



La Banque Postale

Issue of EUR 750,000,000 Perpetual Fixed Rate Non-Call 7 year Resettable Additional Tier 1 Notes

The EUR 750,000,000 Perpetual Fixed Rate Non-Call 7 year Resettable Additional Tier 1 Notes (the “Notes”) will be issued by La Banque Postale (“La Banque Postale” or the “Issuer”) on 20 November 2019 (the “Issue Date”). The principal and interest of the Notes will constitute direct unconditional, 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 arrears on 20 May and 20 November in each year from (and including) 20 May 2020 (each an “Interest Payment Date”). The Rate of Interest from (and including) the Issue Date to (but excluding) 20 November 2026 (the “First Reset Date”) is 3.875 per cent. *per annum*.

The Rate of Interest will reset on the First Reset Date and on each five-year anniversary thereafter (each, a “Reset Date”). The Rate of Interest for each Interest Period occurring after each Reset Date will be equal to the Reset Rate of Interest which amounts to the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin (4.01 per cent.), as determined by the Calculation Agent, as described in “Terms and Conditions of the Notes” converted from an annual basis to a semi-annual basis, except that if the sum of (a) the 5-Year Mid-Swap Rate plus (b) the Margin is less than zero, the Reset Rate of Interest will be equal to zero.

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 then outstanding Notes in whole, but not in part, at any time in the period commencing on (and including) 20 May 2026 and ending on (and including) the First Reset Date and any Interest Payment Date thereafter, 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 Regulation (EU) 2017/1129 (the “Prospectus

Regulation”).

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 depository bank for Clearstream Banking, S.A. (“**Clearstream**”).

The Notes will be in dematerialised bearer form (*au porteur*) in the denomination of EUR200,000 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 under the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

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

The long term debt of the Issuer is rated A (positive outlook) by S&P Global Ratings (“**S&P**”) and A- (stable outlook) by Fitch France SAS (“**Fitch**”). The Notes have been rated BB by S&P and BB by Fitch. A 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.

Each of S&P and Fitch is established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”) and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (<http://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) as of the date of this Prospectus.

On each Reset Date, amounts payable under the Notes will be calculated by reference to the mid-swap rate for euro swaps with a term of 5 years which appears on the Bloomberg screen “EUAMDB05 Index” as of approximately 11:00 a.m. (Central European time) on such Reset Rate of Interest Determination Date (as defined in Condition 2 (*Interpretation*) in “Terms and Conditions of the Notes”) which is provided by ICE Benchmark Administration (the “**Mid-Swap Administrator**”) or may be calculated by reference to EURIBOR, which is provided by the European Money Markets Institute (the “**EURIBOR Administrator**”). Each of the Mid-Swap Administrator and the EURIBOR Administrator appears on the list of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

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 (<http://www.amf-france.org/>) and of the Issuer (www.labanquepostale.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.

Global Coordinator and Structuring Advisor

HSBC

Joint Bookrunners

CREDIT AGRICOLE CIB

CREDIT SUISSE

HSBC

J.P. MORGAN

NATIXIS

SOCIETE GENERALE CORPORATE & INVESTMENT BANKING

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 Joint Bookrunners (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 Joint Bookrunners 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 Joint Bookrunners 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 Joint Bookrunners.

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 Joint Bookrunners 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 Joint Bookrunners 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 Joint Bookrunners 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 and unaudited semi-annual interim consolidated financial statements 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, the 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 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 Joint Bookrunners 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 Joint Bookrunners 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 EEA (including France and the United Kingdom), see “Subscription and Sale” below.

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.

The long term debt of the Issuer is rated A (positive outlook) by S&P and A- (stable outlook) by Fitch. The Notes have been rated BB by S&P and BB by Fitch. Such rating is 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 rating assigned to the Notes is 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 and it could adversely affect the liquidity of the Notes.

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.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the

“SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Any Notes will only be offered and sold in Singapore in compliance with the SFA.

Any Notes will only be offered and sold in Hong Kong in compliance with the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

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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 represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

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 Factors Relating to the Issuer

For details on the risk factors relating to the Issuer and the Group refer to pages 6 to 16 of the Amendment to the Universal Registration Document at 30 June 2019 (as defined in section of “Documents Incorporated by Reference”) which is incorporated by reference into this Prospectus.

The main risk factors relating to the Issuer are linked to the macro-economic environment, to the legal and regulatory framework, to the Issuer’s operations risks (in particular credit and counterparty risk, the volatility of financial markets, liquidity risk, maintaining a high credit rating, insurance business risks, operational risks, risks relating to governance and internal control, non-compliance risk) and to the strategy implemented by the Issuer.

Other risks, not known to the Issuer or not material as of the date of this Prospectus, may arise and/or have a significant impact on an investment in the Bonds.

Risk Factors relating to the Notes

In addition to the risks relating to the Issuer 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, and taking an informed decision in connection with, an investment in the Notes.

1 Risks relating to the nature of the 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 obligations of the Issuer in respect of principal and interest of the Notes are direct, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank *pari passu* and without any preference among themselves and rateably 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”.

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 high risk that investors in deeply subordinated notes such as the Notes will lose all or some of their investment if the Issuer becomes insolvent especially since the instruments qualifying as Additional Tier 1 (“**AT1**”) will be the first to be subject to bail-in tool in the context of the Issuer’s resolution proceedings.

Under French insolvency law, in the case of the opening in France of a safeguard procedure (*procédure de sauvegarde*, *procédure de sauvegarde accélérée* or *procédure de sauvegarde financière accélérée*), a judicial reorganisation procedure (*procédure de redressement judiciaire*) or a judicial liquidation (*liquidation judiciaire*) of the Issuer, all creditors of the Issuer (including the Noteholders) must file their proof of claims 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*). 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.

However, the application of French insolvency law is subject to the prior approval of the Relevant Regulator before the opening of any safeguard, judicial reorganisation or liquidation procedures. This limitation will affect the ability of the Noteholders to recover their investments in the Notes.

Should this risk materialise, the impact on Noteholders would be high and the commencement of insolvency proceedings will affect materially and adversely the situation of the Noteholders. It may result in a significant decrease of the market value of the Notes and cause the Noteholders to lose all or part of their investment.

The implementation in France of the EU Bank Recovery and Resolution Directive could materially affect the Notes

Directive 2014/59/EU provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms, as amended by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 (the “**Bank Recovery and Resolution Directive**” or “**BRRD**”), implemented in France by several legislative texts, to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity.

If the Issuer is determined to be failing or likely to fail within the meaning of, and under the conditions set by BRRD, and the relevant resolution authority applies any, or a combination, of the BRRD resolution tools (e.g. sale of business, creation of a bridge institution, asset separation or bail-in), any shortfall from the sale of the Issuer’s assets may lead to a partial reduction in the outstanding amounts of certain claims of unsecured creditors of that entity (including, as the case may be, the Notes), or, in a worst case scenario, a reduction to zero. The unsecured debt claims of the Issuer (including, as the case may be, the Notes) might also be converted into equity or other instruments of ownership, in accordance with the hierarchy of claims in normal insolvency proceedings, which equity or other instruments could also be subject to any future cancellation, transfer or dilution (such reduction or cancellation being first on common equity tier one instruments, thereafter the reduction, cancellation or conversion being on additional tier one instruments (such as the Notes), then tier two instruments

and other subordinated debts, then other eligible liabilities). The relevant resolution authority may also seek to amend the terms (such as variation of the maturity) of any outstanding unsecured debt securities (including, as the case may be, the Notes) (as further described in Condition 16 (*Recognition of Bail-in and Loss Absorption*)).

