Prospectus dated 8 July 2019

BNP PARIBAS

(incorporated in France)

Issue of AUD300,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes

The AUD300,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes (the "**Notes**") will be issued by BNP Paribas ("**BNPP**", the "**Issuer**" or the "**Bank**") on 10 July 2019 (the "**Issue Date**"). The principal and interest of the Notes will constitute direct, unsecured and deeply subordinated obligations of the Issuer, as described in Condition 4 (*Status of the Notes*) in "Terms and Conditions of the Notes".

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

The Notes shall bear interest on the Prevailing Outstanding Amount (as defined in Condition 2 (*Interpretation*) in the "Terms and Conditions of the Notes") at the applicable Rate of Interest from (and including) the Issue Date and interest shall be payable semi-annually in arrear on 10 January and 10 July in each year commencing on 10 January 2020 (each an "**Interest Payment Date**"). The amount of interest per Calculation Amount payable on each Interest Payment Date in relation to an Interest Period falling in the period from (and including) the Issue Date to (but excluding) 10 January 2025 (the "**First Call Date**") will be AUD4,500.

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 Semi Quarterly Mid-Swap Rate plus (b) the Margin (3.372 per cent.), as determined by the Calculation Agent, as described in "Terms and Conditions of the Notes".

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

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

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

This document (the "**Prospectus**") constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC of 4 November 2003, as amended or superseded (the "**Prospectus Directive**").

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

The Notes will be in dematerialised bearer form (*au porteur*) in the denomination of AUD200,000 each. The Notes will at all times be represented in book entry form (*inscriptions en compte*) in the books of the Account Holders in compliance with Articles L.211-3 *et seq.* and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. Application has been made to the *Autorité des marchés financiers* (the "**AMF**") in France for approval of this Prospectus in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive on the prospectus to be published when securities are offered to the public or admitted to trading in France.

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

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

The Issuer's long-term credit ratings are A+ with a stable outlook (Standard & Poor's), Aa3 with a stable outlook (Moody's), AA- with a stable outlook (Fitch France) and AA (low) with a stable outlook (DBRS Ratings Limited ("**DBRS**")). Each of S&P, Moody's, Fitch France and DBRS is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of Standard & Poor's, Moody's, Fitch France and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

On each Reset Date, amounts payable under the Notes will be calculated by reference to 5-Year Semi Quarterly Mid-Swap Rate which itself refers to IAUS10 and IAUS15 which are provided by ICAP Australia Pty Limited. As of the date of this Prospectus, ICAP Australia Pty Limited does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that ICAP Australia Pty Limited is not currently required to obtain recognition, endorsement or equivalence.

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

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

The Notes are not intended to be sold and should not be sold to retail clients in the European Economic Area ("EEA"), as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, as amended or replaced from time to time, other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to the paragraph headed "Restrictions on marketing and sales to retail investors" on pages 4 to 5 of this Prospectus for further information.

Global Coordinators, Joint Bookrunners and Joint Lead Managers

BNP PARIBAS **NOMURA** **WESTPAC BANKING CORPORATION**

Joint Lead Managers

ANZ **COMMONWEALTH BANK**

NATIONAL AUSTRALIA BANK LIMITED **TD SECURITIES**

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

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

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

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

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

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

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

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

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

*This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus 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 Manager have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.*

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

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

*In this Prospectus, references to "**euro**", "**EURO**", "**Euro**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union and as amended by the Treaty of Amsterdam and references to "**A$**", "**AUD**" and "**Australian dollars**" refer to the lawful currency of Australia.*

***Restrictions on marketing and sales to retail investors** – The Notes discussed in this Prospectus 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 (as amended or replaced from time to time) (the "**PI Instrument**"). In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products ("**PRIIPs**") became directly applicable in all EEA member states and (ii) the Markets in Financial Instruments Directive 2014/65/EU (as amended) ("**MiFID II**") was required to be implemented in EEA member states by 3 January 2018. Together the PI Instrument, PRIIPs and MiFID II are referred to as the "**Regulations**".*

The Regulations set out various obligations in relation to (i) the manufacture 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 of the Managers (and/or their respective affiliates) are required to comply with some or all of 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 Managers each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Managers that:

i. it is not a retail client (as defined in MiFID II);

ii. 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 in the EEA (in each case within the meaning of MiFID II).*

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

iii. *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) in accordance with 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 acknowledge 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 5 February 2018, is eligible counterparties and professional clients only; and

(ii) no key information document (KID) under PRIIPs 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 PRIIPs.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

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

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

TABLE OF CONTENTS

RISK FACTORS

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

The Issuer believes that the factors described below and incorporated by reference herein may affect its ability to fulfill its obligations under the Notes. All of these factors are contingencies that may or may not occur, and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in the BNPP 2018 Registration Document incorporated by reference herein a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the risks associated with the Notes are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

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

Risks Relating to the Issuer and its Industry

See the Chapter 5 ("*Risks and Capital Adequacy – Pillar 3*") contained on pages 287 to 295 to of the BNPP 2018 Registration Document and pages 73 and 77 of the First Update to the BNPP 2018 Registration Document (each, as defined below), each of which is incorporated by reference in this Prospectus.

Seven main categories of risk are inherent in BNPP's activities:

(1) *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 EUR 504 billion at 31 December 2018. In accordance with the EBA recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities.

(2) *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 EUR 73 billion at 31 December 2018.

(3) *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 EUR 27 billion at 31 December 2018.

(4) *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 EUR 20 billion at 31 December 2018.

(5) *Securitisation risk* – Securitisation is a transaction or arrangement by which the credit risk associated with a liability or set of liabilities is subdivided into tranches. Any commitment made under a securitisation structure (including derivatives and liquidity lines) is considered to be a securitisation. 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 EUR 7 billion at 31 December 2018.

(6) *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 EUR 17 billion at 31 December 2018.

(7) *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, which analyses 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.

Risk Factors Relating to the Notes

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

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

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

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

(d) understand thoroughly the Terms and Conditions of the Notes, such as the provisions governing a Write-Down and cancellation of interest, understand under what circumstances a Trigger Event will or may be deemed to occur, be familiar with the behaviour of financial markets and their potential impact on the likelihood of a Trigger Event, a Capital Event or a Tax Event occurring, and of any financial variable which might have an impact on the return on the Notes; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment, the Write-Down of the Notes and its ability to bear the applicable risks.

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

Noteholders of deeply subordinated Notes generally face an enhanced performance risk compared to holders of senior notes as well as an enhanced risk of loss in the event of the Issuer's insolvency.

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

There is a substantial risk that investors in deeply subordinated notes such as the Notes will lose all or some of their investment should the Issuer become insolvent. Thus, Noteholders face an enhanced performance risk compared to holders of senior notes.

If a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or if the Issuer is liquidated for any other reason, the rights of payment of the Noteholders will be subordinated to the payment in full of the unsubordinated creditors of the Issuer and any other creditors that are senior to the Notes. In the event of incomplete payment of unsubordinated creditors upon the liquidation of the Issuer, the obligations of the Issuer in connection with the principal of the Notes will be terminated by operation of law. Although the Notes may pay a higher rate of interest than comparable notes that are not subordinated, 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 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 the Notes in whole, but not in part, on any Reset Date at their Original Principal Amount, together with accrued interest thereon, or at any time following the occurrence of a Capital Event or a Tax Event at the Prevailing Outstanding Amount, together with accrued interest thereon (each term as defined in "Terms and Conditions of the Notes"). However, neither the French courts nor the French tax authorities have, as of the date of this Prospectus, expressed a position on the tax treatment of instruments such as the Notes, and there can be no assurance that they will take the same view as the Issuer.

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

The Issuer considers the Notes to be debt for French tax purposes based on their characteristics and accounting treatment and therefore expects that interest payments under the Notes will be fully deductible by the Issuer and (other than in respect of payments to individuals fiscally domiciled in France) exempt from withholding tax if they are not held by shareholders of the Issuer and remain admitted to a recognised clearing system. 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 a change in French law or regulations or a change in the application or interpretation of French law by the French tax authorities, which is not reasonably foreseeable as of the issue date of the Notes.

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

No scheduled redemption.

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

The Notes may be subject to write-down (including to zero) or conversion to equity either in the context of, or outside of, a resolution procedure applicable to the Issuer.

Pursuant to the EU Bank Recovery and Resolution Directive of 15 May 2014 (the "**BRRD**"), as transposed into French law by a decree law dated 20 August 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.

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

(a) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;

(b) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridgebank" (a public controlled entity holding such business or part of a business with a view to reselling it);

(c) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and

(d) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including the Notes to equity, which equity could also be subject to any future application of the bail-in.

If the institution is placed in resolution, resolution authorities have the power inter alia to ensure that capital instruments (including 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 16 (*Recognition of Bail-in and Loss Absorption*).

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

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

Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the Single Resolution Mechanism Regulation (Regulation 806/2014) as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, which have been published on 7 June 2019 in the Official Journal of the European Union, amend a number of key EU banking directives and regulations, including CRD IV, CRR, BRRD and the Single Resolution Mechanism (the "**Risk Reduction Legislations**"). These Risk Reduction Legislations will, 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 also introduce a moratorium tool, i.e. the power to temporarily suspend payments or the entry into or performance of obligations, outside of insolvency or resolution proceedings. It is not yet possible to assess the full impact of these Risk Reduction Legislations on the French law provisions implementing the BRRD as well as on the Issuer and there can be no assurance that their implementation or the taking of any actions contemplated in it will not adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to fully and timely satisfy its obligations under the Notes.

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

There are no events of default under the Notes.

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

Furthermore, any Write-Down of the Notes (See "*The principal amount of the Notes may be reduced to absorb losses*" below) shall also not constitute any event of default or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever and shall not entitle holders to petition for the insolvency or dissolution of the Issuer.

