

## **PRESS RELEASE**

**BNP PARIBAS S.A. HAS DETERMINED TO PROPOSE AN EXTRAORDINARY RESOLUTION ENABLING THE INTEREST RATE OF THE FOLLOWING SERIES TO SWITCH FROM USD-ISDAFIX3-SWAP RATE TO A RATE BASED ON THE PUBLISHED USD ISR FALLBACK RATE:**

**USD 3,310,000 Fixed Rate to Underlying Interest Rate Linked Interest Notes due 31 March 2024**

***“USD 3.310.000 Notes da Tasso Fisso a Interesse Legato al Tasso di Interesse del Sottostante con scadenza 31 marzo 2024 nell'ambito del programma Euro Medium Term Note €90.000.000.000”***

**Series 18093 with ISIN: XS1571156261**

**(the Notes)**

Wednesday, 8 March 2023 – BNP Paribas S.A. (the **Issuer**) informs that the Issuer has determined today to propose to the holders of the Notes (the **Noteholders**) to adopt an Extraordinary Resolution (the **Extraordinary Resolution**) to modify the terms and conditions of the Notes (the **Conditions**), issued pursuant to the base prospectus dated 9 December 2016 with visa no 16-575 as supplemented up to and including 3 March 2017.

Such modifications will enable:

- the interest rate for the Notes to be determined by reference to a rate calculated in accordance with the formula set out in the paper entitled “Suggested Fallback Formula for the USD LIBOR ICE Swap Rate” published in March 2021 by the Alternative Reference Rates Committee of the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York and published by ICE Benchmark Administration Limited (the **IBA**) (or any successor administrator) as the USD SOFR Spread-Adjusted ICE Swap Rate for the applicable designated maturity (the **Published USD ISR Fallback Rate**) (the **Replacement Rate**) instead of the USD constant maturity swap rate (**USD-ISDAFIX3-Swap Rate**); and
- the inclusion of new fallback provisions in respect of the Replacement Rate, which are intended to provide a contractual mechanism for transitioning the Notes to refer to an alternative rate if the Replacement Rate ceases or may cease to be available in the future.

### ***Background: Status of USD LIBOR***

Based on the announcement by the UK Financial Conduct Authority (the **FCA**) on the future cessation and loss of representativeness of the 35 London Interbank Offered Rate (**LIBOR**) settings dated 5 March 2021 (the **FCA Announcement**), immediately after 30 June 2023, the U.S. Dollar (**USD**) LIBOR with a tenor of 3 months (**3 month USD LIBOR**), which is used as part of the determination of the current rate of interest for the Notes, will no longer be representative of the underlying market and economic reality it is intended to measure and its representativeness will not be restored.

As of the date of this announcement, and in line with the FCA Announcement, the IBA continues to publish overnight, 1, 3, 6 and 12 month USD LIBOR using a methodology based on panel bank submissions. Of the USD LIBOR rates still being published, IBA has indicated that it intends to cease publication of these rates immediately after 30 June 2023 unless the FCA exercises powers to require the IBA to continue publishing

these rates using a changed methodology (also known as a “synthetic” methodology). As of the date of this announcement, the FCA has conducted a consultation on whether or not to require 1-, 3- and 6-month US dollar LIBOR settings to be published on a synthetic basis until end-September 2024 however it has not yet indicated a conclusive intention to require such publication.

Furthermore, the IBA has announced that it will cease the publication of all USD LIBOR ICE Swap Rate benchmark runs for all tenors immediately after publication on 30 June 2023. As such, the USD-ISDAFIX3-Swap Rate, which is used for the determination of the current rate of interest for the Notes, will cease to be available after such date.

In light of the above and the FCA’s expectation that firms pursue active transition, the Issuer is therefore seeking consent from holders of its outstanding Notes for the proposed Extraordinary Resolution to give effect to a modification of the Conditions of the Notes and consequential or related amendments such that, for the purpose of the each determination of interest on and after 1 July 2023, the rate of interest will be determined by reference to the Published USD ISR Fallback Rate instead of USD-ISDAFIX3-Swap Rate.