Public financial support to resolve the Issuer where there is a risk of failure will only be used as a last resort, after having assessed and exploited the above resolution tools, including the bail-in tool, to the maximum extent possible whilst maintaining financial stability.

As a result, the exercise of any power under the BRRD or any suggestion of such exercise could materially 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.

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.*”

There are no events of default under the Notes.

As contemplated by Condition 11 (*No Event of Default*), 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 obligation 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*”) 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.

Lastly, 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.

Because of the AT1 nature of the Notes, in contrast to most senior bonds, investors will be less protected if the Issuer is in default of any payment obligations under the Notes or any other event affecting the Issuer such as the occurrence of a merger, amalgamation or change of control. The absence of events of default materially affect the protection of Noteholders and result in delay in payments due and payable under the Notes.

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

Condition 4 (*Status of the Notes*) indicates that 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 Terms and 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.

Investor in the Notes should be aware of this differentiating component as compared to most senior bonds because of the AT1 nature of the Notes and will not benefit from protection that would in securing the ranking of the Notes.

Meeting of Noteholders and Modification of the Terms and Conditions may be detrimental to the interest of some of the Noteholders.

Condition 12 (*Meeting and voting provisions*) contains autonomous provisions organising 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. The Noteholders will be automatically grouped for the defence of their common interests in a Masse (as defined in Condition 12) and will 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. Noteholders may through Collective decisions deliberate on proposals relating to the modification of the Terms and Conditions subject to the limitation provided by French law and the Terms and Conditions. Noteholders investing in the Notes may therefore be bound by collective decisions to which they have not participated or for which they expressed a view to the contrary.

2 The Notes may be subject to principal reduction linked to the Group's CET1 Ratio

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

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer. Such eligibility depends upon a number of conditions being satisfied. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. As at 30 June 2019, the Group's CET1 Ratio lays at 12.71% on a fully loaded basis. Accordingly, if the Group's CET1 Ratio falls below 5.125 % (a "**Trigger Event**"), 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*). 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 %, will have an adverse effect on the market price and liquidity 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 implementation in France of the EU Bank Recovery and Resolution Directive could materially affect the Group*". It is not certain how the contractual write-down mechanism (and the related provisions on return to financial health) contemplated in the Terms and 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 Terms and Conditions were triggered first).

As contemplated by Condition 6.1 (*Write-Down*) and 6.2 (*Consequence of a Write-Down*), Noteholders will materially and adversely be affected and as a consequence they may lose all or part of their investments.

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.

As further described in Condition 6 (*Write-Down and Reinstatement*), 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. Because the Relevant Regulator may require the Group's 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 behaviour of the Notes may not necessarily follow the trading behaviour of other types of

subordinated securities. 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. As a result, investors in the Notes could lose all or part of their 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. As a consequence, 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 also 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. In accordance with Condition 16 (*Recognition of Bail-in and Loss Absorption*), 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.

3 Risk relating to payment of interest

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 Rules, the Issuer may elect in accordance with Condition 5.11.(i) (*Cancellation of Interest Amounts – Optional cancellation*), at its full discretion, to cancel permanently some or all of the Interest Amounts otherwise scheduled to be paid on an Interest Payment Date.

The Issuer currently intends to give due consideration to the capital hierarchy in the face of possible distribution restrictions stemming from, among others, Maximum Distributable Amount (it should be noted that post transaction with CNP Assurances, distance to Maximum Distributable Amounts is expected to be best-in-class at above 500 bps (compared to 196 bps with unfilled AT1 bucket at 30 June 2019 and 296 bps with AT1 buckets filled at 1%) or available Distributable Items (the Issuer's Distributable Items as of 30 June 2019 amount to EUR 924.2 millions). However, it may deviate from that approach in its sole discretion.

In addition and in accordance with Condition 5.11(ii) (*Cancellation of Interest Amounts – Mandatory cancellation*), 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.

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

As a result, 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.

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, 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 materially and adversely affect the trading price or liquidity of the Notes and Noteholders may lose a significant portion of their investments.

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 in certain circumstances as set out in Condition 5.11 (*Cancellation of Interest Amounts*), 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. If the institution fails to meet the capital buffer and/or its leverage buffers, if applicable, 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).
- 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, any increase in applicable capital requirements, for instance as a result of the imposition by supervisors of additional capital requirements 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. In such case, interest payments shall be cancelled by the Issuer, meaning that Noteholders would not receive any interest (see “*Risk factors – Risk relating to payment of interests - 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.*”) At the time of an investment in the Notes, investors should be aware of the difficulties surrounding the determination of the Maximum Distributable Amount and of the discretionary powers of the Issuer to determine how to allocate the Maximum Distributable Amount among the different types of payments contemplated in Article 141(2) of the CRD IV and that it may remain no portion of the Maximum Distributable Amount dedicated to the Notes, which shall limit interest payments and the reinstatement of the Prevailing Outstanding Amount of the Notes following a Write-Down.

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

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**”). 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. Furthermore, Article 141 *ter* of CRD IV introduces a restriction on distributions in the case of a failure to meet the leverage ratio buffer (which will be required to calculate a leverage ratio maximum distributable amount, the “**L-MDA**”), 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.

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”, “Pillar 2 requirement” 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. 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. Therefore, neither the Issuer nor potential investors in the Notes can project or anticipate the Maximum Distributable Amount and as consequence any reinstatement of the Prevailing Outstanding Amount of the Notes following a Write-Down.

The Notes bear interest at a fixed rate during the Initial Period

During the Initial Period, as defined in Condition 2.1 (*Definitions*), the Notes will bear interest at a fixed rate, at the Initial Rate of Interest. The Notes bearing interest at a fixed rate, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. While the nominal interest rate of the Notes is set at the Initial Rate of Interest and then at the Reset Rate of Interest, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such note changes in the opposite direction. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Noteholders should be aware that movements of the market interest rate can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell Notes during the period in which the market interest rate exceeds the fixed rate of the Notes. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have an adverse effect on the value of the Notes.

4 Risk factors relating to the redemption of the principal amount

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 (*No Event of Default*) if a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason. Should the Issuer never redeem the Notes, Noteholders may never be reimbursed and incur a significant and adverse loss.

The Notes may be redeemed at the Issuer’s option on the Option Redemption 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 then outstanding Notes in whole, but not in part, at any time in the period commencing on (and including) 20 May 2026 and ending on (and including) the First Reset Date and any Interest Payment Date thereafter, 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.

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, Condition 9 (*Taxation*) provides that, subject to certain exceptions, the Issuer will pay additional amounts so that the Noteholders will receive the amount they would have received in the absence of such withholding. Under French tax law, there is some uncertainty as to whether the Issuer may pay such additional amounts. French debt instruments typically provide that, if an issuer is required to pay additional amounts but is prohibited by French law from doing so, the issuer must redeem the debt instruments in full. Under Article 52 of the CRR, however, mandatory redemption clauses are not permitted in a Tier 1 instrument such as the Notes. As a result, Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*) provides 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 investors in the Notes are advised to consult their own tax advisors before investing in the Notes.

5 Risk factors relating to trading market and value of the Notes

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

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

Investors in the Notes should be aware that this 5-Year Mid-Swap Rate and, in particular, the Euro Interbank Offered Rate (“**EURIBOR**”) underlying the floating leg of the 5-Year Mid-Swap Rate are deemed “benchmarks” (each a “**Benchmark**” and together, the “**Benchmarks**”) have become the

subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

In particular, Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) applies since 1 January 2018. The Benchmarks Regulation could have a material impact on the Notes and in particular in any of the following circumstances:

- an index which is a “benchmark” 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”.

