such other changes pursuant to this clause (iii).

Notwithstanding any other provision of this clause (iii) (a) if a 5-Year Mid-Swap Rate Determination Agent is appointed by the Issuer and such agent determines that the Screen Page 5-Year Mid-Swap Rate has been discontinued but for any reason a Replacement 5-Year Mid-Swap Rate has not been determined or (b) if the Issuer determines that the replacement of the 5-Year Mid-Swap Rate with the Replacement 5-Year Mid-Swap Rate or any other amendment to the Conditions necessary to implement such replacement would prevent the aggregate outstanding nominal amount of the Notes from qualifying as Additional Tier 1 Capital, the Issuer may decide that no Replacement 5-Year Mid-Swap Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the 5-Year Mid-Swap Rate for the relevant Reset Interest Period in such case will be equal to the last Screen Page 5-Year Mid-Swap Rate available on the Screen Page as determined by the Calculation Agent.

The 5-Year Mid-Swap Rate Determination Agent may be (i) a leading bank, broker-dealer or benchmark agent in New York as appointed by the Issuer, (ii) the Issuer, (iii) an affiliate of the Issuer or (iv) such other entity that the Issuer in its sole and absolute discretion determines to be competent to carry out such role.

“5-Year Mid-Swap Rate Quotations” means the arithmetic mean of the bid and offered rates for the semi-annual fixed leg (calculated on a 30/360 day count basis as defined in the definition of Day Count Fraction below) of a fixed-for-floating U.S. dollar interest rate swap transaction which:

- (i) has a term of five (5) years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on 3-month U.S. dollar LIBOR (or in the event that LIBOR has been discontinued, such other successor benchmark rate as the financial industry shall have accepted as a successor or substitute rate as identified by the Issuer to the Calculation Agent, the Fiscal and Paying Agent and the Noteholders) (calculated on an Actual/360 day count basis).

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

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

“Agency Agreement” shall have the meaning attributed thereto in Condition 1.2 (*Agency Agreement*);

“Alignment Event” will be deemed to have occurred if, as a result of any change or amendment in the Relevant Rules at any time after the Issue Date, the Issuer would be able to issue a capital instrument qualifying as Additional Tier 1 Capital that contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those in these Conditions, which provisions, if they had been included in these Conditions, would have prevented the Notes from qualifying as Additional Tier 1 Capital immediately prior to such change in the Relevant Rules;

“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 published in the Official Journal of the European Union on June 12, 2014, as amended from time to time or such other directive as may come in effect in the place thereof;

“Calculation Amount” means the lower of US\$1,000 and the Prevailing Outstanding Amount;

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

“CDR” means Commission Delegated Regulation (EU) No 241/2014 of 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.

“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 Original Principal Amount and Prevailing Outstanding 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) shall not at such time be subject to a Special Event (other than an Alignment Event);
- (vi) have terms not otherwise materially less favorable to 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
- (vii) 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;

"CRD IV" 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 published in the Official Journal of the European Union on June 27, 2013, as amended from time to time or such other directive as may come into effect in place thereof;

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

"CRD IV Rules" means any or any combination of the CRD IV, the CRR and any CRD IV Implementing Measures;

"CRR" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms, as published in the Official Journal of the European Union on June 27, 2013, as amended from time to time or such other regulation as may come into effect in place thereof;

"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:

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

"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;

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

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

“**Eligible Subordinated Obligations**” means subordinated obligations of the Issuer, whether in the form of notes or loans or otherwise, which rank or are expressed to rank senior to the Notes, including, but not limited to, obligations or instruments of the Issuer that constitute Tier 2 Capital securities;

“**First Call Date**” means the Interest Payment Date falling on or about March 25, 2024;

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

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

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

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

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

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

“**Initial Rate of Interest**” means 6.625 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 March 25 and September 25 in each year from (and including) September 25, 2019;

“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 March 25, 2019;

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

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

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

“Margin” means 4.149% per cent.;

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

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

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

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

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

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

“Paying Agent”, “Fiscal Agent”, “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) TARGET2 is open for business;

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

“Rate of Interest” means:

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

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

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

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

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

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

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

“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 IV Rules and/or the BRRD (as may be amended or replaced from time to time);

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

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

“Reset Rate of Interest” means the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin, except that if the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin is less than zero, the Reset Rate of Interest will be equal to zero;

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

“Reset Reference Bank Rate” means the rate determined on the basis of the 5 Year Mid Swap Rate Quotations provided by the Reset Reference Banks to the Issuer at approximately 11:00 a.m. (New York City time) on the Reset Rate of Interest Determination Date and delivered to the Calculation Agent at approximately 12:00 p.m. (New York City time) on the Reset Rate of Interest Determination Date. If at least three (3) quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating 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). If only two (2) quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one (1) quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be equal to the last Screen Page 5 Year Mid Swap Rate available on the Screen Page as determined by the Calculation Agent except that if the Calculation Agent or the Issuer determines that the absence of quotations is due to the discontinuation of the Screen Page 5-Year Mid-Swap Rate, then the 5-Year Mid-Swap Rate will be determined in accordance with clause (iii) of the definition of 5-Year Mid-Swap Rate;

“Reset Reference Banks” means six (6) leading swap dealers in the New York City interbank market selected by the Issuer;

“Screen Page” means the display page on the relevant Reuters information service designated as the **“ICESWAP1”** page or such other page as may replace it on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, for the purpose of displaying equivalent or comparable rates to the 5-Year Mid-Swap Rate;

“Security Register” means the register maintained by the Registrar for purposes of identifying the Holders of the Notes;

“Special Event” means any of a Tax Event, an Alignment Event or a Capital Event;

“TARGET2” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system;

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

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

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

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

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

“Trigger Level” means 5.125 per cent.;

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

“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;

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

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

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

- (i) the amount necessary to generate sufficient Common Equity Tier 1 items (as defined in the CRR) of the Issuer under the accounting framework applicable to the Issuer to restore the Group CET1 Ratio to the Trigger Level in respect of which a Trigger Event has occurred, taking into account the *pro rata* write down or, as the case may be, conversion into equity, of the prevailing principal amount of all Loss Absorbing Instruments (if any) to be written down or converted concurrently (or substantially concurrently) with the Notes, provided that, with respect to each Loss Absorbing Instrument (if any) such *pro rata* write down or conversion shall only be taken into account to the extent required to restore the Group CET1 Ratio to the lower of (a) such Loss Absorbing Instrument’s trigger level and (b) the Trigger Level in respect of which a Trigger Event has occurred, and

- (ii) the amount that would reduce the Prevailing Outstanding Amount to US\$ 0.01,
- provided further that to the extent the reduction to, or, as the case may be, conversion of any Loss Absorbing Instrument is not, or by the relevant Write-Down Date will not be, effective for any reason:
- (1) the ineffectiveness of any such reduction or, as the case may be, conversion shall not prejudice the requirement to effect a reduction to the Prevailing Outstanding Amount pursuant to Condition 6 (*Write-Down and Reinstatement*); and
 - (2) the reduction to, or, as the case may be conversion of any Loss Absorbing Instrument which is not, or by the Write-Down Date will not be, effective shall not be taken into account in determining such reduction of the Prevailing Outstanding Amount;

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

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

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

2.2 *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the Prevailing Outstanding Amount, 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 in fully registered form and 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 nominal 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 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 constitute *obligations* under French law. The obligations of the Issuer in respect of the 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 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 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 Notes on the judicial or other liquidation of the Issuer, the amount payable by the Issuer in respect of the Notes shall be limited to the Prevailing Outstanding Amount and any other amounts payable in respect of the Notes (including any accrued and uncanceled interest). In the event of incomplete payment of unsubordinated creditors or other creditors whose claim ranks in priority to the Notes on the liquidation of the Issuer, the obligations of the Issuer in connection with the Notes shall terminate by operation of law.

There is no negative pledge in respect of the Notes.

It is the intention of the Issuer that the proceeds of the issue of the Notes be treated for regulatory purposes as Additional Tier 1 Capital.