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

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

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

- Payment of the scheduled Interest Amount, when aggregated with distributions on all Tier 1 Capital instruments paid or scheduled for payment in the then current financial year, would exceed the amount of Distributable Items then applicable to the Issuer. Tier 1 Capital instruments include other instruments that qualify as Tier 1 Capital (including the Notes and other Additional Tier 1 Capital instruments).
- Payment of the scheduled Interest Amount, when aggregated with any other distributions or payments of the kind referred to in Article 141(2) of the CRD IV or in provisions of the Relevant Rules relating to other limitations on distributions or payments, would cause any Maximum Distributable Amount to be exceeded. Distributions referred to in Article 141(2) of the CRD IV include dividends, payments, distributions and write-up amounts on all Tier 1 instruments (including the Notes and other Additional Tier 1 Capital instruments), and certain bonuses paid to employees. The Maximum Distributable Amount is a complex concept that will apply if, as of the date of this Prospectus, certain capital buffers and 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 31 December 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, as described below under "*The determination of the Maximum Distributable Amount is particularly complex*." and its determination will evolve as a result of the adoption of the Risk Reduction Legislations, as described below under "*Restrictions on Maximum Distributable Amount resulting from the Risk Reduction Legislations*".

As a result, the Issuer and the Group's capital 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. Noteholders may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and principal) on the Notes being prohibited from time to time as a result of the operation of Articles 141(2) and 141 ter 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). Furthermore, according to Article 141 ter of CRD IV, institutions that fail to meet the leverage ratio buffer will be required to calculate a leverage ratio maximum distributable amount (the "**L-MDA**") and distributions are restricted to such L-MDA. In any event, the Issuer will have discretion as to how the Maximum Distributable Amount will be applied if insufficient to meet all expected distributions and payments and, in this respect, is not obliged to take the interest of the Noteholders into account.

Moreover, 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 Noteholders and Noteholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. Cancelled Interest Amounts will not be reinstated or paid upon a Reinstatement, in liquidation or otherwise. Cancellation of Interest Amounts will not constitute a default under the Notes for any purpose or give the Noteholders any right to petition for the insolvency or dissolution of the Issuer. Any actual or anticipated cancellation of interest on the Notes is likely to have 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:

- 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 and/or its leverage buffers, 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 1 January 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 will change over time.
- 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. 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 Article 92 of CRR, 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 19 December 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 1 January 2016. These guidelines contemplate that national supervisors should set by 1 January 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 macro prudential requirements.

The SREP is carried out continuously by the relevant Joint Supervisory Team who prepares an individual SREP decision once a year. In December 2017, the ECB published an SSM SREP methodology booklet which sets out the common methodology it intends to apply in 2018. On 29 July 2016, the EBA and the ECB announced that, when setting the capital requirements applicable to banks as of 1 January 2017 as part of the SREP, a distinction would be made between the "Pillar 2 requirement" ("**P2R**") (which are binding and breach of which can have direct legal consequences for banks, including the triggering of the capital conservation measures of Article 141 of CRD IV) and "Pillar 2 guidance" ("**P2G**") (with which banks are expected to comply but breach of which does not automatically trigger the capital conservation measures of Article 141 of CRD IV). Although banks are expected to follow P2G in normal circumstances, P2G is not a legal minimum and it does not impact the threshold for 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 1 January 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% as of 1 January 2019, as confirmed by the final notification received from the ECB.

As at 31 December 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 1 January 2019 and €647 billion of risk-weighted assets as at 31 December 2018).

In addition, on 23 January 2019, the *Haut Conseil de stabilité financière* confirmed the entry into force in France of a countercyclical capital buffer requirement and set the initial level at 0.25% starting on 1 July 2019.

On 2 April 2019, the *Haut Conseil de stabilité financière* increased the countercyclical capital buffer requirement to 0.50% starting on 2 April 2020.

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 authorisation, 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 Articles 141(2) and 141 ter of CRD IV in France, including their 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 until the implementation in France of the Risk Reduction Legislations as further described below under "*Restrictions on Maximum Distributable Amount resulting from the Risk Reduction Legislations*".

Restrictions on Maximum Distributable Amount resulting from the Risk Reduction Legislations.

In accordance with the Risk Reduction Legislations, Article 141 bis of CRD IV clarifies, for the purposes of restrictions on distributions, the relationship between the additional own funds requirements, the minimum own funds requirements and the combined buffer requirement (the so called "stacking order"), with Article 141 of CRD IV amended to reflect the stacking order in the calculation of the Maximum Distributable Amount. Under this new provision, an institution such as the Issuer may be considered as failing to meet the combined buffer requirement for the purposes of Article 141 of CRD IV where it does not have own funds and eligible liabilities in an amount and of the quality needed to meet at the same time the requirement defined in Article 128(6) of CRD IV (i.e. the combined buffer requirement) as well as each of the minimum own funds requirements and the additional own funds requirements.

Article 16 bis of the BRRD clarifies the stacking order between the combined buffer and the MREL requirement. Pursuant to this new provision a resolution authority shall have the power to prohibit an entity from distributing more than the maximum distributable amount for own funds and eligible liabilities (calculated in accordance with Article 16 bis (4) of the BRRD, the "**M-MDA**") where the combined buffer requirement and the MREL requirement are not met. Article 16 bis provides for a nine-month grace period whereby the resolution authority assesses on a monthly basis whether to exercise its powers under the provision, before such resolution authority is compelled to exercise its power under the provision (subject to certain limited exceptions). Furthermore, Article 141 ter of CRD IV introduces a restriction on distributions in the case of a failure to meet the leverage ratio buffer, with provision for the L-MDA to be calculated.

The M-MDA and the L-MDA are both proposed to limit the same distributions as the Maximum Distributable Amount and so may limit the aggregate amount of interest payments, write-up amounts and redemption amounts on the Notes. It is not yet clear how and to which extent the aforementioned Risk Reduction Legislations will be implemented in France.

It is not yet possible to assess the full impact of these Risk Reduction Legislations and there can be no assurance that their implementation will not adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Current regulatory proposals may also, if adopted and once implemented, impose further restrictions on the Issuer's ability to make payments on the Notes. For example, recent proposals made by the Financial Stability Board recommend the adoption of TLAC requirements for global systemically important banks in addition to existing minimum regulatory capital requirements. The proposals currently contemplate that only Common Equity Tier 1 capital in excess of that required to satisfy minimum TLAC requirements may count towards regulatory capital buffers, such as the combined buffer requirement introduced by CRD IV.

Furthermore, the above-mentioned Risk Reduction Legislations 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 Maximum Distributable Amount may also apply in the case of non-compliance with capital ratio buffers in addition to the minimum MREL requirements or with a buffer over the 3% minimum leverage ratio, defined as an institution's Tier 1 capital divided by its total exposure measure. These 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's CET1 Ratio falls below 5.125 per cent. If the amount by which the Prevailing Outstanding Amount is written down, when taken together with the write-down of any other Loss Absorbing Instruments, is insufficient to cure the Trigger Event, the Prevailing Outstanding Amount of the Notes will be written-down substantially (or nearly entirely). The Prevailing Outstanding Amount of the Notes may be subject to Write-Down even if holders of the Issuer's shares continue to receive dividends.

Although Condition 6.3 (*Reinstatement*) will allow the Issuer in its full discretion to reinstate written-off principal amounts up to the Maximum Reinstatement Amount if there is a Reinstatement and provided certain other conditions are met, the Issuer is under no obligation to do so. Moreover, the Issuer's ability to write up the principal amount of the Notes depends on there being sufficient Group Net Income and a sufficient Maximum Distributable Amount (after taking into account other payments and distributions of the type contemplated in Article 141(2) of the CRD IV or in provisions of the Relevant Rules relating to other limitations on payments or distributions). No assurance can be given that these conditions will ever be met. Furthermore, any write up would have to be done on a *pro rata* basis with any other Additional Tier 1 Capital instruments providing for a reinstatement of principal amount in similar circumstances (see definition of Discretionary Temporary Loss Absorption Instruments in Condition 2 (*Interpretation*)). If any judgment is rendered by any competent court declaring the judicial liquidation (liquidation judiciaire) of the Issuer or if the Issuer is liquidated for any other reason prior to the Notes being written up in full pursuant to Condition 6.3 (*Reinstatement*), Noteholders' claims for principal will be based on the reduced Prevailing Outstanding Amount of the Notes. As a result, if a Trigger Event occurs, Noteholders may lose some or substantially all of their investment in the Notes. Any actual or anticipated indication that a Trigger Event is likely to occur, including any indication that the Group's CET1 Ratio is approaching 5.125 per cent., will have 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 BRRD, as transposed into French law. See "*The Notes may be subject to write-down (including to zero) 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 calculation of the Group's CET1 Ratio will be affected by a number of factors, many of which may be outside the Issuer's control and the Noteholders will bear the risk of changes in the Group's 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 Group's fully-loaded CET1 Ratio only as of each quarterly period end, a Trigger Event will occur if, at any time, the Issuer determines that the Group's CET1 Ratio is less than 5.125 per cent. The Issuer currently only publicly reports the Group's CET1 Ratio quarterly as of the period end, and therefore, during the quarterly period, there is no published updating of the Group's CET1 Ratio and there may be no prior warning of adverse changes in the Group's CET1 Ratio. Because the Relevant Regulator may require CET1 Ratio to be calculated as of any date, a Trigger Event could occur at any time. The calculation of the Group's 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's CET1 Ratio also may be affected by changes in applicable accounting rules and the manner in which accounting policies are applied, including the manner in which permitted discretion under the applicable accounting rules is exercised and regulatory changes (including CET1 capital and risk weighted asset), revisions to models used by the Issuer to calculate its capital requirements (or revocation of, or amendments to, the regulatory permissions for using such models).

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's 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's 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 Noteholders 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. Noteholders will not have any claim against the Issuer or any other entity of the Group relating to decisions that affect the capital position of the Group, regardless of whether they result in the occurrence of a Trigger Event or a lack of Distributable Items or Maximum Distributable Amount. Such decisions could cause Noteholders to lose the amount of their investment in the Notes.

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

The Issuer has announced certain objectives relating to its consolidated CET1 Ratio and total capital ratio. 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 materialisation of one or more of the risk factors described under "*Risks Relating to the Issuer and its Industry*". If the Issuer fails to realise 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.

The regulation and reform of "benchmarks" may adversely affect the value of Notes

The 5-Year Semi Quarterly Mid-Swap Rate and other interest rate indices which are deemed to be benchmarks are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, to be subject to revised calculation methods, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and applies since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular in any of the following circumstances:

- an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing or increasing the rate or level or otherwise affecting the volatility of the published rate or level of the "benchmark".

Either of the above could potentially lead to the securities being de-listed, adjusted or redeemed early or otherwise impacted depending on the particular "benchmark" and the applicable terms of the securities or have other adverse effects or unforeseen consequences.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Notes which are linked to or which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes (See "*If the 5-Year Semi Quarterly 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*" below).