In addition to the Benchmark Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks. Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser in accordance with Condition 5.10 (*5-Year Mid-Swap Rate replacement*). The Independent Adviser shall endeavour to determine a Successor Mid-Swap Rate or Alternative Mid-Swap Rate to be used in place of the 5-Year Mid-Swap Rate (or component part thereof). The use of any such Successor Benchmark Rate or Alternative Benchmark Rate (the “**New Benchmark Rate**”) to determine the Reset Rate of Interest is likely to result in Notes initially linked to or referencing the 5-Year Mid-Swap Rate performing differently (which may include payment of a lower Reset Rate of Interest) than they would do if the 5-Year Mid-Swap Rate were to continue to apply in its current form.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a New Benchmark Rate for the life of the relevant Notes, or if a New Benchmark Rate is not adopted because it could reasonably be expected to prejudice the qualification of the Notes as Additional Tier 1 Capital, then the 5-Year Mid-Swap Rate applicable to such Reset Interest Period shall be equal to the 5-Year Mid-Swap Rate that appeared on the most recent Screen Page that was available (which may be, for as long as no New Benchmark Rate has been determined in accordance with Condition 5.10 (*5-Year Mid-Swap Rate replacement*), each subsequent Reset Interest Period). This will result in the Reset Rate of Interest, in effect, becoming fixed rate of interest. Investor in Notes may, in such circumstances, be materially affected and receive a lower interest as they would have expected if an Independent Adviser had been determined or if such Independent Adviser did not failed to determine such New Benchmark Rate.

There is a limited prior market for the Notes.

There is currently a limited prior 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.

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:	La Banque Postale
Legal Entity Identifier (LEI):	96950066U5XAAIRCPA78
Issuer’s website:	www.labanquepostale.com
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfill its obligations under the Notes. In addition, there are certain factors that are material for the purpose of assessing the risks associated with investing in the Notes. The risks that the Issuer currently believes to be the most significant are set out under “ <i>Risk Factors</i> ”.
Notes:	EUR 750,000,000 Perpetual Fixed Rate Non-Call 7 year Resettable Additional Tier 1 Notes.
Global Coordinator and Structuring Advisor:	HSBC Bank plc
Joint Bookrunners:	Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited HSBC Bank plc J.P. Morgan Securities plc Natixis Société Générale
Principal Paying Agent:	BNP Paribas Securities Services
Calculation Agent:	BNP Paribas Securities Services
Issue Date:	20 November 2019.
Maturity Date:	The Notes are perpetual obligations in respect of which there is no scheduled maturity date.
Issue Price:	100 per cent.
Form of Notes and denomination:	The Notes are in dematerialised bearer form (<i>au porteur</i>) in the denomination of EUR 200,000.
Status and subordination of the Notes:	<p>The Notes are deeply subordinated notes of the Issuer issued pursuant to the provisions of Article L.228-97 of the French <i>Code de commerce</i>.</p> <p>The obligations of the Issuer in respect of principal and interest of the Notes constitute direct, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank <i>pari passu</i> and without any preference among themselves and rateably with all other present or future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the present and future <i>prêts participatifs</i> granted to the Issuer and present and future <i>titres participatifs</i>, Eligible Subordinated Obligations and Unsubordinated Obligations issued by the Issuer.</p>
Rate of Interest:	The rate of interest for each Interest Period from (and including) the

Issue Date to (but excluding) the First Reset Date is 3.875 per cent. *per annum*.

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

First Reset Date:	20 November 2026.
Reset Date:	The First Reset Date and each date which falls on or about five (5), or a multiple of five (5), years after the First Reset Date.
Interest Payment Date:	Interest shall be payable semi-annually in arrears on 20 May and 20 November in each year from (and including) 20 May 2020, subject in any case as provided in Condition 5.11 (<i>Cancellation of Interest Amounts</i>) and Condition 8 (<i>Payments</i>).
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 (<i>Cancellation of Interest Amounts</i>).
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 (<i>Interpretation</i>) 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 (<i>Write-Down and Reinstatement</i>) in "Terms and Conditions of the Notes".
Optional Redemption:	<p>The Issuer may (at its option but subject to Condition 7.7 (<i>Conditions to Redemption and Purchase</i>)) redeem the then outstanding Notes, on the relevant Optional Redemption Date in whole, but not in part, at their Prevailing Outstanding Amount, together with accrued interest.</p> <p>"Optional Redemption Date" means any day falling in the period commencing on (and including) 20 May 2026 and ending on (and including) the First Reset Date and any Interest Payment Date thereafter.</p>
Optional Redemption by the Issuer upon the occurrence of a Capital Event or Tax Event:	<p>Subject as provided herein, in particular to the provisions of Condition 7.7 (<i>Conditions to Redemption and Purchase</i>), upon the occurrence of a Capital Event or a Tax Event, the Issuer may, at its option at any time, redeem the then outstanding Notes in whole, but not in part, at their Prevailing Outstanding Amount together with accrued interest thereon.</p> <p>"Capital Event" means the determination at any time by the Issuer, that as a result of a change in the Relevant Rules becoming effective</p>

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 (i.e. lower than Additional Tier 1 Capital).

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

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

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

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

- (i) before or at the same time as such redemption or purchase (as applicable) of the Notes, the Issuer replaces the Notes with own funds instruments of equal or higher quality at 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 Rules and the BRRD by a margin that the Relevant Regulator considers necessary; 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) in the case of purchase, the Issuer replaces, before or at the same time as such purchase, 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.

Event 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. The Noteholders will be grouped automatically for the defence of their common interests in a *masse* (the "**Masse**"), which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce* with the exception of Articles L.228-65 I. 1° and 3°, L.228-71, L.236-13, L.236-18 and R.228-69 of the French *Code de commerce* and the related provisions of the French *Code de commerce*. The *Masse* will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the Noteholders. 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, or on account of, any present or future 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**"). 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, 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.

Further Issues:	Subject to the prior consultation with 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 (<i>assimilables</i>) 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.
Rating:	<p>The long term debt of the Issuer is rated A (positive outlook) by S&P Global Ratings (“S&P”) and A- (stable outlook) by Fitch France SAS (“Fitch”). The Notes have been rated BB by S&P and BB by Fitch. A 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.</p> <p>Each of S&P and Fitch is established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the “CRA Regulation”) and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (http://www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Prospectus.</p> <p>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.</p>
Use and Estimated Net Amount of Proceeds:	The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer. The estimated net proceeds of the Notes will amount to EUR 744,000,000 and will be applied for the general corporate purposes of the Issuer.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following sections identified in the cross-reference table below which are incorporated by reference in, and shall be deemed to form part of, this Prospectus and which are included in the following documents (see hyperlinks in **blue** below):

- The [Amendement au Document d'enregistrement universel au 30 juin 2019](#) in French language of the Issuer, which received filing number D.19-0747-A01 from the AMF on 25 October 2019 (the "**Amendment to the Universal Registration Document at 30 June 2019**");
- The [Document d'enregistrement universel au 30 juin 2019 et Rapport Financier Semestriel déposés auprès de l'AMF le 9 août 2019](#) in French language of the Issuer, which received filing number D.19-0747 from the AMF on 9 August 2019, and which includes the unaudited interim condensed consolidated financial statements of the Issuer for the six-month period ended 30 June 2019 and the related statutory auditors' report (the "**Universal Registration Document at 30 June 2019**");
- The [Document de Référence 2018](#) in French language of the Issuer, which received filing number D.19-0152 from the AMF on 14 March 2019, and which includes the audited consolidated financial statements of the Issuer for the year ended 31 December 2018 and the related statutory auditors' report (the "**2018 Registration Document**"), with the exception of Chapter 11 of the *Document de Référence 2018* relating to La Banque Postale's Chairman's declaration of responsibility regarding the content of the *Document de Référence 2018*, which is hereby explicitly excluded from the scope of incorporation to this Prospectus; and
- The [Document de Référence 2017](#) in French language of the Issuer, which received filing number D.18-0143 from the AMF on 16 March 2018, and which includes the audited consolidated financial statements of the Issuer for the year ended 31 December 2017 and the related statutory auditors' report (the "**2017 Registration Document**"), with the exception of Chapter 11 of the *Document de Référence 2017* relating to La Banque Postale's Chairman's declaration of responsibility regarding the content of the *Document de Référence 2017*, which is hereby explicitly excluded from the scope of incorporation to this Prospectus.