5. **Interest**

- 5.1 *Interest rate:* The Notes shall bear interest on their Prevailing Outstanding Amount at the applicable Rate of Interest from (and including) the Issue Date. Interest shall be payable semi-annually in arrears on each Interest Payment Date commencing on September 25, 2019, 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\$33.13 (rounded upwards as per Condition 5.7 (*Calculation of amount of interest per Calculation Amount*)).

- 5.3 *Interest from (and including) the First Call Date:* The rate of interest for each Interest Period falling in the Reset Interest Period will be equal to the Reset Rate of Interest, as determined by the Calculation Agent.
- 5.4 *Accrual of interest:* Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the Prevailing Outstanding Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of:
- (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
 - (ii) the day which is seven (7) calendar days after the 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 (7th) calendar day (except to the extent that there is any subsequent default in payment).
- 5.5 *Determination of Reset Rate of Interest:* The Calculation Agent will, as soon as practicable after 11:00 a.m. (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 Calculation Agent will cause the Reset Rate of Interest determined by it to be notified to the Fiscal Agent (if not the Calculation Agent) as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 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 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 Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agent, the Noteholders and (subject as aforesaid) no liability to any such person will attach to the 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, as the case may be, in part) if the Relevant Regulator notifies in writing the Issuer that, in accordance with the Relevant Rules, it has determined that the Interest Amount (in whole or in part) should be cancelled based on its assessment of the financial and solvency situation of the Issuer.

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

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

(iii) Notice of cancellation of Interest Amounts

Notice of any cancellation of payment of a scheduled Interest Amount will be given to the Noteholders (in accordance with Condition 16 (*Notices*)) and the Fiscal Agent as soon as possible, but not more than 60 calendar days, prior to the relevant Interest Payment Date (provided that any failure to give such notice shall not affect the cancellation of any such Interest Amount in whole or in part by the Issuer and shall not constitute a default on the part of the Issuer for any purpose).

6. Write-Down and Reinstatement

6.1 *Write-Down*: If a Trigger Event occurs, the Issuer shall (i) immediately notify the Relevant Regulator of the occurrence of the Trigger Event (ii) give a Write-Down Notice to Noteholders (in accordance with Condition 16 (*Notices*)) and the Fiscal Agent and (iii) irrevocably (without the need for the consent of Noteholders) reduce on the Write-Down Date the then Prevailing Outstanding Amount of each Note by the relevant Write-Down Amount (such reduction being referred to as a “**Write-Down**”, and “**Written Down**” being construed accordingly). Notwithstanding the foregoing, failure to give such notice shall not prevent the Issuer from effecting a Write-Down. Furthermore, if a notice of a Trigger Event has been given pursuant to this Condition 6.1, no notice of redemption may be given pursuant to Condition 7.2 (*Optional Redemption from the First Call Date*), Condition 7.3 (*Optional Redemption upon the occurrence of a Capital Event*) or Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*) until such Trigger Event has been cured.

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

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

Following a Write-Down of all or part of the Prevailing Outstanding Amount, Noteholders will be automatically deemed to waive irrevocably their rights to receive, and no longer have any rights

against the Issuer with respect to, interest on and repayment of the Write-Down Amount (but without prejudice to their rights in respect of any reinstated principal amount following a Reinstatement).

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

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

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

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

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

would exceed the Maximum Reinstatement Amount.

7. **Redemption and Purchase**

- 7.1 *No fixed redemption:* The Notes are perpetual obligations in respect of which there is no fixed redemption date.

- 7.2 *Optional Redemption from the First Call Date:* The Issuer may (at its option but subject to Condition 7.8 (*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 Original Principal Amount (provided that if at any time a Write-Down Notice has been given and/or the Notes have been Written Down pursuant to Condition 6.1 (*Write-Down*), the Issuer shall not be entitled to exercise its option under this Condition 7.2 until

the principal amount of the Notes so Written Down has been fully reinstated pursuant to Condition 6.3 (*Reinstatement*)), together with all interest accrued to (but excluding) the relevant Optional Redemption Date (if any).