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

Additionaly, Benchmarks Regulation could have a material impact on the Notes, subject to any applicable transitional provisions (as provided under article 51 of the Benchmarks Regulation), as benchmarks such as the 5-year AUD mid-swap rate (as provided on Bloomberg Page IAUS10), and the 3-month to 6-month AUD basis swap (as provided on Bloomberg Page IAUS15), may not be used by a supervised entity in certain way if its administrator, or the benchmark (in the case of benchmark provided by an administrator located outside the European Union, such as the benchmarks aforementioned) is not entered in ESMA's register of Benchmarks Regulation approved administrators or benchmarks.

If the 5-Year Semi Quarterly 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 Calculation Agent (failing which the Issuer) determines at any time that the Screen Page 5-Year Mid-Swap Rate and/or the Adjusted Screen Page 5-Year Semi Quarterly Mid-Swap Rate has been discontinued or a Benchmark Event has occurred, then 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 Relevant Nominating Body that is consistent with industry accepted standards which has been identified to it by the Issuer, provided that if two or more alternative reference rates are selected by any Relevant Nominating Body, the Issuer shall determine which of those alternative reference rates is most appropriate to preserve the economic features of the Notes. If the Calculation Agent is unable to determine such an alternative, the Issuer will appoint a 5-Year Semi Quarterly Mid-Swap Rate Determination Agent (which may be an affiliate of the Issuer, a leading bank, broker-dealer or benchmark agent active in the AUD market as appointed by the Issuer 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 Semi Quarterly Mid-Swap Rate. The 5-Year Semi Quarterly 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 calculating the Replacement 5-Year Semi Quarterly Mid-Swap Rate, including any adjustment factor needed to make such Replacement 5-Year Semi Quarterly Mid-Swap Rate comparable to the Screen Page 5-Year Mid-Swap Rate (adjusted on a quarterly basis). Such Replacement 5-Year Semi Quarterly 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 Semi Quarterly 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 Sterling LIBOR (which generally has a term of one, three or six months) with SONIA (Sterling Overnight Index Average) which is an overnight rate. Similar changes could significantly affect the performance of 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 adequately compensate for this impact.

If the Issuer or the 5-Year Semi Quarterly Mid-Swap Rate Determination Agent is unable to determine an appropriate Replacement 5-Year Semi Quarterly 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 Semi Quarterly Mid-Swap Rate Determination Agent is able to determine an appropriate Replacement 5-Year Semi Quarterly Mid-Swap Rate, if the replacement of the Screen Page 5-Year Mid-Swap Rate with the Replacement 5-Year Semi Quarterly 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 Semi Quarterly 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 Semi Quarterly 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, the Calculation Agent or the 5-Year Semi Quarterly Mid-Swap Rate Determination Agent appointed by the Issuer, as applicable, considers that a Replacement 5-Year Semi Quarterly Mid-Swap Rate that it has chosen is no longer substantially comparable to the Screen Page 5-Year Mid-Swap Rate (adjusted on a quarterly basis) or does not constitute an industry accepted successor rate, the Issuer will appoint or re-appoint a 5-Year Semi Quarterly Mid-Swap Rate Determination Agent (which may or may not be the same entity as the original 5-Year Semi Quarterly Mid-Swap Rate Determination Agent) for the purposes of confirming the Replacement 5-Year Semi Quarterly Mid-Swap Rate or determining a substitute Replacement 5-Year Semi Quarterly Mid-Swap Rate (despite the continued existence of the initial Replacement 5-Year Semi Quarterly Mid-Swap Rate). Any such substitute Replacement 5-Year Semi Quarterly 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 Semi Quarterly 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 Semi Quarterly Mid-Swap Rate.

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 industrialised countries and areas. There can be no assurance that events in France, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

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 Noteholders will be able to sell their Notes in the secondary market. Although no assurance can be given that a liquid trading market for the Notes will develop, the Notes will be admitted to trading on Euronext Paris. There is no obligation on the part of any party to make a market in the Notes.

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

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, S&P, Fitch France and DBRS. 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 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.

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, Fitch, Moody's and S&P 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.

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 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 Noteholders 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 the Maximum Distributable Amount are insufficient. See " *The Issuer may cancel all or some of the interest payments at its discretion for any reason or be required to cancel all or some of such interest payments in certain cases.*"

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 11 December 2016, has created a new ranking for "senior non preferred notes". Pursuant to this amendment, Article L.613-30-3-I of the French *Code monétaire et financier* provides that debt 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-I, 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. Noteholders 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 Conditions include a waiver of 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 Notes at any time (for the avoidance of doubt, both before and during any winding-up, liquidation or administration of the Issuer) to the fullest extent permitted by applicable law.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in Noteholders receiving less interest than expected and could significantly adversely affect their return on Notes.

Taxation.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

*The proposed financial transaction tax ("**FTT**").*

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

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.

However, the FTT proposal remains subject to negotiation between the participating Member States. 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 participating Member States may decide to withdraw.

At the ECOFIN Council meeting of 14 June 2019, a state of play of the work on the FTT was presented on the basis of a note prepared by Germany on 7 June 2019 indicating a consensus among the participating Member States (excluding Estonia) to continue negotiations on the basis of a joint French-German proposal based on the French financial transactions tax model which in principle would only concern shares of listed companies whose head office is in a Member State of the European Union. However, such proposal is still subject to change until a final approval.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

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, Noteholders will receive less than the full amount due under the Notes, and the market value of the Notes will be adversely affected.

Potential Conflicts of Interest.

The Sole Bookrunner in this offering is the Issuer. The 5-Year Semi Quarterly Mid-Swap Rate Determination Agent, if appointed, may also be an affiliate of the Issuer. The Calculation Agent may be an affiliate of the Issuer and consequently, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgments that the Calculation Agent must make. The economic interests of the Sole Bookrunner, of the 5-Year Semi Quarterly Mid-Swap Rate Determination Agent and of the Calculation Agent are potentially adverse to your interests as an investor in the Notes.

Change of law

The Conditions of the Notes are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

The Notes' purchase price may not reflect its inherent value.

Prospective investors in the Notes should be aware that the purchase price of the Notes does not necessarily reflect its inherent value. Any difference between the Notes' purchase price and its inherent value may be due to a number of different factors including, without limitation, prevailing market conditions and fees, discounts or commissions paid or accorded to the various parties involved in structuring and/or distributing the Notes. For further information, prospective investors should refer to the party from whom they are purchasing the Notes. Prospective investors may also wish to seek an independent valuation of the Notes prior to their purchase.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Meeting of Noteholders and Modification of the Conditions

The Conditions of the Notes contain provisions for collective decisions of Noteholders to consider matters affecting their interests generally to be adopted either through a general meeting or by consent following a written consultation (but Noteholders will not be grouped in a *masse* having legal personality governed by the provisions of the French *Code de commerce* and will not be represented by a representative of the *masse*). These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote or were not represented at the relevant meeting or did not consent to the written decision and Noteholders who voted in a manner contrary to the majority. Collective decisions may deliberate on proposals relating to the modification of the Conditions subject to the limitation provided by French law and the Conditions.

French Insolvency Law.

Under French insolvency law, in the case of the opening in France of a safeguard procedure (*procédure de sauvergarde, procédure de sauvergarde accélérée* or *procédure de sauvegarde financière accélérée*), a judicial reorganisation procedure (*procédure de redressement judidicaire*) or a judicial liquidation (*liquidation judiciaire*) of the Issuer, all creditors of the Issuer (including the Noteholders) must file their proof of claims[1] with the creditors' representative or liquidator, as the case may be, within two months (or within four months in the case of creditors domiciled outside metropolitan France) of the publication of the opening of the procedure against the Issuer in the BODACC (*Bulletin officiel des annonces civiles et commerciales*).

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 (*procédure de sauvegarde*), accelerated safeguard procedure (*procédure de sauvegarde accélérée*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes) regardless of their ranking and their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or proposed judicial reorganisation plan (*projet de plan de redressement*) 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 Noteholders) 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 expressing a vote). 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 Noteholder who has entered into a hedging arrangement in relation to the Notes.

For the avoidance of doubt, the provisions relating to the Meeting of Noteholders set out in the Condition 12 (*Meeting and voting provisions*) will not be applicable in these circumstances.

The Relevant Regulator must approve in advance the opening of any safeguard, judicial reorganisation or liquidation procedures.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in Australian dollar. 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 Australian dollar. These include the risk that exchange rates may significantly change (including changes due to devaluation of Australian dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or Australian dollar may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Australian dollar would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's

[1] Subject to specific rules applying in case of *procédure de sauvegarde accélérée or procédure de sauvegarde financière accélérée*.

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.

GENERAL DESCRIPTION OF THE NOTES

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

Issuer:	BNP Paribas.
Legal Entity Identifier (LEI):	R0MUWSFPU8MPRO8K5P83
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfill its obligations under the Notes. In addition, there are certain factors that are material for the purpose of assessing the risks associated with investing in the Notes. The risks that the Issuer currently believes to be the most significant are set out under "*Risk Factors*".
Notes:	AUD300,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes.
Global Coordinators, Joint Bookrunners and Joint Lead Managers:	BNP Paribas, Nomura International plc and Westpac Banking Corporation (ABN 33 007 457 141).
Joint Lead Managers:	Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, National Australia Bank Limited and The Toronto-Dominion Bank.
Principal Paying Agent:	BNP Paribas Securities Services.
Calculation Agent:	BNP Paribas Securities Services.
Issue Date:	10 July 2019.
Maturity Date:	The Notes will have no scheduled maturity date.
Issue Price:	100 per cent.
Form of Notes and denomination:	The Notes are in dematerialised bearer form (*au porteur*) in the denomination of AUD200,000.
Status and subordination 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 obligations of the Issuer in respect of principal and interest 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.
Interest Rate:	The rate of interest for each Interest Period from (and including) the Issue Date to (but excluding) the First Call Date is 4.5 per cent. *per annum*. The rate of interest for each Reset Interest Period beginning on or after the First Call