Any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The free English translations of the Amendment to the Universal Registration Document at 30 June 2019, the Universal Registration Document at 30 June 2019, the 2017 Registration Document and the 2018 Registration Document are available on, and may be obtained without charge from, the website of the Issuer (www.labanquepostale.com).

For the purpose of the Prospectus Regulation, information can be found in the documents incorporated by reference in this Prospectus in accordance with the following cross-reference table (in which the numbering refers to the relevant items of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation).

The documents incorporated by reference herein are available on the website of the Issuer ("www.labanquepostale.com"). The information incorporated by reference in this Prospectus shall be read in conjunction with the cross-reference list below. For the avoidance of doubt, the sections of the documents listed above which are not included in the cross-reference list below are not incorporated by reference in this Prospectus and are given for information purposes only.

Commission Delegated Regulation (EU) 2019/980 – Part of Annex 7		2017 Registration Document (page number)	2018 Registration Document (page number)	Universal Registration Document at 30 June 2019 (page number)	Amendment to the Universal Registration Document at 30 June 2019 (page number)
3.	RISK FACTORS				
3.1	A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities				6 to 16
4.	INFORMATION ABOUT THE ISSUER				
4.1.	History and development of the Issuer		4		
4.1.1.	The legal and commercial name of the Issuer		4		
4.1.2.	The place of registration of the Issuer, its registration number and legal entity identifier ('LEI')		4		
4.1.3.	The date of incorporation and the length of life of the Issuer, except where the period is indefinite		4		
4.1.4.	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference in the prospectus		4		
5.	BUSINESS OVERVIEW				
5.1	Principal activities				
5.1.1	A brief description of the Issuer's principal activities, including: (a) the main categories of products sold and/or services performed; (b) an indication of any significant new products or activities; (c) the principal markets in which the Issuer competes.		17 to 23	4 to 6	N/A
5.2	The basis for any statements made by the Issuer regarding its competitive position			22 to 25	N/A

Commission Delegated Regulation (EU) 2019/980 – Part of Annex 7		2017 Registration Document (page number)	2018 Registration Document (page number)	Universal Registration Document at 30 June 2019 (page number)	Amendment to the Universal Registration Document at 30 June 2019 (page number)
6.	ORGANISATIONAL STRUCTURE				
6.1.	If the Issuer is part of a group, a brief description of the group and the Issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure			4 to 6	N/A
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			N/A	N/A
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES				
9.1.	Names, business addresses and functions within the Issuer of the following persons and an indication of the principal activities performed by them outside of that Issuer where these are significant with respect to that Issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.			8 to 20 N/A	N/A N/A
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			5	N/A
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES				
11.1.	<u>Historical Financial Information</u>				

Commission Delegated Regulation (EU) 2019/980 – Part of Annex 7		2017 Registration Document (page number)	2018 Registration Document (page number)	Universal Registration Document at 30 June 2019 (page number)	Amendment to the Universal Registration Document at 30 June 2019 (page number)
11.1.1	Audited historical financial information covering the latest two financial years (or such shorter period as the Issuer has been in operation), and the audit report in respect of each year	158 to 222 and 223 to 259	178 to 278 and 279 to 315		
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following: (a) the balance sheet; (b) the income statement; (c) the cash flow statement; (d) the accounting policies and explanatory Notes.	159 158 162 163 to 217	180 to 181 178 to 179 185 186 to 274		
11.1.5	Consolidated financial statements If the Issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	158 to 217 and 223 to 254	178 to 274 and 279 to 312		
11.1.6	Age of financial information The balance sheet date of the last year of audited financial information statements may not be older than 18 months from the date of the registration document.	158 to 217 and 223 to 254	178 to 274 and 279 to 312	N/A	N/A
11.2	Auditing of historical annual financial information				
11.2.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in	218 to 222 and 255 to 259	275 to 278 and 313 to 315		

Commission Delegated Regulation (EU) 2019/980 – Part of Annex 7		2017 Registration Document (page number)	2018 Registration Document (page number)	Universal Registration Document at 30 June 2019 (page number)	Amendment to the Universal Registration Document at 30 June 2019 (page number)
	accordance with auditing standards applicable in a Member State or an equivalent standard. (b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.				
11.2.3	Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the date is not audited.			126-170	
11.3	Legal and arbitration proceedings				
11.3.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.			115-116	N/A
11.4	Significant change in the Issuer's financial position				
11.4.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.			31	N/A

TERMS AND CONDITIONS OF THE NOTES

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

1. Introduction

The issue of the EUR 750,000,000 Perpetual Fixed Rate Non-Call 7 year Resettable Additional Tier 1 Notes (the **Notes**) of La Banque Postale (the **Issuer**) has been authorised by a resolution of the Issuer's *Conseil de Surveillance* (Supervisory Board) dated 19 December 2018, a resolution of the Issuer's *Directoire* (Management Board) dated 10 December 2018 and by the decision of Mr. Stéphane Magnan, *Directeur de la Banque de Financement et d'Investissement* of the Issuer dated 13 November 2019.

The Issuer has entered into an amended and restated agency agreement dated 25 March 2019, as supplemented by the supplemental agency agreement dated 18 November 2019 (together, the **Agency Agreement**) with BNP Paribas Securities Services as fiscal agent, principal paying agent and calculation agent. The fiscal agent, the principal paying agent and the calculation agent for the time being are respectively referred to in these Conditions as the **Fiscal Agent**, **Principal Paying Agent** and the **Calculation 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 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 mid-swap rate for euro swaps with a term of five (5) years which appears on the Screen Page as of 11.00 a.m. (Central European time) on such Reset Rate of Interest Determination Date (the **Screen Page 5-Year 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 Mid-Swap Rate replacement*), the Reset Reference Bank Rate on such Reset Rate of Interest Determination Date;

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

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

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

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

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

Adjustment Spread means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, which the Independent Adviser determines is required to be applied to a Successor Benchmark Rate or an Alternative Benchmark Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the 5-Year Mid-Swap Rate (or

component thereof) with the Successor Benchmark Rate or Alternative Benchmark Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the 5-Year Mid-Swap Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Benchmark Rate for which no such recommendation has been made or in the case of an Alternative Benchmark Rate, the Independent Adviser determines, in good faith and in a commercially reasonable manner, is recognized or acknowledged as being in customary market usage in international debt capital markets transactions which reference the 5-Year Mid-Swap Rate (or component thereof), where such rate has been replaced by such Successor Benchmark Rate or the Alternative Benchmark Rate (as applicable); or

(iii) if no such customary market usage in international debt capital markets transactions is recognized or acknowledged, the Independent Adviser in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