7.3 *Optional Redemption upon the occurrence of a Capital Event:* Upon the occurrence of a Capital Event, the Issuer may (at its option but subject to Condition 7.8 (*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 Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any).

7.4 *Optional Redemption upon the occurrence of a Tax Event:*

- (i) If by reason of a change in, or in the official interpretation or administration of, any laws or regulations of France or any political subdivision or any authority thereof or therein having power to tax becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 9 (*Taxation*) (a "**Withholding Tax Event**"), the Issuer may (at its option but subject to Condition 7.8 (*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 Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any), provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of interest without withholding 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 Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable without withholding or deduction for French Taxes or, if such date has passed, as soon as practicable thereafter.
- (iii) If by reason of any change in the French laws or regulations, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after the Issue Date, the tax regime applicable to any interest payment under the Notes is modified and such modification results in the amount of the interest payable by the Issuer under the Notes that is tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes being reduced (a "**Tax Deduction Event**"), the Issuer may, subject to Condition 7.8 (*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 Prevailing Outstanding Amount together with all interest accrued to the date fixed for redemption (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest

payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to the same extent as it was on the Issue Date.

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

- 7.5 *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) receiving any consent required from, the Relevant Regulator, 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 (together, in the case of definitive Notes) 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 approval to such redemption or purchase (as applicable) and the other conditions required by Articles 77 and 78 of the CRR are met.

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

- (i) on or before such redemption or purchase (as applicable) of the Notes, the Issuer replaces the Notes with capital instruments of an equal or higher quality on terms that are sustainable for its income capacity; or
- (ii) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its Tier 1 Capital and Tier 2 Capital would, following such redemption or purchase (as applicable), exceed the capital ratios required under the CRD IV Rules by a margin that the Relevant Regulator may consider necessary on the basis set out in the CRD IV Rules for it to determine the appropriate level of capital of an institution; and
in the case of redemption before the fifth anniversary of the Issue Date, if:
 - (iii) the conditions listed in paragraphs (i) or (ii) above are met; and
 - (iv) 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
 - (v) 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.

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 Write-Down shall occur in respect of the Notes as described under Condition 6 (*Write-Down and Reinstatement*).

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 (15th) 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 (as defined below) against any right, claim, or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort or any non-contractual obligations, in each case whether or not relating to such Note) and each such Noteholder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

For the avoidance of doubt, nothing in this Condition 8.8 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.

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 uncanceled) 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 Holders of Notes 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 Holders 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 Holders of Notes 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 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 approval 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 to 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 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*), 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 by the Relevant Resolution Authority.

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

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 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, 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 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 from time to time, the “**Single Resolution Mechanism Regulation**”), or otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution 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 résolution* (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.

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 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 depositories. The depositories, in turn, will hold interests in the Global Notes in customers' securities accounts in the depositories' 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 us. 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 Relating to the Notes, U.S. Federal Income Tax Considerations Relating to the Notes, and Possible FATCA Consequences Relating to the Notes.

French Taxation Considerations Relating to the Notes

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.

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 favourable 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 at least once a year. A new 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 new 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) 30% for Noteholders who are non-French tax resident legal persons (to be reduced and aligned to the standard corporate income tax rate set forth in the second paragraph of Article 219-I of the French *Code général des impôts* which is set at a rate of 28% for fiscal years opened on or after January 1, 2020, 26.5% for fiscal years opened on or after January 1, 2021 and 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 favourable 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-20-50-20140211 dated February 11, 2014, no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 dated February 11, 2014, no. 70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320 dated March 20, 2015, no. 10), 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 *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 depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Since the Notes will be cleared through a qualifying clearing system at the time of their issue, 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 other related contributions) 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 Relating to the Notes

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of the Notes. 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 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. 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 holders that will acquire Notes as part of the initial offering and will hold them 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 our voting shares or 10% or more of the total value of all classes of our shares, tax-exempt entities, certain financial institutions, traders in securities that elect to use the mark-to-market method of accounting for their securities, partnerships or other passthrough entities that hold the Notes or investors therein or persons that hedge their exposure in our securities or will hold the Notes as a position in a “straddle” or “conversion” transaction or as part of a “synthetic security” or other integrated financial transaction.