	Date will be equal to (a) the 5-Year Semi Quarterly Mid-Swap Rate plus (b) the Margin, as determined by the Calculation Agent.
First Call Date:	The Interest Payment Date falling on or about 10 January 2025.
Reset Date:	The First Call Date and every Interest Payment Date which falls on or about five (5), or a multiple of five (5), years after the First Call Date;
Interest Payment Dates:	Interest shall be payable semi-annually in arrear on 10 January and 10 July in each year from (and including) 10 January 2020, subject in any case as provided in Condition 5.11 (*Cancellation of Interest Amounts*) and Condition 8 (*Payments*).
Cancellation of Interest Amounts:	The Issuer may elect at its full discretion to cancel (in whole or in part), and in certain circumstances will be required to cancel (in whole or in part) the Interest Amount otherwise scheduled to be paid on an Interest Payment Date. See Condition 5.11 (*Cancellation of Interest Amounts*).
Write-Down and Reinstatement:	The Prevailing Outstanding Amount of the Notes will be written down if the Group's CET1 Ratio falls below 5.125 per cent. (all as defined in Condition 2 (*Interpretation*) in "Terms and Conditions of the Notes"). Noteholders may lose some or all of their investment as a result of a Write-Down. Following such reduction, some or all of the principal amount of the Notes may, at the Issuer's discretion, be reinstated, up to the Original Principal Amount, if certain conditions are met. See Condition 6 (*Write-Down and Reinstatement*) in "Terms and Conditions of the Notes".
Optional Redemption Dates:	Means each of the Reset Dates.
Optional Redemption on the Optional Redemption Date:	The Issuer may (at its option but subject to Condition 7.7 (*Conditions to Redemption and Purchase*)) redeem the then outstanding Notes, on the relevant Optional Redemption Date in whole at their Original Principal Amount, together with accrued interest.
Optional Redemption by the Issuer upon the occurrence of a Capital Event or Tax Event:	Subject as provided herein, in particular to the provisions of Condition 7.7 (*Conditions to Redemption and Purchase*), upon the occurrence of a Capital Event or a Tax Event, the Issuer may, at its option at any time, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount together with accrued interest thereon. "**Capital Event**" means the determination by the Issuer, that as a result of a change in the Relevant Rules becoming effective on or after the Issue Date, which change was not reasonably foreseeable by the Issuer as at the Issue Date, it is likely that all or part of the aggregate outstanding nominal amount of the Notes will be, excluded from the own funds of the Group or reclassified as a lower quality form of own funds of the Group. "**Tax Event**" means a Tax Deduction Event, a Withholding Tax Event or a Gross-Up Event.
Purchase:	The Issuer may, but is not obliged to, subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below, purchase Notes at any price in the open market or otherwise.
Conditions to	The Notes may only be redeemed or purchased if the Relevant Regulator has given its

Redemption and Purchase: prior written approval to such redemption or purchase (as applicable) and the other conditions required by Articles 77 and 78 of the CRR (as applicable on the date of such redemption or purchase) are met.

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

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

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

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

(i) the conditions listed in paragraphs (a)(i) or (a)(ii) above are met; and

(ii)

(A) in the case of redemption due to the occurrence of a Capital Event, (x) the Relevant Regulator considers such change to be sufficiently certain and (y) the Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of issuance of the Notes; or

(B) in the case of redemption due to the occurrence of a Tax Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Tax Event is material and was not reasonably foreseeable at the time of issuance of the Notes and the Issuer has delivered a certificate signed by one of its senior officers to the Principal Paying Agent (and copies thereof will be available at the Principal Paying Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Tax Event has occurred or will occur no more than ninety (90) calendar days following the date fixed for redemption, as the case may be; or

(C) the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Relevant Regulator has permitted that action on the basis of the determination that it

would be beneficial from a prudential point of view and justified by exceptional circumstances; or

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

Events of Default:	None.
Cross Default:	None.
Negative Pledge:	None.
Meeting and Voting Provisions:	The Terms and Conditions of the Notes contain provisions relating to General Meetings of Noteholders. Pursuant to Article L. 213-6-3 I of the French *Code monétaire et financier*, the Noteholders shall not be grouped in a *masse* having separate legal personality. The Issuer is entitled in lieu of holding a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution.
Taxation:	All payments of principal and interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In the event a payment of interest by the Issuer in respect of the Notes is subject to French Taxes by way of withholding or deduction, the Issuer shall, save in certain exceptions provided in Condition 9 (*Taxation*), pay such additional amounts as will result in receipt by the Noteholders of such amounts of interest as would have been received by them had no such withholding or deduction been required.
Further Issues:	Subject to the prior information of the Relevant Regulator, the Issuer may from time to time without the consent of the Noteholders issue further notes, such further notes forming a single series with the Notes so that such further notes and the Notes carry rights identical in all respects (or in all respects save for their issue date, interest commencement date, issue price and/or the amount and date of the first payment of interest thereon). Such further notes shall be assimilated (*assimilables*) to the Notes as regards their financial service provided that the terms of such further notes provide for such assimilation.
Admission to trading:	Application has been made for the Notes to be admitted to trading on Euronext Paris.
Settlement:	Euroclear France, Euroclear and Clearstream.
Governing law:	The Notes will be governed by, and construed in accordance with, French law.
Ratings:	The Notes are expected to be rated BBB- by Standard & Poor's, Ba1 by Moody's and BBB- by Fitch France. The Issuer's long-term credit ratings are A+ with a stable outlook (Standard & Poor's), Aa3 with a stable outlook (Moody's), AA- with a stable outlook (Fitch France) and AA (low) with a stable outlook (DBRS).

	A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time.
Use of Proceeds:	The net proceeds of the Notes will be applied for the general financing purposes of the Issuer and to increase its own funds.

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) BNP Paribas' *Document de référence et rapport financier annuel* in French for 2017 filed with the AMF on 6 March 2018 under n°D.18-0104 (the "**BNPP 2017 Registration Document**") including the consolidated financial statements for the year ended 31 December 2017 and the statutory auditor's report thereon, other than the sections entitled "*Personne responsable du Document de référence et du rapport financier annuel*", the "*Table de concordance*" and any reference to a completion letter (*lettre de fin de travaux*) therein;

(b) BNP Paribas' *Document de référence et rapport financier annuel* in French for 2018 filed with the AMF on 5 March 2019 under n°D.19-0114 (the "**BNPP 2018 Registration Document**") including the consolidated financial statements for the year ended 31 December 2018 and the statutory auditors' report thereon other than the sections entitled "*Personne responsable du Document de référence et du rapport financier annuel*", the "*Table de concordance*" and any reference to a completion letter (*lettre de fin de travaux)* therein; and

(c) BNP Paribas' *Actualisation du Document de référence déposée auprès de l'AMF le 2 mai 2019* in French filed with the AMF on 2 May 2019 under n°D.19-0114-A01 (the "**First Update to the BNPP 2018 Registration Document**").

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

The English versions of the BNPP 2017 Registration Document, the BNPP 2018 Registration Document and First Update to the BNPP 2018 Registration Document are available on the websites of the Issuer (www.invest.bnpparibas.com) and of the AMF (www.amf-france.org).

The information incorporated by reference above is available as follows:

BNPP 2018 REGISTRATION DOCUMENT	
Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004	
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 287 to 295 of the BNPP 2018 Registration Document Pages 73 and 77 of the First Update to 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,	Pages 585 and 606 (back cover) of the BNPP 2018 Registration Document

- 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).	
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 to 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
5.1.2. An indication of any significant new products and/or activities.	Pages 6 to 15, 114 to 127, 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. Organisational 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.	Pages 4 and 6 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.	Page 136 to 138 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	NA

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 estimate is consistent with the accounting policies of the Issuer. 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: (a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;	
(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; (c) this financial information has not been audited.	
8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	NA
9. Administrative, Management, and Supervisory Bodies	
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: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Pages 31 to 45 and 98 of the BNPP 2018 Registration Document
9.2. Administrative, Management, and Supervisory bodies conflicts of interests. 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. In the event that there are no such conflicts, make a statement to that effect.	Pages 49 to 50,63 to 64 and 74 to 94 of the BNPP 2018 Registration Document
10. Major Shareholders	
10.1. To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 16 and 17 of the BNPP 2018 Registration Document
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.	Page 17 of the BNPP 2018 Registration Document

2018 FINANCIAL STATEMENTS	
Profit and loss account for the year ended 31 December 2018.	Page 152 of the BNPP 2018 Registration Document
Statement of net income and changes in assets and liabilities recognised directly in equity.	Page 153 of the BNPP 2018 Registration Document
Balance sheet at 31 December 2018.	Page 154 of the BNPP 2018 Registration Document
Cash flow statement for the year ended 31 December 2018.	Page 155 of the BNPP 2018 Registration Document
Statement of changes in shareholders' equity between 1 January 2018 and 31 December 2018.	Pages 156 and 157 of the BNPP 2018 Registration Document
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union.	Pages 158 to 269 of the BNPP 2018 Registration Document
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended 31 December 2018.	Pages 270 to 276 of the BNPP 2018 Registration Document

BNPP 2017 REGISTRATION DOCUMENT	
Extracts of Annex XI of the European Regulation 809/2004/EC of 29 April 2004	
Profit and loss account for the year ended 31 December 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 31 December 2017.	Page 142 of the BNPP 2017 Registration Document
Cash flow statement for the year ended 31 December 2017.	Page 143 of the BNPP 2017 Registration Document
Statement of changes in shareholders' equity between 1 January 2017 and 31 December 2017.	Pages 144 to 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 31 December 2017.	Pages 237 to 242 of the BNPP 2017 Registration Document

FIRST UPDATE TO THE BNPP 2018 REGISTRATION DOCUMENT	
Person responsible	Page 101 of the First Update to the BNPP 2018 Registration Document
Quarterly financial information	Pages 4 to 69 and page 72 of the First Update to the BNPP 2018 Registration Document
Risk factors	Pages 73 and 77 of the First Update to the BNPP 2018 Registration Document
Remuneration and benefits	Pages 78 to 96 of the First Update to the BNPP

	2018 Registration Document
Legal and arbitration proceedings	Pages 97 and 98 of the First Update to the BNPP 2018 Registration Document
Documents on display	Page 99 of the First Update to the BNPP 2018 Registration Document
Significant change in the Issuer's financial or trading position	Page 99 of the First Update to the BNPP 2018 Registration Document
Additional information	Pages 78 to 99 of the First Update to the BNPP 2018 Registration Document
Statutory auditors	Page 100 of the First Update to the BNPP 2018 Registration Document

Information contained in the documents incorporated by reference other than information listed in the tables above is for information purposes only.