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

Alternative Benchmark Rate means the rate that the Independent Adviser determines, in good faith and in a commercially reasonable manner, has replaced the 5-Year Mid-Swap Rate (or component thereof) in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in euro and of a five year duration, or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the 5-Year Mid-Swap Rate;

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

Benchmark Amendments shall have the meaning attributed thereto in Condition 5.10 (*5-Year Mid-Swap Rate replacement*);

Benchmark Event means:

(i) the 5-Year Mid-Swap Rate (or component thereof) has ceased to be published on the Screen Page for a period of at least five (5) Target Business Days as a result of such benchmark ceasing to be calculated or administered; or

(ii) a public statement by the administrator of the 5-Year Mid-Swap Rate (or component thereof) that it has ceased, or will cease, publishing the 5-Year Mid-Swap Rate (or component thereof) permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the 5-Year Mid-Swap Rate); or

(iii) a public statement by the supervisor of the administrator of the 5-Year Mid-Swap Rate (or component thereof) that the 5-Year Mid-Swap Rate (or component thereof) has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the 5-Year Mid-Swap Rate (or component thereof) as a consequence of which the 5-Year Mid-Swap Rate (or component thereof) will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the securities; or

(v) a public statement by the supervisor of the administrator of the 5-Year Mid-Swap Rate (or component thereof) that, in the view of such supervisor, the 5-Year Mid-Swap Rate (or component thereof) is no longer representative of an underlying market or the methodology to calculate the 5-Year Mid-Swap Rate (or component thereof) has materially changed; or

(vi) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholders using the 5-Year Mid-Swap Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable);

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 or replaced from

time to time, including 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, or such other directive as may come into effect in place thereof;

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

Capital Event means the determination at any time 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 (i.e. lower than Additional Tier 1 Capital);

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

CRD Rules means any or any combination of the CRD, the CRR and any CRD 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 or replaced 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 date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by two times 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 Group, (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, being the amount of the profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose, before distributions to holders of own funds instruments, less any losses brought forward, any profits which are non-distributable pursuant to European Union or French law or the Issuer's by-laws and any sums placed in non-distributable reserves in accordance with French law or the statutes of the Issuer, in each case with respect to the specific category of own funds instruments to which European Union or French law, the Issuer's by-laws, or statutes relate; such profits, losses and reserves being determined on the basis of the individual accounts of the Issuer and not on the basis of the consolidated accounts, 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*);

Euronext Paris means the Regulated Market of Euronext in Paris;

Euro-zone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

First Reset Date means 20 November 2026;

Fiscal Agent shall have the meaning attributed thereto in Condition 8.4 (*Fiscal Agent, Principal Paying Agent and Calculation Agent*);

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;

IA Determination Cut-off Date shall have the meaning attributed thereto in Condition 5.10 (a);

Independent Adviser means an independent financial institution in the Euro-zone of international repute or other independent financial adviser in the Euro-zone experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

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

Initial Rate of Interest means 3.875 per cent *per annum*;

Interest Amount means the amount of interest payable on each Note for any Interest Period and **Interest Amounts** means, at any time, the aggregate of all Interest Amounts payable at such time;

Interest Payment Date means 20 May and 20 November in each year from (and including) 20 May 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 20 November 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 4.01 per cent.;

Maximum Distributable Amount means any maximum distributable amount required to be calculated in accordance with Article 141 of the CRD or other provisions of the Relevant Rules, in particular the CRD and the BRRD (or any provision of French law transposing or implementing the CRD and/or the BRRD) that may be applicable to the Issuer or the Group 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 any day falling in the period commencing on (and including) 20 May 2026 and ending on (and including) the First Reset Date and any Interest Payment Date thereafter;

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

Payment Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in France and a day which is a Target Business Day;

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;

Principal Paying Agent shall have the meaning attributed thereto in Condition 8.4 (*Fiscal Agent, Principal Paying Agent and Calculation Agent*);

Rate of Interest means:

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

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

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

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

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

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

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

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

Relevant Regulator means the European Central Bank and any successor or replacement thereto, or other authority including, but not limited to any resolution authority having primary responsibility for the prudential oversight and supervision of the Issuer and the Group 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 Rules and/or the BRRD (as they may be amended or replaced from time to time);

Reset Date means the First Reset Date and each date which falls on or about five (5), or a multiple of five (5), years after the First Reset Date;

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

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

Reset Rate of Interest Determination Date means, in relation to a Reset Interest Period, the day falling two (2) Target 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 11:00 a.m. (Central European time) on the Reset Rate of Interest Determination Date. If at least three (3) quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two (2) quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one (1) quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be equal to the last 5-Year Mid-Swap Rate available on the Screen Page as determined by the Calculation Agent except that if the Calculation Agent or the Issuer determines that the absence of quotations is due to the occurrence of a Benchmark Event, then the 5-Year Mid-Swap Rate (or component part thereof) will be determined in accordance with Condition 5.10 (*5-Year Mid-Swap Rate replacement*);

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

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

Shareholders means the holders of Common Shares;

Specified Denomination means the lower of EUR200,000 and the Prevailing Outstanding Amount;

Successor Benchmark Rate means the rate that the Independent Adviser determines, in good faith and in a commercially reasonable manner, is a successor to or replacement of the 5-Year Mid-Swap Rate which is formally recommended by any Relevant Nominating Body provided that, if, following a Benchmark Event, more than one successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser will determine, among those successor or replacement rates, the one which is the most appropriate, taking into consideration, without limitation, the particular features of the Notes and the nature of the Issuer;

Target Business Day means a day on which the Target2 System is open;

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

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

Write-Down Notice means a notice which specifies (i) that a Trigger Event has occurred, (ii) the Write-Down Amount and (iii) the Write-Down Date. Any such notice shall be accompanied by a certificate signed by two (2) senior officers 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 12.8 (*Outstanding Notes*); 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 20 November 2019 (the **Issue Date**) in dematerialised bearer form (*au porteur*) in the denomination of EUR 200,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 of the French Code *monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French Code *monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France (acting as central depository) (**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 depository 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 depository identification information of Noteholders such as the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, email address of such Noteholders.

4. **Status of the Notes**

The Notes 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, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank *pari passu* and without any preference among themselves and rateably with all other present or future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs*, Eligible Subordinated Obligations and Unsubordinated Obligations issued by the Issuer.

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

The potential impact on the investment in the event of resolution of the Issuer is detailed in Condition 16 (*Recognition of Bail-in and Loss Absorption*).

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 20 May 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 Reset 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 Specified Denomination payable on each Interest Payment Date in relation to an Interest Period falling in the Initial Period will be EUR 3,875.

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

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

- (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
- (ii) the day which is seven (7) calendar days after the Principal Paying Agent has notified the Noteholders in accordance with Condition 14 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh (7th) calendar day (except to the extent that there is any subsequent default in payment).

5.5 *Determination of Reset Rate of Interest:* The Calculation Agent will, as soon as practicable after 11:00 a.m. (Central European time) on each Reset Rate of Interest Determination Date, calculate the Reset Rate of Interest for such Reset Interest Period.

5.6 *Publication of Reset Rate of Interest:* The Calculation Agent will cause the Reset Rate of Interest determined by it to be notified to the Principal Paying Agent 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 Specified Denomination:* The amount of interest payable in respect of the Specified Denomination for any period shall be calculated by:

- (i) applying the applicable Rate of Interest to the Specified Denomination;
- (ii) multiplying the product thereof by the Day Count Fraction; and
- (iii) rounding the resulting figure to the nearest cent (€0.01) (half a cent (€0.005) being rounded upwards).