Moreover, this discussion does not address any tax consequences relating to the alternative minimum tax, 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 in your particular circumstances and the possible effects of any changes in applicable tax laws.

U.S. Holders

Tax Treatment of Payments on the Notes

The Notes will be treated as equity of the Issuer for U.S. federal income tax purposes. Accordingly, payments of stated interest on the Notes 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 distributions paid 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 income and will not be eligible for the dividends-received deduction applicable to corporate U.S. Holders.

Sale, Exchange or Redemption of the Notes

Subject to the discussion below under “—*PFIC Rules*,” a U.S. Holder will recognize capital gain or loss upon the sale, exchange, redemption or other disposition of Notes 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. 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 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 are held for more than one year. The deductibility of capital losses is subject to limitations.

Write-Down or Reinstatement of the Notes

No statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of a write-down of the Notes, including the effect of the potential for a future reinstatement of the Notes. Among other matters, there is no authority addressing whether investors would be entitled to a deduction for loss at the time of a write-down. Investors may, for example, be required to wait to take a deduction until it is certain that no reinstatement can occur, or until there is an actual or deemed sale, exchange or other taxable disposition of the Notes. It is also possible that, if an investor takes a deduction at the time of a write-down, the investor may be required to recognize gain at the time of a future reinstatement. A U.S. Holder should consult its tax advisor to determine the U.S. federal income tax consequences to it of a write-down or reinstatement of the Notes.

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. As a result of this deemed disposition, a U.S. Holder could be required to recognize capital gain or loss for U.S. federal income tax purposes.

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. Dividends paid by a PFIC are not qualified dividends eligible to be taxed at preferential rates. Based on audited consolidated financial statements, the Issuer believes that it was not a PFIC for U.S. federal income tax purposes with respect to its 2018 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 2019 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 USD 50,000 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. Holder is a corporation (other than a S corporation) or other exempt recipient or (2) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that the U.S. Holder 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. holder’s U.S. federal income tax liability, provided the required information is furnished to the IRS.

Possible FATCA Consequences Relating to the Notes

As a result of FATCA and related intergovernmental agreements, holders of Notes may be required to provide information and tax documentation regarding their identities as well as that of their direct and indirect owners. 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 holders of the Notes 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 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 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 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 offered Note, the purchaser or transferee thereof (and the person, if any, directing the acquisition of the offered 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 offered Note through and including the date on which the purchaser or transferee disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not a Plan, an entity whose underlying assets include the assets of any 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 offered 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 satisfied.

PLAN OF DISTRIBUTION

Subject to the terms and conditions in the purchase agreement, dated March 18, 2019 (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 Purchasers	Principal Amount of Notes
BNP Paribas Securities Corp.	\$ 1,267,500,000
BBVA Securities Inc.	\$ 41,250,000
ING Financial Markets LLC	\$ 41,250,000
Santander Investment Securities Inc.	\$ 41,250,000
Standard Chartered Bank	\$ 41,250,000
Bankia S.A.	\$ 11,250,000
BMO Capital Markets Corp.	\$ 11,250,000
CIBC World Markets Corp.	\$ 11,250,000
National Bank of Canada Financial Inc.	\$ 11,250,000
Scotia Capital (USA) Inc.	\$ 11,250,000
Wells Fargo Securities, LLC	\$ 11,250,000
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.

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

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(a) and/or 3A.4(b), 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 European Economic Area (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 Directive 2014/65/EU (as amended, “**MiFID II**”);
- b) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- c) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”).

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

Consequently, no key information document required by Regulation (EU) No 1286/2014 (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.

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

Notice to Prospective Investors in France

Each of the Initial Purchasers and the Issuer have acknowledged that the Notes are being issued outside France and, accordingly represents and agrees that:

- (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Notes;
- (ii) such offers, sales and distributions of Notes have been and shall be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in and in accordance with Articles L.411-2 and D.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and other applicable regulations thereunder; and
- (iii) the direct or indirect distribution to the public in France of any so acquired Notes may be made only as provided by Articles L.411-1 to L.411-4, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code and applicable regulations thereunder.