The Issuer will provide, free of charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Prospectus. In addition, copies of any documents incorporated by reference will be made available free of charge from the specified office of the Principal Paying Agent, and will be available for viewing on the website of the French Directorate of Legal and Administrative Information (www.info-financiere.fr) and on the Issuer's website (www.invest.bnpparibas.com). This Prospectus will be available for viewing on the websites of the Issuer (www.invest.bnpparibas.com) and the AMF (www.amf-france.org).

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

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

1. Introduction

The issue of the AUD300,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes (the "**Notes**") of BNP Paribas (the "**Issuer**") has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer held on 30 April 2019 and a decision of Lars Machenil, Chief Financial Officer of the Issuer dated 4 July 2019.

The Issuer will enter into an agency agreement (the "**Agency Agreement**") to be dated on or about 8 July 2019 with BNP Paribas Securities Services as fiscal agent, principal paying agent and calculation agent. The fiscal agent and principal paying agent, the calculation agent and the paying agent for the time being are respectively referred to in these Conditions as the "**Fiscal Agent**", the "**Principal Paying Agent**", the "**Calculation Agent**" and the "**Paying Agent**" (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the "**Agents**". Copies of the Agency Agreement are available for inspection at the specified offices of the Paying Agent.

References to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

2. Interpretation

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

"**5-Year Semi Quarterly 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:

(a) the prevailing 5-Year AUD Semi-Semi Mid-Swap Reference Rate, at 10:30 am (local time in Sydney), (the "**Screen Page 5-Year Mid-Swap Rate**"), adjusted on a quarterly basis by referencing the arithmetic mean of the 3-month vs 6-month basis swap for a period of 5 years on the Relevant Quarterly Basis Screen Page, as determined by the Calculation Agent on the Reset Rate of Interest Determination Date (the "**Adjusted Screen Page 5-Year Semi Quarterly Mid-Swap Rate**"); or

(b) 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 Condition 5.10 (*5-Year Semi Quarterly Mid-Swap Rate replacement*), or such basis swap is not available on the Relevant Quarterly Basis Screen Page, the Reset Reference Bank Rate on such Reset Rate of Interest Determination Date;

"**5-Year AUD Semi-Semi Mid-Swap Reference Rate**" means the mid-market arithmetic mean, expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of bid and offered swap rates for AUD swap transactions with a maturity of 5 years displayed on the Screen Page at 10.30 a.m. (local time in Sydney) on the relevant Reset Rate of Interest Determination Date;

"**5-Year Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and offered rates provided by the relevant Reset Reference Bank at which fixed-for-floating swaps in the AUD swap market are offered and bid by it at approximately 10.30 a.m. (Sydney time) on the Reset Determination Date to participants in the AUD swap market for a period of 5-year, with a semi-annual fixed leg and a quarterly floating leg;

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

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

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

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

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

"**Benchmark Event**" means, in relation to Screen Page 5-Year Mid-Swap Rate, any of the following:

(a) the Screen Page 5-Year Mid-Swap Rate ceasing to exist or ceasing to be published for a period of at least six (6) consecutive Business Days or having been permanently or indefinitely discontinued;

(b) the making of a public statement or publication of information (provided that, at the time of any such event, there is no successor administrator that will provide Screen Page 5-Year Mid-Swap Rate) by or on behalf of (i) the administrator of the Screen Page 5-Year Mid-Swap Rate, or (ii) the supervisor, insolvency official, resolution authority, central bank or competent court having jurisdiction over such administrator stating that (x) the administrator has ceased or will cease permanently or indefinitely to provide the Screen Page 5-Year Mid-Swap Rate, (y) the Screen Page 5-Year Mid-Swap Rate has been or will be permanently or indefinitely discontinued, or (z) the Screen Page 5-Year Mid-Swap Rate has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally, or in respect of the Notes, provided that, if such public statement or publication mentions that the event or circumstance referred to in (x), (y) or (z) above will occur on a date falling later than three (3) months after the relevant public statement or publication, the Benchmark Event shall be deemed to occur on the date falling three (3) months prior to such specified date (and not the date of the relevant public statement);

(c) it has or will prior to the next Reset Rate of Interest Determination Date, become unlawful for the Calculation Agent or any other party responsible for determining the Screen Page 5-Year Mid-Swap Rate to calculate any payments due to be made to any Noteholder using the Screen Page 5-Year Mid-Swap Rate (including, without limitation, under BMR, if applicable); or

(d) the making of a public statement or publication of information that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Screen Page 5-Year Mid-Swap Rate, or the administrator of the Screen Page 5-Year Mid-Swap Rate has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the use of the Screen Page 5-Year Mid-Swap Rate is not or will not be permitted under any applicable law or regulation, such that the Calculation Agent or any other party responsible for determining the Screen Page 5-Year Mid-Swap Rate is unable to perform its obligations in respect of the Notes,

in each case, as determined by the Calculation Agent (failing which the Issuer).

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

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

"**BRRD**" means the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms as published in the Official Journal of the European Union on 12 June 2014, as amended from time to time or such other directive as may come in effect in the place thereof (including by the Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC);

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

"**Calculation Amount**" means the lower of AUD200,000 and the Prevailing Outstanding Amount;

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

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

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

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

"**CRD IV**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as published in the Official Journal of the European Union on 27 June 2013, as amended from time to time or such other directive as may come into effect in place thereof (including by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures);

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

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

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms, as published in the Official Journal of the European Union on 27 June 2013, as amended from time to time or such other regulation as may come into effect in place thereof (including by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012);

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

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

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

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

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

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

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

"**First Call Date**"means the Interest Payment Date falling on or about 10 January 2025;

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

"**Group's CET1 Ratio**" means the Group's Common Equity Tier 1 ratio pursuant to Article 92(1)(a) of the CRR calculated in accordance with Article 92(2)(a) of the CRR;

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

"**Initial Rate of Interest**" means 4.5 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 10 January and 10 July in each year from (and including) 10 January 2020;

"**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 10 July 2019;

"**Issuer**" shall have the meaning attributed thereto the Condition 1 (*Introduction*);

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

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

"**Margin**" means 3.372 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 (*Introduction*);

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

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

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

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

"**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sydney, New York and London and a day which is a day on which the Target2 System is open;

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

"**Rate of Interest**" means:

(i) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or

(ii) in the case of each Interest Period falling in a Reset Interest Period, the relevant Reset Rate of Interest,

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

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

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

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

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

"**Relevant Nominating Body**" means, in respect of the Screen Page 5-Year Mid-Swap Rate:

(i) the central bank for Australian dollars, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Screen Page 5-Year Mid-Swap Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for Australian dollars, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Screen Page 5-Year Mid-Swap Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof;

"**Relevant Quarterly Basis Screen Page**" means Bloomberg Page IAUS15 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 basis swaps in the AUD swap market;

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

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

"**Relevant Rules**" means at any time the laws, regulations, requirements, guidelines and policies of the Relevant Regulator relating to capital adequacy and then in effect in France and applicable to the Issuer from time to time including, for the avoidance of doubt, applicable rules contained in, or implementing the CRD IV Rules and/or the BRRD (as they 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 Semi Quarterly Mid-Swap Rate plus (b) the Margin, except that if the sum of (a) the 5-Year Semi Quarterly Mid-Swap Rate plus (b) the Margin is less than zero, the Reset Rate of Interest will be equal to zero;

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

"**Reset Reference 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 Calculation Agent at approximately 10:30 a.m. (local time in Sydney) 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 5-Year Semi Quarterly Mid-Swap Rate available on the Screen Page as determined by the Calculation Agent except that if the Calculation Agent (failing which the Issuer) determines that the absence of quotations is due to the discontinuation of the Screen Page or the occurrence of a Benchmark Event, then the 5-Year Semi Quarterly Mid-Swap Rate will be determined in accordance with Condition 5.10 (*5-Year Semi Quarterly Mid-Swap Rate replacement*);

"**Reset Reference Banks**" means four (4) leading swap dealers in the AUD swap market selected by the Issuer;

"**Screen Page**" means Bloomberg Page IAUS10, 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 AUD Semi-Semi Mid-Swap Reference Rate;

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

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

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

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

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

"**Trigger Event**" shall occur if, at any time, the Group's CET1 Ratio is less than the Trigger Level;

"**Trigger Level**" means 5.125 per cent.;

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

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

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

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

(a) the amount necessary to generate sufficient Common Equity Tier 1 items (as defined in the CRR) of the Issuer under the accounting framework applicable to the Issuer to restore the Group's 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's CET1 Ratio to the lower of (a) such Loss Absorbing Instrument's trigger level and (b) the Trigger Level in respect of which a Trigger Event has occurred, and

(b) the amount that would reduce the Prevailing Outstanding Amount to AUD0.01,

provided further that to the extent the reduction to, or, as the case may be, conversion of any Loss Absorbing Instrument is not, or by the relevant Write-Down Date will not be, effective for any reason:

(i) the ineffectiveness of any such reduction or, as the case may be, conversion shall not prejudice the requirement to effect a reduction to the Prevailing Outstanding Amount pursuant to Condition 6 (*Write-Down and Reinstatement*); and

(ii) the reduction to, or, as the case may be conversion of any Loss Absorbing Instrument which is not, or by the Write-Down Date will not be, effective shall not be taken into account in determining such reduction of the Prevailing Outstanding Amount;

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

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

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

2.2 *Interpretation*: In these Conditions:

(i) any reference to principal shall be deemed to include the Prevailing Outstanding Amount and any other amount in the nature of principal payable pursuant to these Conditions;

(ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 9 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(iii) references to Notes being "outstanding" shall have the meaning attributed thereto in Condition 12.12; and

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

3. Form, Denomination and Title

The Notes are issued on 10 July 2019 (the "**Issue Date**") in dematerialised bearer form (*au porteur*) in the denomination of AUD200,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq*. and R.211-1 of the French Code *monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French Code *monétaire et financier*) will be issued in respect of the Notes.

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

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

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

4. Status of the Notes

The Notes 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 principal and interest 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 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 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 10 January 2020, subject in any case as provided in Condition 5.11 (*Cancellation of Interest Amounts*) and Condition 8 (*Payments*).

5.2 *Interest to (but excluding) the First Call Date*: The rate of interest for each Interest Period falling in the Initial Period will be the Initial Rate of Interest. The amount of interest per Calculation Amount payable on each Interest Payment Date in relation to an Interest Period falling in the Initial Period will be AUD4,500.