5.8 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*) by the Calculation Agent or, as the case may be, any Independent Adviser will (in the absence of manifest error) be binding on the Issuer, the other 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 Independent Adviser 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 either (a) the European office of another leading bank engaged in the Euro-zone interbank market or (b) the European office of another calculation agent of international repute in international debt capital markets transactions, in each case, to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert in the performance of its duties and not as agent for the Issuer or the Noteholders.

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

5.10 *5-Year Mid-Swap Rate replacement*: Notwithstanding anything to the contrary in these Conditions, if the Issuer or the Calculation Agent determines at any time prior to any Reset Rate of Interest Determination Date, that a Benchmark Event has occurred then the following provisions shall apply to the Notes:

- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine (A) a Successor Benchmark Rate or (B) if such Independent Adviser fails so to determine a Successor Benchmark Rate, an Alternative Benchmark Rate and in each case, an Adjustment Spread (if any), no later than three (3) Payment Business Days prior to the Reset Rate of Interest Determination Date relating to the next succeeding Reset Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the 5-Year Mid-Swap Rate for all future Reset Interest Periods (subject to the subsequent operation of this Condition 5.10 (*5-Year Mid-Swap Rate replacement*));
- (b) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Benchmark Rate or an Alternative Benchmark Rate prior to the IA Determination Cut-off Date in accordance with Condition 5.10(a) above, then the 5-Year Mid-Swap Rate applicable to such Reset Interest Period shall be equal to the 5-Year Mid-Swap Rate that appeared on the most recent Screen Page that was available (which may be, for as long as no Successor Benchmark Rate or Alternative Benchmark Rate has been determined in accordance with this Condition 5.10 (*5-Year Mid-Swap Rate replacement*), each subsequent Reset Interest Period);
- (c) if a Successor Benchmark Rate or failing which an Alternative Benchmark Rate is determined in accordance with the preceding provisions, such Successor Benchmark or failing which Alternative Benchmark Rate, including any Adjustment Spread (if determined by the Independent Adviser as per Condition 5.10 (d) below) shall be the reference rate (5-Year Mid Swap Rate) in relation to the Notes for all future Reset Interest Periods (subject to the subsequent operation of this Condition 5.10 (*5-Year Mid-Swap Rate replacement*));
- (d) if the Independent Adviser determines a Successor Benchmark or an Alternative Benchmark Rate in accordance with the above provisions, and if the Independent Adviser, determines that an Adjustment Spread is required to be applied to such Successor Benchmark or Alternative Benchmark Rate and determines to the best of its knowledge and capability (acting in good faith and in a commercially reasonable manner) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to such a Successor Benchmark or Alternative Benchmark Rate for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5.10 (*5-Year Mid-Swap Rate replacement*));
- (e) if the Independent Adviser determines a Successor Benchmark or an Alternative Benchmark Rate in accordance with the above provisions, the Independent Adviser, may also determine in its reasonable discretion any necessary changes, including but not limited to, the 5-Year Mid-Swap Rate, the mid-swap floating leg benchmark rate, the Day Count Fraction, the Screen Page, the business day convention, the Payment Business Days and/or the Reset Rate of Interest Determination Date applicable to the Notes (including any necessary adjustment factor that is necessary to make the 5-Year Mid-Swap Rate comparable to a 5-Year mid-swap rate based on the 6-months interbank deposit rate), and the method for determining the fallback rate in relation

to the Notes, in order to follow market practice in relation to such Successor Benchmark Rate or Alternative Benchmark Rate, which changes shall be deemed to apply to the Notes for all future Reset Interest Periods (subject to the subsequent operation of this Condition 5.10 (*5-Year Mid-Swap Rate replacement*)) (such amendments, the **Benchmark Amendments**).

In connection with any such variation in accordance with this Condition 5.10 (*5-Year Mid-Swap Rate replacement*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

The Issuer shall, promptly following the determination by the Independent Adviser of any Successor Benchmark Rate or Alternative Benchmark Rate, give notice to the Agents, the Representative and the Noteholders and of any Benchmark Amendments which are deemed to apply to the Notes pursuant to Condition 5.10 in accordance with Condition 14 (*Notices*) to the Noteholders.

- (f) Notwithstanding any other provision of this Condition 5.10 (*5-Year Mid-Swap Rate replacement*), no Successor Benchmark Rate or Alternative Benchmark Rate will be adopted, and no Benchmark Amendments will be made pursuant to this Condition 5.10 (*5-Year Mid-Swap Rate replacement*), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to impact upon the eligibility of the Notes for eligibility as Additional Tier 1 Capital or result in the Relevant Regulator considering such adoption and/or amendment(s) as a new issuance of Notes; and
- (g) by subscribing to (or acquiring) the Notes and solely in the context of a Benchmark Event which leads to the application of a Successor Amendment Rate or Alternative Benchmark Rate or any Benchmark Amendments pursuant to this Condition 5.10, each Noteholder shall be deemed to have agreed and approved any Benchmark Amendments or such other necessary changes pursuant to this Condition 5.10.

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

(iii) Notice of cancellation of Interest Amounts

Notice of any cancellation of payment of a scheduled Interest Amount will be given to the Noteholders (in accordance with Condition 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 (*Write-Down*), no notice of redemption may be given pursuant to Condition 7.2 (*Optional Redemption at the option of the Issuer*), Condition 7.3 (*Optional Redemption upon the occurrence of a Capital Event*) or Condition 7.4 (*Optional Redemption upon the occurrence of a Tax Event*) until such Trigger Event has been cured.

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

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

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

- 6.3 *Reinstatement*: Following a reduction of the Prevailing Outstanding Amount in accordance with Condition 6.1 (*Write-Down*), the Issuer may, if a positive Group Net Income (the **Relevant Group Net Income**) is recorded, at any time while the Prevailing Outstanding Amount is less than the Original Principal Amount, at its discretion, reinstate some or all of the principal amount of the Notes (a **Reinstatement**), subject to compliance with the Relevant Rules (including the Maximum Distributable Amount (if any)) and, for such purpose, the amount of such Reinstatement shall be aggregated together with other distributions 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), 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 each Loss Absorbing Instrument 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 Loss Absorbing 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 at the option of the Issuer:* 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 fifteen (15) nor more than thirty (30) 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 Prevailing Outstanding Amount, together with all interest accrued to (but excluding) the relevant Optional Redemption Date (if any).

7.3 *Optional Redemption upon the occurrence of a Capital Event:* Upon the occurrence of a Capital Event, the Issuer may (at its option but subject to Condition 7.7 (*Conditions to Redemption and Purchase*) below) at any time subject to having given no less than fifteen (15) nor more than thirty (30) 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 7.4 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, it being understood that any refusal by the Relevant Regulator to give its prior written approval shall not constitute a default for any purpose.

- (a) As at the Issue Date, the following conditions are required by Articles 77 and 78 of the CRR:
 - (i) before or at the same time as such redemption or purchase (as applicable) of the Notes, the Issuer replaces the Notes with own funds instruments of 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 Rules and the BRRD by a margin that the Relevant Regulator considers necessary.

- (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) in the case of purchase, the Issuer replaces, before or at the same time as such purchase, 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 at the option of the Issuer*), 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*). The Issuer shall give notice thereof to the Noteholders and the Principal Paying Agent in accordance with Condition 14 (*Notices*), as soon as possible following any such automatic rescission of a notice of redemption.

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 Payment Business Day, the Noteholder shall not be entitled to payment of the amount due until the next

succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

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

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

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 (*Waiver of set-off*) 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 (*Waiver of set-off*).