#### *Proposed amendments*

In order to ensure a contractual mechanism for the determination of the Rate of Interest until the maturity date of the Notes, the proposed amendments to the original final terms of the Notes (the **Original Final Terms**) will amend the interest provisions for the Notes to transition away from USD-ISDAFIX3-Swap Rate to a new rate referred to as the Published USD ISR Fallback Rate. This is administered by the IBA. New fallback provisions will also be added in case the Published USD ISR Fallback Rate is not available when required. If approved by Noteholder(s), the proposed amendments will take effect on the fifth Business Day following the Expiration Deadline (the **Amendment Effective Date**) and the Notes will transition to the Published USD ISR Fallback Rate from and including the first day of the first interest period in respect of which the date for determination of interest falls on or after 1 July 2023 (the **Replacement Effective Date**). Pursuant to the Conditions (if amended), the rate of interest for each interest period from and including the Replacement Effective Date will be determined two U.S. government securities business days prior to the start of such interest period.

For the avoidance of doubt, the new the Published USD ISR Fallback Rate will NOT apply to payments of interest in respect of interest periods commencing before the Replacement Effective Date.

A notice and consent solicitation will be notified today to the Noteholders via the relevant clearing system(s) (the **Notice and Consent Solicitation** or the **Notice**). Noteholder(s) should provide their electronic voting instructions through the relevant clearing system by no later than 12:00pm (London time) on 5 April 2023 or any earlier deadline specified by the clearing system (the **Expiration Deadline**).

Noteholders may vote in favour of or against giving such consent or alternatively abstain from voting should they wish to do so. By voting in favour, Noteholders will be giving their consent to the amendments set out in the Amended and Restated Final Terms contained in the Notice. It is important that Noteholders read the information in Notice and Consent Solicitation carefully when deciding whether and how to vote and where appropriate, consult with their legal, tax, financial, business, regulatory, accounting, investment and other advisers. In order to amend the rate of interest applicable to the Notes, consent must be received from Noteholders of at least 75 per cent. in outstanding nominal amount of the Notes. If a Noteholder does vote in favour of giving consent but the requisite number of votes in favour of consent are not received from the other Noteholders, the amendments in respect of the Notes will not be effective. If a Noteholder does not vote in favour of giving consent, or if it abstains from voting, but the requisite number of votes in favour of consent are received from the other Noteholder(s), the proposed Extraordinary Resolution will be passed and will be binding on all Noteholders.

*What happens if the Consent Solicitation is not passed?*

If insufficient votes are received from holders of the Notes for the proposed Extraordinary Resolution to give effect to the relevant modifications of the Conditions of the Notes, the Conditions of the Notes will continue to refer to the Rate of Interest for the Notes as being determined by reference to USD-ISDAFIX3-Swap Rate.

If the screen rate for USD-ISDAFIX3-Swap Rate ceases to be available, the express Conditions of the Notes provide that Rate of Interest would be determined on the basis of quotations sought by the Calculation Agent from reference banks for mid-market quotations for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. Dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on that Reset Date. However, in circumstances where the USD-ISDAFIX3-Swap Rate has ceased to be published, it is unlikely that reference banks would be able to provide any such quotations. The Conditions of the Notes do not provide any express mechanism which the Calculation Agent could use in such circumstances in order to determine the Rate of Interest.

The passing of the proposed Extraordinary Resolution would therefore provide certainty to Noteholders as to how the Rate of Interest should be determined.

Regardless of the outcome of the Extraordinary Resolution, the Issuer reserves the right to take any further action with respect to the Notes, including convening a meeting of the Noteholder(s) or exercising any other rights under the Conditions.

It is possible that any of the outcomes described above may adversely affect the value of the Notes. The matters set out in this announcement and in the Notice give rise to investment risks and considerations.

**For further information please contact:**

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**This announcement and the Notice are important and require immediate attention. This announcement and the Notice contain important information which should be read carefully before any decision is made with respect to the proposals set out herein. Any Noteholder in doubt as to the action they should take is recommended to seek independent legal, tax, financial, business, regulatory and accounting advice and consult their professional investment advisor. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to vote in respect of the proposal.**

**Each Noteholder must make its own decision as to whether or not to consent to the relevant proposals set out in this announcement and the Notice and none of the Issuer nor any of the Agents makes any recommendation as to whether or not or how Noteholders should vote in respect of the proposal. This announcement and the Notice are not intended to be, and should not be relied upon as, legal, tax, financial, business, regulatory accounting, investment or other advice. The Issuer is not providing investors with any such advice and investors should consult their own advisors for advice on risks relating to the reform of interest rate benchmarks. The information contained in this announcement and in the Notice are not intended to be comprehensive. Material developments may have occurred since**

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