5.3 *Interest from (and including) the First Call Date*: The rate of interest for each Interest Period falling in the Reset Interest Period will be equal to the Reset Rate of Interest, as determined by the Calculation Agent.

5.4 *Accrual of interest*: Each Note will cease to bear interest from the due date for redemption unless payment of the Prevailing Outstanding Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of:

(i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and

(ii) the day which is seven (7) calendar days after the Principal Paying Agent has notified the Noteholders in accordance with Condition 14 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh (7th) calendar day (except to the extent that there is any subsequent default in payment).

5.5 *Determination of Reset Rate of Interest*: The Calculation Agent will, as soon as practicable after 10:30 a.m. (local time in Sydney) on each Reset Rate of Interest Determination Date, calculate the Reset Rate of Interest for such Reset Interest Period.

5.6 *Publication of Reset Rate of Interest*: The Calculation Agent will cause the Reset Rate of Interest determined by it to be notified to the Principal Paying Agent (if not the Calculation Agent) as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 14 (*Notices*).

5.7 *Calculation of amount of interest per Calculation Amount*: The amount of interest payable in respect of the Calculation Amount for any period shall be calculated by:

(i) applying the applicable Rate of Interest to the Calculation Amount;

(ii) multiplying the product thereof by the Day Count Fraction; and

(iii) rounding the resulting figure to the nearest 0.01 AUD (0.005 AUD being rounded upwards).

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

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

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

5.10 *5-Year Semi Quarterly Mid-Swap Rate replacement:* Notwithstanding anything to the contrary in these Conditions, if the Calculation Agent (failing which the Issuer) determines at any time prior to any Reset Rate of Interest Determination Date, that the Screen Page 5-Year Mid-Swap Rate and/or the Adjusted Screen Page 5-Year Semi Quarterly Mid-Swap Rate has been discontinued or a Benchmark Event has occurred then the following provisions shall apply to the Notes:

(a) 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 Relevant Nominating Body that is consistent with industry accepted standards which has been identified to it by the Issuer, provided that if two or more alternative reference rates are selected by any Relevant Nominating Body, the Issuer shall determine which of those alternative reference rates is most appropriate to preserve the economic features of the Notes. If the Calculation Agent 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 Semi Quarterly Mid-Swap Rate Determination Agent**"), which will determine whether a substitute or successor rate for purposes of determining the 5-Year Semi Quarterly 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 (adjusted on a quarterly basis) is available. If the 5-Year Semi Quarterly Mid-Swap Rate Determination Agent determines that

there is an industry accepted successor rate, the 5-Year Semi Quarterly 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 Semi Quarterly Mid-Swap Rate.

(b) If the 5-Year Semi Quarterly Mid-Swap Rate Determination Agent or the Issuer, as applicable has determined a substitute or successor rate in accordance with the foregoing (such rate, the "**Replacement 5-Year Semi Quarterly Mid-Swap Rate**"), for the purposes of determining the 5-Year Semi Quarterly Mid-Swap Rate on each Reset Rate of Interest Determination Date falling on or after such determination, (i) the 5-Year Semi Quarterly 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 Replacement 5-Year Semi Quarterly Mid-Swap Rate, including any adjustment factor needed to make such Replacement 5-Year Semi Quarterly Mid-Swap Rate comparable to the Screen Page 5-Year Mid-Swap Rate (adjusted on a quarterly basis), 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 Semi Quarterly Mid-Swap Rates; (ii) references to the 5-Year Semi Quarterly Mid-Swap Rate in these Conditions will be deemed to be references to the relevant Replacement 5-Year Semi Quarterly Mid-Swap Rate, including any alternative method for determining such rate as described in (i) above; (iii) the 5-Year Semi Quarterly Mid-Swap Rate Determination Agent, if one has been appointed, will notify the Issuer of the foregoing as soon as reasonably practicable; and (iv) the Issuer will give a notice to the Noteholders, the Calculation Agent and the Principal Paying Agent specifying the Replacement 5-Year Semi Quarterly Mid-Swap Rate, as well as the details described in (i) above as soon as reasonably practicable but in any event no later than 5:00 p.m. (London time) on the Business Day prior to the applicable Reset Rate of Interest Determination Date.

(c) The determination of the Replacement 5-Year Semi Quarterly Mid-Swap Rate and the other matters referred to above by the 5-Year Semi Quarterly 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 Principal Paying Agent and the Noteholders, unless the Issuer, the Calculation Agent or the 5-Year Semi Quarterly Mid-Swap Rate Determination Agent determines at a later date that the Replacement 5-Year Semi Quarterly Mid-Swap Rate is no longer substantially comparable to the 5-Year Semi Quarterly 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 Semi Quarterly Mid-Swap Rate Determination Agent, as the case may be (which may or may not be the same entity as the original 5-Year Semi Quarterly Mid-Swap Rate Determination Agent or the Calculation Agent) for the purpose of confirming the Replacement 5-Year Semi Quarterly Mid-Swap Rate or determining a substitute Replacement 5-Year Semi Quarterly Mid-Swap Rate in an identical manner as described in this Condition 5.10. If the 5-Year Semi Quarterly Mid-Swap Rate Determination Agent is unable to or otherwise does not determine a substitute Replacement 5-Year Semi Quarterly Mid-Swap Rate, then the Replacement 5-Year Semi Quarterly Mid-Swap Rate will remain unchanged.

(d) For the avoidance of doubt, each Noteholder shall be deemed to have accepted the Replacement 5-Year Semi Quarterly Mid-Swap Rate or such other changes pursuant to this Condition 5.10.

(e) Notwithstanding any other provision of this Condition 5.10, (i) if a 5-Year Semi Quarterly 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 Semi Quarterly Mid-Swap Rate has not been determined or (ii) if the Issuer determines that the replacement of the 5-Year Semi Quarterly Mid-Swap Rate with the Replacement 5-Year Semi Quarterly 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 Semi Quarterly Mid-Swap Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the 5-Year Semi

Quarterly 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 (adjusted on a quarterly basis) available on the Screen Page as determined by the Calculation Agent.

(f) The 5-Year Semi Quarterly Mid-Swap Rate Determination Agent may be (i) a leading bank, broker-dealer or benchmark agent active in the AUD market as appointed by the Issuer, (ii) an affiliate of the Issuer or (iii) such other entity that the Issuer in its sole and absolute discretion determines to be competent to carry out such role. The 5-Year Semi Quarterly Mid-Swap Rate Determination Agent may not be an affiliate of the Issuer, unless it is a regulated investment services provider.

5.11 *Cancellation of Interest Amounts:*

(i) Optional cancellation

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

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

(ii) Mandatory cancellation

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

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

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

(iii) Notice of cancellation of Interest Amounts

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

Interest Amount in whole or in part by the Issuer and shall not constitute a default on the part of the Issuer for any purpose).

6. Write-Down and Reinstatement

6.1 *Write-Down:* If a Trigger Event occurs, the Issuer shall (i) immediately notify the Relevant Regulator of the occurrence of the Trigger Event, (ii) give a Write-Down Notice to Noteholders (in accordance with Condition 14 (*Notices*)) and the Principal Paying Agent, and (iii) irrevocably (without the need for the consent of Noteholders), reduce on the Write-Down Date the then Prevailing Outstanding Amount of each Note by the relevant Write-Down Amount (such reduction being referred to as a "**Write-Down**", and "**Written Down**" being construed accordingly). Notwithstanding the foregoing, failure to give such notice shall not prevent the Issuer from effecting a Write-Down. Furthermore, if a notice of a Trigger Event has been given pursuant to this Condition 6.1, no notice of redemption may be given pursuant to Condition 7.2 (*Optional Redemption from the First Call Date*), Condition 7.3 (*Optional Redemption upon the occurrence of a Capital Event*) or Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*) until such Trigger Event has been cured.

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

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 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), as amended or replaced, on a *pro rata* basis with all other Discretionary Temporary Loss Absorption Instruments (if any) which would, following such Reinstatement, constitute Additional Tier 1 Capital.

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

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

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

(i) any previous Reinstatement of the Notes out of the Relevant Group Net Income since the Reference Date;

(ii) the aggregate amount of any interest on the Notes that has been paid since the Reference Date on the basis of a Prevailing Outstanding Amount that is lower than the Original Principal Amount;

(iii) the aggregate amount of the increase in principal amount of the Written Down Additional Tier 1 Instruments to be written-up out of the Relevant Group Net Income concurrently with the Reinstatement and (if applicable) any previous increase in

principal amount of such Written Down Additional Tier 1 Instruments out of the Relevant Group Net Income since the Reference Date; and

(iv) the aggregate amount of any interest on such Written Down Additional Tier 1 Instruments that has been paid since the Reference Date on the basis of a prevailing principal amount that is lower than the original principal amount at which such Written Down Additional Tier 1 Instruments were issued;

would exceed the Maximum Reinstatement Amount.

7. Redemption and Purchase

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

7.2 *Optional Redemption from the First Call Date*: The Issuer may (at its option but subject to Condition 7.7 (*Conditions to Redemption and Purchase)* below), subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' prior notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), redeem the then outstanding Notes, on the relevant Optional Redemption Date in whole, but not in part, at their Original Principal Amount (provided that if at any time a Write-Down Notice has been given and/or the Notes have been Written Down pursuant to Condition 6.1 (*Write-Down*), the Issuer shall not be entitled to exercise its option under this Condition 7.2 until the principal amount of the Notes so Written Down has been fully reinstated pursuant to Condition 6.3 (*Reinstatement*)), together with all interest accrued to (but excluding) the relevant Optional Redemption Date (if any).

7.3 *Optional Redemption upon the occurrence of a Capital Event*: Upon the occurrence of a Capital Event, the Issuer may (at its option but subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below) at any time subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any).

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

(i) If by reason of a change in, or in the official interpretation or administration of, any laws or regulations of France or any political subdivision or any authority thereof or therein having power to tax becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 9 (*Taxation*) (a "**Withholding Tax Event**"), the Issuer may (at its option but subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below), at any time, subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' notice to the Noteholders (in accordance with Condition 14 (*Notices*)) (which notice shall be irrevocable) and the Principal Paying Agent, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any), provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of interest without withholding or deduction for French Taxes or, if such date has passed, as soon as practicable thereafter.