For the purposes of this Condition 8.5 (*Waiver of set-off*), **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, or on account of, any present or future 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 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. No Event of Default

There is no event of default under the Notes which would lead to an acceleration of such Notes if certain events occur. However, if any judgment were issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer were liquidated for any other reason, then the Notes would become immediately due and payable.

12. Meeting and voting provisions

The Noteholders will be grouped automatically for the defence of their common interests in a *masse* (the *Masse*), which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce* with the exception of Articles L.228-65 I. 1° and 3°, L.228-71, L.236-13, L.236-18 and R.228-69 of the French *Code de commerce* and the related provisions of the French *Code de commerce*, and as supplemented by this Condition 12.

12.1 Legal Personality

The *Masse* will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

12.2 Representative

The names and addresses of the Representative are the following:

MCM AVOCAT
10, rue de Sèze
75009 Paris
France
represented by Maître Antoine Lachenaud
Partner at MCM Avocat law firm

The names and addresses of the alternate Representative are the following:

M. Philippe Maisonneuve
Partner at MCM Avocat law firm
10, rue de Sèze
75009 Paris
France

The Representative's remuneration in connection with its functions or duties with respect to the Notes are €450 (VAT excluded) per year. No additional remuneration is payable in relation to any subsequent Tranche of the Notes.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, such Representative will be replaced by its alternate, if any. Another Representative may be appointed by a Collective Decision.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative (if any) at the registered office of the Issuer.

12.3 *Powers of the Representative*

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

12.4 *Collective Decisions*

Collective Decisions are adopted either in a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Consultation**).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decision 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 (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 14.2.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes.

(A) *General Meetings*

A General Meeting may be called at any time either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30th) of the principal amount of Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one fifth (1/5th) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-thirds (2/3rd) majority of votes held by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 14.2 not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meetings on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

(B) *Written Decisions and Electronic Consent*

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Decision.

Such Written Decision shall be signed by or on behalf of Noteholders holding not less than 66.67 per cent. in nominal amount of the Notes outstanding, without having to comply with formalities and time limits referred to in Condition 12.4(A) above. Notice seeking the approval of Noteholders by way of Written Decision will contain the conditions of form and time limits to be complied with by Noteholders who wish to express their approval or rejection of such proposed resolution. Any Written Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such 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 allowing the identification of Noteholders (the **Electronic Consent**).

12.5 *Expenses*

The Issuer shall pay all expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by the Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

12.6 *Single Masse*

The holders of Notes of the same Tranche, and the holders of Notes of any other Tranche which have been assimilated with the holders of Notes of such first mentioned Tranche in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of the Notes will be the Representative of the single *Masse* of the Notes.

12.7 *Notices to Noteholders*

Any notice to be given to Noteholders in accordance with this Condition 12 (*Meeting and voting provisions*) shall be given in accordance with Condition 14 (*Notices*).

12.8 *Outstanding Notes:*

For the avoidance of doubt, in this Condition 12 (*Meeting and voting provisions*), 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 consultation with 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 Echos*) and on the Euronext Paris' website 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 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.labanquepostale.com). For the avoidance of doubt, Condition 14.1 above 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 (i) in a leading daily newspaper of general circulation in the city where the Regulated Market or other stock exchange and (ii) on the website of 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 (*Recognition of Bail-in and Loss Absorption*), 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-ratio*: 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 (*Recognition of Bail-in and Loss Absorption*) shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any Noteholder.

17. Modification subject to prior approval of the Relevant Regulator

Any modification (other than as provided in Condition 5.10 (*5-Year Mid-Swap Rate replacement*)) of the Conditions may only be made to the extent the Issuer has obtained the prior approval of the Relevant Regulator.

DESCRIPTION OF THE ISSUER

Information on the Issuer is set out in the Issuer's 2018 Registration Document, Universal Registration Document at 30 June 2019 and Amendment to the Universal Registration Document at 30 June 2019, each in French language, incorporated herein by reference. (Please refer to the cross reference list on pages 26 to 29 of this Prospectus).

USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer. The estimated net proceeds of the Notes will amount to 744,000,000 and will be applied for the general corporate purposes of the Issuer.

RECENT DEVELOPMENTS

9 October 2019 - Agreement in principle for the acquisition of SFIL by *Caisse de Dépôts* signed by the French Government, *Caisse des Dépôts* and *La Banque Postale*

Following the discussions disclosed on November 15th 2018, the French Government, *Caisse des Dépôts* and *La Banque Postale* announce that they have signed an agreement in principle regarding the transfer to *Caisse des Dépôts* (CDC) of the participations in SFIL's capital currently held by *La Banque Postale* (5%) and the French Government (75% of capital), excluding one ordinary share that the French Government would retain.

Caisse des Dépôts, holding a 20% stake, would become the reference shareholder of SFIL with 99,99% of its capital and materialize its commitment by a letter of support, supplemented by a letter of support from the French Government, maintaining SFIL's status as public development bank.

The French Government would appoint a censor sitting at SFIL's board of directors, considering the public interest missions entrusted to SFIL: financing local authorities and French public hospitals and export credit refinancing.

La Banque Postale will remain a key player into the scheme. Thus, it will renew in advance its partnership with SFIL until end-2026, for the distribution of mid-and long-term loans to public local authorities and French public hospitals.

This project would further streamline the organization of public financial institutions serving the territories, by associating them with a public development bank, the seventh largest French bank by assets and the first issuer of public-sector covered bonds in Europe.

SFIL will continue to be wholly-owned by public sector institutions as it is today: its shareholders will ensure that its financial strength is preserved and its economic base protected, while continuing to provide it with the necessary support in accordance with applicable regulations.

Closing of the transaction, which would occur during the first quarter of 2020, remains subject to several conditions including:

- Approval by *Caisse des Dépôts*'s Supervisory Board
- Information or consultation of relevant staff representative bodies
- Signing of a binding contract
- Approval from the competent French and European administrative and regulatory authorities.

Distance to Maximum Distributable Amounts

Post transaction with CNP Assurances, distance to Maximum Distributable Amounts is expected to be best-in-class at above 500 bps (compared to 196 bps with unfilled AT1 bucket at 30 June 2019 and 296 bps with AT1 buckets filled at 1%).

SUBSCRIPTION AND SALE

1 Subscription Agreement

Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, HSBC Bank plc, J.P. Morgan Securities plc, Natixis and Société Générale (the “**Joint Bookrunners**”) have, pursuant to a subscription agreement dated 18 November 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 Joint Bookrunners in respect of certain of their expenses, and has agreed to indemnify the Joint Bookrunners 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 Joint Bookrunners, 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 Joint Bookrunner 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 Prohibition of Sales to EEA Retail Investors’ selling restriction is in addition to any other selling restrictions set out in this Prospectus.

2.2 France

Each of the Joint Bookrunners has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Notes to the public in France pursuant to an exemption under Article 1(4) of the Prospectus Regulation and Article L.411-2 1° of the French *Code monétaire et financier*, and that the Prospectus and any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, the Prospectus Regulation.

2.3 United Kingdom

Each Joint Bookrunner 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, as amended (“**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 Joint Bookrunner 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 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 Joint Bookrunner 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.

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 Joint Bookrunners 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 Singapore

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

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
 - (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
 - (ii) where no consideration is or will be given for the transfer;
 - (iii) where the transfer is by operation of law;
 - (iv) as specified in Section 276(7) of the SFA; or
 - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

In connection with Section 309B(1)(c) of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

2.6 Hong Kong

Each Joint Bookrunner has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong

Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

2.7 Canada

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Notes. The Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the Notes and any representation to the contrary is an offence.