Notice to Prospective Investors in the United Kingdom

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 Financial Services and Markets Act 2000 (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 would not, if the Issuer were not an authorized person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

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 our 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.

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 on the date of this Prospectus or the next three business days 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 within 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 whose underlying assets include the assets of any such 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) its 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 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” SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”), OR ANY “PLAN” TO WHICH SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”) APPLIES, OR ANY ENTITY PART OR ALL OF THE ASSETS OF WHICH CONSTITUTE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN BY REASON OF DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) OR OTHERWISE, OR ANY GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO NON-U.S., FEDERAL, STATE OR LOCAL LAW SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY 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 NONEXEMPT 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).

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. Alice Bonardi, Head of Global Markets France, CIB Legal Paris, 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, 2018, December 31, 2017 and December 31, 2016 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 is authorized pursuant to the Board resolution dated May 3, 2018 and the issue decision of Valérie Brunerie in her capacity as Head of Medium and Long Term Operational Management of the Issuer dated March 18, 2019.

2. Admission to trading

This Prospectus has received visa n°19-106 on March 19, 2019 from the French *Autorité des marchés financiers* (the “AMF”).

Application has been made for the Notes to be admitted to trading on Euronext Paris on March 25, 2019. The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately €16,250.

3. Documents Available

Copies of the following:

- (i) the *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. Material Adverse Change

There has been no material adverse change in the prospects of the Issuer or the Group since December 31, 2018 (being the end of the last financial period for which audited financial statements have been published).

5. Legal and Arbitration Proceedings

Save as disclosed on pages 248 to 249 of the BNPP 2018 Registration Document, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering at least the twelve (12) months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the Group’s financial position or profitability.

6. Significant Change

There has been no significant change in the financial or trading position of the Group since December 31, 2018 (being the end of the last financial period for which audited financial statements have been published).

7. Events impacting the Issuer’s solvency

To the best of the Issuer’s knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer’s solvency since December 31, 2018.

8. Material Contracts

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

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

Subject to the following paragraph, the Issuer is not dependent upon other members of the Group.

In April 2004, the Issuer began outsourcing IT Infrastructure Management Services to the "BNP Paribas Partners for Innovation" ("BP²I") joint venture set up with IBM France at the end of 2003. BP²I provides IT Infrastructure Management Services for the Issuer and several BNP Paribas subsidiaries in France (including BNP Paribas Personal Finance, BP2S, and BNP Paribas Cardif), Switzerland and Italy. The contractual arrangement with IBM France was successively extended from year to year until the end of 2021, and then extended for a period of 5 years, i.e. by the end of 2026, in particular to integrate the IBM cloud services.

BP²I is under the operational control of IBM France. The Issuer has a strong influence over this entity, which is 50/50 owned with IBM France. The Issuer staff made available to BP²I make up half of that entity's permanent staff, its buildings and processing centres are the property of the Group, and the governance in place provides the Issuer with the contractual right to monitor the entity and bring it back into the Group if necessary.

IBM Luxembourg is responsible for infrastructure and data production services for some of the BNP Paribas Luxembourg entities.

BancWest's data processing operations are outsourced to Fidelity Information Services.

Cofinoga France's data processing operation is outsourced to IBM Services.

10. Conflicts of Interests

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

11. Auditors

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

Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 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 for the year ending 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, 195, avenue Charles-de-Gaulle, Neuilly-sur-Seine (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 for the year ending 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 for the year ending 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, 28 rue Fernand Forest, Suresnes (92), France.

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

12. Clearing Systems

The Notes have been accepted for clearance through 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: 05565AHN6 and Regulation S: F1R15XK93. The International Securities Identification Number (ISIN) codes for the Notes are Rule 144A: US05565AHN63 and Regulation S: USF1R15XK938.

13. Yield

The yield is 6.625 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.

REGISTERED OFFICE OF THE ISSUER

BNP Paribas

Legal Entity Identifier (LEI): R0MUWSFPU8MPRO8K5P83
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