(ii) If the Issuer would, on the next payment of interest in respect of the Notes, be prevented by French law from making payment to the Noteholders of the full amount then due and payable (including any additional amounts which would be payable pursuant to Condition 9 (*Taxation*) but for the operation of such French law) (a "**Gross-Up Event**"), then, the Issuer may (subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below) upon giving not less than seven (7) nor more than forty-five (45) calendar days' prior notice to the Noteholders (in accordance with Condition 14 (*Notices*)) (which notice shall be irrevocable) and the Principal Paying Agent, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount, together with all interest accrued to the date fixed for redemption (if any), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the

full amount of interest payable without withholding or deduction for French Taxes or, if such date has passed, as soon as practicable thereafter.

(iii) If by reason of any change in the French laws or regulations, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after the Issue Date, the tax regime applicable to any interest payment under the Notes is modified and such modification results in the amount of the interest payable by the Issuer under the Notes that is tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes being reduced (a "**Tax Deduction Event**"), the Issuer may, subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below, at its option, at any time, subject to having given no less than thirty (30) nor more than forty-five (45) calendar days' notice to the Principal Paying Agent and the Noteholders (in accordance with Condition 14 (*Notices*)) redeem all, but not in part, of the then outstanding Notes at the Prevailing Outstanding Amount together with all interest accrued to the date fixed for redemption (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to the same extent as it was on the Issue Date.

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

7.5 *Purchase*: The Issuer may, but is not obliged to, subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below, purchase Notes at any price in the open market or otherwise at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations. Any purchase for market making purposes is further subject to the conditions set out in Article 29 of the CDR, in particular with respect to the predetermined amount authorised by the Relevant Regulator.

7.6 *Cancellation*: All Notes which are redeemed or purchased by the Issuer to be cancelled will forthwith be cancelled and accordingly may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

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

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

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

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

(b) In the case of redemption before the fifth anniversary of the Issue Date, if:

(i) the conditions listed in paragraphs (a)(i) or (a)(ii) above are met; and

(ii)

(A) in the case of redemption due to the occurrence of a Capital Event, (x) the Relevant Regulator considers such change to be sufficiently certain and (y)

the Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of issuance of the Notes; or

(B) in the case of redemption due to the occurrence of a Tax Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Tax Event is material and was not reasonably foreseeable at the time of issuance of the Notes and the Issuer has delivered a certificate signed by one of its senior officers to the Principal Paying Agent (and copies thereof will be available at the Principal Paying Agent's specified office during its normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Tax Event has occurred or will occur no more than ninety (90) calendar days following the date fixed for redemption, as the case may be; or

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

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

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

8. Payments

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

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

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

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

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

Fiscal Agent, Principal Paying Agent and Calculation Agent
BNP Paribas Securities Services
(affiliated with Euroclear France under number 29106)
Corporate Trust Services
3, 5, 7 rue du Général Compans
93500 Pantin
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent, Paying Agent or Calculation Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent, a Principal Paying Agent and a Calculation Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 14 (*Notices*) and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

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

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

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

9. Taxation

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

9.2 *Gross up*: In the event a payment of interest by the Issuer in respect of the Notes is subject to French Taxes by way of withholding or deduction, the Issuer shall pay to the fullest extent permitted by law such additional amounts as will result in receipt by the Noteholders, 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) where the applicable French Taxes are levied other than by way of a withholding or deduction; or

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

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

10. Prescription

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

11. Enforcement

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

12. Meeting and voting provisions

12.1 *Interpretation:* In this Condition 12:

(a) references to a "**General Meeting**" are to a general meeting of Noteholders and include, unless the context otherwise requires, any adjourned meeting thereof;

(b) "**outstanding**" has the meaning set out in Condition 12.12;

(c) "**Electronic Consent**" has the meaning set out in Condition 12.8(a);

(d) "**Written Resolution**" means a resolution in writing signed or approved by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding. References to a Written Resolution include, unless the context otherwise requires, a resolution approved by Electronic Consent; and

(e) "**Written Resolution Date**" has the meaning set out in Condition 12.8(b) below.

12.2 *General:*

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

(a) the following provisions of the French *Code de commerce* shall apply: Articles L.228-46-1, L.228-57, L.228-58, L.228-59, L.228-60, L.228-60-1, L.228-61 (with the exception of the first paragraph thereof), L.228-65 (with the exception of (i) sub-paragraphs 1°, 3°, 4° and 6° of paragraph I and (ii) paragraph II), L.228-66, L.228-67, L.228-68, L.228-76, L.228-88, R.228-65, R.228-66, R.228-67, R.228-68, R.228-70, R.228-71, R.228-72, R.228-73, R.228-74 and R.228-75 of the French *Code de commerce*, and

(b) whenever the words "*de la masse*", "*d'une même masse*", "*par les représentants de la masse*", "*d'une masse*", "*et au représentant de la masse*", "*de la masse intéressée*", "*dont la masse est convoquée en assemblée*" or "*par un représentant de la masse*", appear in those provisions, they shall be deemed to be deleted, and subject to the following provisions of this Condition 12.

12.3 *Resolution:*

(a) In accordance with the provisions of Article L.228-46-1 of the French *Code de commerce*, a resolution (the "**Resolution**") may be passed (i) at a General Meeting in accordance with the quorum and voting rules described in paragraph 12.7 below or (ii) by a Written Resolution.

(b) A Resolution may be passed with respect to any matter that relates to the common rights (*intérêts communs*) of the Noteholders.

(c) A Resolution may be passed on any proposal relating to the modification of the Conditions including any proposal, (i) whether for a compromise or settlement, regarding rights which are the subject of litigation or in respect of which a judicial decision has been rendered, and (ii) relating to the modification of the amortisation or interest rate provisions.

(d) For the avoidance of doubt, neither a General Meeting nor a Written Resolution has power, and consequently a Resolution may not be passed to decide on any proposal relating to (i) the

modification of the objects or form of the Issuer, (ii) the issue of notes benefiting from a security over assets (*surêté réelle*) which will not benefit to the Noteholders, (iii) the potential merger (*fusion*) or demerger (*scission*) including partial transfers of assets (*apports partiels d'actifs*) under the demerger regime of or by the Issuer; (iv) the transfer of the registered office of a European Company (*Societas Europaea* – SE) to a different Member State of the European Union.

(e) However, each Noteholder is a creditor of the Issuer and as such enjoys, pursuant to Article L.213-6-3 IV of the French *Code monétaire et financier*, all the rights and prerogatives of individual creditors in the circumstances described under paragraphs 12.3(d)(iii) and (iv) above, including any right to object (*former opposition*).

(f) Each Noteholder is entitled to bring a legal action against the Issuer for the defence of its own interests; such a legal action does not require the authorisation of the General Meeting.

(g) The Noteholders may appoint a nominee to file a proof of claim in the name of all Noteholders in the event of judicial reorganisation procedure or judicial liquidation of the Issuer.

(h) Pursuant to Article L.228-85 of the French *Code de commerce*, in the absence of such appointment of a nominee, the judicial representative (*mandataire judiciaire*), at its own initiative or at the request of any Noteholder will ask the court to appoint a representative of the Noteholders who will file the proof of Noteholders' claim.

12.4 *Convening of a General Meeting:*

(a) A General Meeting may be held at any time, on convocation by the Issuer. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

(b) Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 14.2, not less than fifteen days prior to the date of such General Meeting on first convocation and, five days on second convocation.

12.5 *Arrangements for Voting:*

(a) Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or by videoconference or by any other means of telecommunication allowing the identification of participating Noteholders.

(b) Each Note carries the right to one vote.

(c) In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second Paris business day preceding the date set for the meeting of the relevant General Meeting.

(d) Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14.2.

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

12.7 *Quorum and Voting:* General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple

majority of votes cast by Noteholders attending (including by videoconference or by any other means of telecommunication allowing the identification of participating Noteholders) such General Meetings or represented thereat.

12.8 *Written Resolution and Electronic Consent:*

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

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

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

12.10 *Information to Noteholders:*

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

(B) Decisions of General Meetings and Written Resolution once approved will be published in accordance with the provisions of Condition 14.2.

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

12.12 *Outstanding Notes:*

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

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

(a) those Notes which have been redeemed and cancelled pursuant to the Conditions;

(b) those Notes in respect of which the date for early redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under the Conditions after that date) have been duly paid to or to the order of the Principal Paying Agent;

(c) those Notes which have been purchased and cancelled in accordance with the Conditions;

(d) those Notes in respect of which claims have become prescribed under the Conditions; and

(e) provided that for the purpose of attending and voting at any meeting of the Noteholders, those Notes (if any) which are for the time being held by or for the benefit of the Issuer or any of its subsidiaries shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

13. Further Issues

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

14. Notices

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

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

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

15. Governing Law and Jurisdiction

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

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

16. Recognition of Bail-in and Loss Absorption

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

(a) to be bound by the effect of the exercise of the Bail-in or Loss Absorption Power (as defined below) by the Relevant Resolution Authority (as defined below), which may include and result in any of the following, or some combination thereof:

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

B. the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Noteholder of

such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;

C. the cancellation of the Notes; and/or;

D. the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;

(b) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority.

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

16.2 *Bail-in or Loss Absorption Power*

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

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

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

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

16.4 *No Event of Default:* Neither a cancellation of the Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes will be an event of default or otherwise constitute non-

performance of a contractual obligation, or entitle the Noteholder to any remedies (including equitable remedies) which are hereby expressly waived.

16.5 *Notice to Noteholders:* Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will give notice to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable regarding such exercise of the Bail-in or Loss Absorption Power. The Issuer will also deliver a copy of such notice to the Principal Paying Agent for information purposes, although the Principal Paying Agent shall not be required to send such notice to Noteholders. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in or Loss Absorption Power nor the effects on the Notes described in Condition 16.1 above.

16.6 *Duties of the Principal Paying Agent*

Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority, the Issuer and each Noteholder (including each holder of a beneficial interest in the Notes) hereby agree that (a) the Principal Paying Agent shall not be required to take any directions from Noteholders, and (b) the Agency Agreement shall impose no duties upon the Principal Paying Agent whatsoever, in each case with respect to the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority.