Each Joint Bookrunner has represented, warranted and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing:

- (a) any offer, sale or distribution of the Notes in Canada has and will be made only to purchasers that are (i) “accredited investors” (as such term is defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions (“NI 45-106”) or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario)) and “permitted clients” (as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations), (ii) purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and (iii) not a person created or used solely to purchase or hold the Notes as an “accredited investor” as described in paragraph (m) of the definition of “accredited investor” in section 1.1 of NI 45-106;
- (b) it is either (i) appropriately registered under applicable Canadian securities laws in each relevant province or territory to sell and deliver the Notes, (ii) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein, or (iii) it is relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with the requirements of that exemption; and
- (c) it has not and will not distribute or deliver this Prospectus, or any other offering material in connection with any offering of the Notes, in or to a resident of Canada other than in compliance with applicable Canadian securities laws.

2.8 Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with the exceptions provided under the Prospectus Regulation and any Italian securities, tax and other applicable laws and regulations.

Each Joint Bookrunner has represented, agreed and acknowledged that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Prospectus or any other document relating to the Notes in Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and the applicable Italian laws; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation and the applicable Italian laws.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 58 of 24 February 1998, as amended from time to time, Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the “**Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

2.9 General

Neither the Issuer nor any Joint Bookrunner has made any representation that any action will be taken in any jurisdiction by the Joint Bookrunners or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Bookrunner has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or any other Joint Bookrunner in any such jurisdiction as a result of any of the foregoing actions.

GENERAL INFORMATION

1 Corporate Authorisations

The issue of the Notes by the Issuer has been authorised by a resolution of the Issuer's *Conseil de Surveillance* (Supervisory Board) dated 19 December 2018, a resolution of the Issuer's *Directoire* (Management Board) dated 10 December 2018 and by the decision of Mr. Stéphane Magnan, *Directeur de la Banque de Financement et d'Investissement* of the Issuer dated 13 November 2019.

2 Approval and Admission to trading

This Prospectus has received the approval number 19-526 on 18 November 2019 from the *Autorité des marchés financiers* ("AMF"), in its capacity as competent authority under Regulation (EU) 2017/1129.

The Prospectus has been approved by the AMF, as competent authority under the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus will be valid until the earlier of (i) the date of admission of the Notes to trading on Euronext Paris or (ii) 12 months after its approval by the AMF. Upon any significant new factor, material mistake or material inaccuracy relating to the information included (including information incorporated by reference) in this Prospectus which may affect the assessment of the Notes occurring before such date, this Prospectus must be completed by a supplement, pursuant to Article 23 of the Prospectus Regulation. On the Issue Date, this Prospectus, as supplemented (as the case may be), will expire and the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

Application has been made for the Notes to be admitted to trading on Euronext Paris on 20 November 2019. The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately EUR16,250.

3 Documents Available

Copies of the following:

- (i) the *Statuts* of the Issuer;
- (ii) the Amendment to the Universal Registration Document at 30 June 2019;
- (iii) the Universal Registration Document at 30 June 2019;
- (iv) 2018 Registration Document;
- (v) 2017 Registration Document; 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.labanquepostale.com". In addition, copies of this Prospectus and any documents incorporated by reference in this Prospectus are available on the AMF's website: "<http://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.

5 Significant Change

Except as disclosed in this Prospectus, there has been no significant change in the financial performance and/or position of the Issuer or the Group since 30 June 2019.

6 Legal and Arbitration Proceedings

Except as disclosed in this Prospectus, 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.

7 Material Contracts

The Issuer has not entered into contracts outside the ordinary course of its business which could result in any member of the Group 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.

8 Statutory Auditors

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

PricewaterhouseCoopers Audit and KPMG Audit - a department of KPMG SA have audited and rendered an unqualified audit report on the consolidated financial statements of the Issuer for the year ended 31 December 2017 and on the consolidated financial statements of the Issuer for the year ended 31 December 2018. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* (CNCC). In addition, PricewaterhouseCoopers Audit and KPMG Audit - a department of KPMG SA, have rendered an unqualified review report on the unaudited interim condensed consolidated financial statements of the Issuer for the six-month period ended 30 June 2019.

9 Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream systems and Euroclear France under Common Code 208155318 and ISIN FR0013461795.

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.

10 Joint Bookrunners Conflicts

Certain of the Joint Bookrunners 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 its affiliates in the ordinary course of business. Certain of the Joint Bookrunners and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Bookrunners 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

and its affiliates. Certain of the Joint Bookrunners and their affiliates that have a lending relationship with Issuer routinely hedge their credit exposure to Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners 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. Any such positions could adversely affect future trading prices of the Notes. The Joint Bookrunners 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.

11 Yield

The yield is 3.913 per cent. *per annum* from the Issue Date up to the First Reset Date. This yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

12 Stabilisation

In connection with the issue of the Notes, HSBC Bank plc 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.

13 Benchmarks Regulation

On each Reset Date, amounts payable under the Notes will be calculated by reference to the mid-swap rate for euro swaps with a term of 5 years which appears on the Bloomberg screen “EUAMDB05 Index” as of 11:00 a.m. (Central European time) on such Reset Rate of Interest Determination Date (as defined in Condition 2 (*Interpretation*) in “Terms and Conditions of the Notes”) which is provided by ICE Benchmark Administration (the “**Mid-Swap Administrator**”) or by reference to EURIBOR, which is provided by the European Money Markets Institute (the “**EURIBOR Administrator**”). Each of the Mid-Swap Administrator and the EURIBOR Administrator appears on the list of administrators and critical benchmarks established and maintained by the European Commission pursuant to Article 20 (1) of the Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

14 LEI

The legal entity identifier of the Issuer is 96950066U5XAAIRCPA78.

15 Issuer’s website

The website of the Issuer is "www.labanquepostale.com". The information on such website does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

16 Currency

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.

RESPONSIBILITY STATEMENT

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

La Banque Postale
115, rue de Sèvres
75275 Paris Cedex 06
France

Represented by Dominique Heckel,
in his capacity as *Responsable du refinancement long terme* of the Issuer

Dated 18 November 2019



This Prospectus has been approved on 18 November 2019 under the approval number 19-526 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

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

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

It will be valid until the earlier of (i) the date of admission of the Notes to trading on Euronext Paris or (ii) 12 months after its approval by the AMF and shall be completed by a supplement to the Prospectus in the event of new material facts or substantial errors or inaccuracies occurring before such date.

PRINCIPAL OFFICE OF THE ISSUER

La Banque Postale
115, rue de Sèvres
75275 Paris Cedex 06
France

GLOBAL COORDINATOR AND STRUCTURING ADVISOR

HSBC Bank plc
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London, E14 5HQ
United Kingdom

JOINT BOOKRUNNERS

Crédit Agricole Corporate and Investment Bank

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92547 Montrouge Cedex
France

Credit Suisse Securities (Europe) Limited

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London E14 4QJ
United Kingdom

HSBC Bank plc
8 Canada Square
London, E14 5HQ
United Kingdom

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Natixis

30, avenue Pierre Mendès France
75013 Paris
France

Société Générale

29, boulevard Haussmann
75009 Paris
France

PRINCIPAL PAYING 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

FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT

BNP Paribas Securities Services
Corporate Trust Services
3, 5, 7 rue du Général Compans 93500 Pantin
France

LEGAL ADVISERS

To the Issuer

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France

To the Joint Bookrunners

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France

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France

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A department of KPMG S.A.
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