Notwithstanding the foregoing, if, following the completion of the exercise of the Bail-In or Loss Absorption Power by the Relevant Resolution Authority, any Notes remain outstanding (for example, if the exercise of the Bail-In or Loss Absorption Power results in only a partial write-down of the principal of the Notes), then the Principal Paying Agent's duties under the Agency Agreement shall remain applicable with respect to the Notes following such completion to the extent that the Issuer and the Principal Paying Agent shall agree pursuant to an amendment to the Agency Agreement.

16.7 *Pro-ration:* If the Relevant Resolution Authority exercises the Bail-in or Loss Absorption Power with respect to less than the total Amounts Due, unless the Principal Paying Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Bail-in or Loss Absorption Power will be made on a pro-rata basis.

16.8 *Conditions Exhaustive:* The matters set forth in this Condition 16 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any Noteholder.

DESCRIPTION OF THE ISSUER

The description of the Issuer and the Group is contained in the BNPP 2018 Registration Document which is incorporated by reference in this Prospectus and available on the website of the Issuer and on the website of the AMF (see section "Documents Incorporated by Reference").

USE OF PROCEEDS

The net proceeds of the Notes will be applied for the general financing purposes of the Issuer and to increase its own funds.

TAXATION

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

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

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

French taxation

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

Withholding taxes applicable to payments made outside France

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

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

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on the Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account held with a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) twelve point eight (12.8) per cent. for payments benefiting individuals who are not French tax residents, (ii) thirty (30) per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) seventy-five (75) per cent. for payments made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French *Code général des impôts* (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the seventy-five (75) per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion will apply in respect of the Notes if the Issuer can prove that the main purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 and BOI-IR-DOMIC-10-20-20-60-20150320, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes if the Notes are *inter alia*:

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

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

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

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

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

Foreign Account Tax Compliance Act

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

SUBSCRIPTION AND SALE

1. Subscription agreement

Australia and New Zealand Banking Group Limited, BNP Paribas, Commonwealth Bank of Australia, National Australia Bank Limited, Nomura International plc, The Toronto-Dominion Bank and Westpac Banking Corporation (ABN 33 007 457 141) (the "**Managers**") have, pursuant to a subscription agreement dated 8 July 2019 (the "**Subscription Agreement**"), jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 100 per cent. of the principal amount of the Notes, less a combined management and underwriting commission.

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

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

2. Selling Restrictions

2.1 Prohibition of Sales to EEA Retail Investors

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

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

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.

2.2 France

Each of the Managers have represented and agreed 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.

2.3 **United Kingdom**

Each Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not if the Issuer was not an authorised person apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

2.4 **United States**

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

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

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

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

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

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Managers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Prospectus by any non-U.S. person outside the United States to any other person within the United States, other than those persons, if any, retained to advise such non-U.S. person with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer or any of its contents to any such U.S. person or other person within the United States, other than those persons, if any, retained to advise such non-U.S. person, is prohibited.

2.5 **Australia**

Each Manager understands that no prospectus or other disclosure document (as defined in the Corporations Act 2001 (the "**Corporations Act**")) in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**") or ASX Limited (operator of the Australian Securities Exchange) (the "**ASX**") or any other regulatory body or agency in Australia. This document does not take into account objectives, the financial situation or needs of any particular person. The persons referred to in this document may not hold Australian Financial Services licenses. Each Manager has represented and agreed that it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, the Prospectus or any other offering material or advertisement relating to Notes in Australia,

unless;

(a) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in an alternative currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; or

(b) the offer does not constitute an offer to a "retail client" as defined for the purposes of Section 761G of the Corporations Act; and

(c) such action complies with any other applicable laws, regulations or directives in Australia including any restriction on the re-sale of the Notes for a period of 12 months after their issue; and

(d) such action does not require any document to be lodged with ASIC, the ASX or any other regulatory authority in Australia.

Section 708(19) of the Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Corporations Act if the Issuer is an Australian ADI (as defined for the purposes of the Corporation Act). As at the date of this Prospectus, the Issuer is an Australian ADI for the purposes of the Banking Act 1959 (Cth) of Australia.

In addition, each Manager has agreed that, in connection with the issue of the Notes, it will not offer or sell the Notes (or any interest in any Notes) to any person who is known or suspected, by the relevant officer(s) or employee(s) of the Manager involved in the offer, invitation or sale to be an Offshore Associate of the Issuer or to any person who is notified in writing by the Issuer to it as being an Offshore Associate of the Issuer.

"**Offshore Associate**" means an associate (as defined in section 128F(9) of the Income Tax Assessment Act 1936 (Cth) of Australia) that is either:

(a) a non-resident of Australia which does not acquire the Notes in the course of carrying on a business at or through a permanent establishment in Australia; or

(b) a resident of Australia that acquires the Notes in the course of carrying on a business at or through a permanent establishment outside Australia,

which is not acquiring the Notes, or receiving payment under the Notes, in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme.

2.6 **General**

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

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

The Notes are not intended to be sold and should not be sold to retail clients in the EEA, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, as amended or replaced from time to time, other than in circumstances that do not and will not give rise to

a contravention of those rules by any person. Prospective investors are referred to the paragraph headed "*Restrictions on marketing and sales to retail investors*" on pages 4 to 5 of this Prospectus for further information.

GENERAL INFORMATION

1. Corporate Authorisations

The issue of the Notes by the Issuer is authorised pursuant to the Board resolution dated 30 April 2019 and the issue decision of Lars Machenil in his capacity as Chief Financial Officer of the Issuer dated 4 July 2019.

2. Admission to trading

This Prospectus has received visa no. 19-332 on 8 July 2019 from the *Autorité des marchés financiers* ("**AMF**").

Application has been made for the Notes to be admitted to trading on Euronext Paris on 10 July 2019. The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately EUR 16,250.

3. Documents Available

Copies of the following:

(i) the *Statuts* of the Issuer;

(ii) BNPP 2017 Registration Document;

(iii) BNPP 2018 Registration Document;

(iv) the First Update to the BNPP 2018 Registration Document;

(v) the Agency Agreement; and

(vi) this Prospectus

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

4. Material Adverse Change

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 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 and 249 of the BNPP 2018 Registration Document and pages 97 and 98 of the First Update to 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 31 December 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 31 December 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 Noteholders 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, BNP Paribas SA 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 BNP Paribas SA 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 has been successively will be extended from year to year until the end of 2021, and then extended for a period of 5 years (i.e. to the end of 2026) in particular to integrate the IBM cloud services.

BP²I is under the operational control of IBM France. BNP Paribas has a strong influence over this entity, which is 50/50 owned with IBM France. The BNP Paribas 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 BNP Paribas 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 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 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Laurence Dubois.

Deputy:

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

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

PricewaterhouseCoopers Audit is represented by Patrice Morot.

Deputy:

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

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

Mazars is represented by Virginie Chauvin.

Deputy:

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

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

12. Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream systems and Euroclear France under common code 202550991 and ISIN FR0013433257.

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

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

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

13. Managers Conflicts

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

14. Yield

The yield is 4.5 per cent. up to the First Call Date. This yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

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

The following table[(1)] sets out the consolidated capitalization and medium to long term indebtedness (of which the unexpired term to maturity is more than one year) of the Group as of 31 March 2019 using the Group's accounting method and as of 31 December 2018 using the Group's prudential scope of consolidation.

BNP Paribas consolidated capitalization and medium and long term debt indebtedness over one year		
In Millions of Euros	**31 March 2019**	**31 December 2018**
Senior preferred debt at fair value through profit or loss	41,293	37,516
Senior preferred debt at amortised cost	48,351	48,223
Total Senior Preferred Debt	**89,644**	**85,739**
Senior non preferred debt at amortised cost	32,539	23,549
Total Senior Non Preferred Debt	**32,539**	**23,549**
Redeemable subordinated debt at amortised cost	15,591	14,929
Undated subordinated notes at amortised cost	522	516
Undated participating subordinated notes at amortised cost	225	225
Redeemable subordinated debt at fair value through profit or loss	58	118

Perpetual subordinated debt at fair value through profit or loss [2]	669	669
Preferred shares and equivalent instruments	9,565	8,240
Total Subordinated Debt	**26,630**	**24,697**
Issued Capital	2,500	2,500
Additional paid-in capital	24,524	24,537
Retained earnings	62,724	61,928
Unrealized or deferred gains and losses attributable to shareholders	1,361	503
Total Shareholders' Equity and Equivalents (net of proposed dividends)	**91,109**	**89,468**
Minority Interests (net of proposed dividends)	**4,253**	**4,049**
Total Capitalization and Medium Long Term Debt Indebtedness	**244,174**	**227,502**

(1) The table of capitalization has been presented using the prudential scope of consolidation from 30 September 2018 (the BNPP Group had previously presented is consolidated capitalization and medium-to-long term indebtedness using the accounting scope of consolidation). As stated in Pillar 3 of the BNPP 2018 Registration Document (in English), the material differences between the prudential scope of consolidation and the accounting scope of consolidation are as follows:

- insurance companies (primarily BNP Paribas Cardif and its subsidiaries) that are fully consolidated within the accounting scope 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 method in the prudential scope of consolidation.

(2) As of 31 March 2019, EUR 205 million of subordinated debt is eligible as Tier 1 capital. EUR 205 million of subordinated debt was eligible as of 30 December 2018.

16. Forward-Looking Statements

The BNPP 2017 Registration Document, the BNPP 2018 Registration Document and the First Update to the BNPP 2018 Registration Document (as defined in "*Documents Incorporated by Reference*") contain forward-looking statements. BNP Paribas and the BNP Paribas Group (being BNP Paribas together with its consolidated subsidiaries, the "**Group**") may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Issuer's and/or Group's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Issuer and the Group undertake no obligation to update publicly any of them in light of new information or future events.

17. Benchmarks Regulation

Amounts payable under the Notes from and including the First Call Date are calculated by reference to the 5-Year Semi Quarterly Mid-Swap Rate which itself refers to IAUS10 and IAUS15, which are provided by ICAP Australia Pty Limited (the "**Administrator**"). As at the date of this Prospectus, the Administrator does not appear in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Regulation (EU) No. 2016/1011, as amended (the "**Benchmarks Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Administrator is not currently required to obtain recognition, endorsement or equivalence.

18. LEI

The legal entity identifier of the Issuer is R0MUWSFPU8MPRO8K5P83.

RESPONSIBILITY STATEMENT

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 Lars Machenil
in his capacity as Chief Financial Officer of the Issuer

Dated 8 July 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* ("**AMF**"), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the *visa* no. 19-332 on 8 July 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.

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