



Implementation of the bail-in tool

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TABLE OF CONTENTS

GLOSSARY	4
INTRODUCTION	8
PURPOSE OF THIS DOCUMENT	8
SCOPE OF THIS DOCUMENT	8
FOREWORD	8
1. GENERAL ASPECTS	9
1.1 BAIL-IN AND ITS IMPLEMENTATION: PRINCIPLES AND COUNTRY-SPECIFIC FEATURES IN FRANCE	9
1.2 MAIN STAKEHOLDERS AND THEIR RESPECTIVE DUTIES.....	16
1.3 BASELINE SCENARIOS AND CONSEQUENCES OF BAIL-IN.....	21
2. THE IMPLEMENTATION OF BAIL-IN	24
2.1 PREPARING DECISIONS.....	24
2.2 OPERATIONAL PROCEDURES APPLICABLE TO THE EXTERNAL EXECUTION OF BAIL-IN	30
STEP 1: NOTIFICATION TO THE VARIOUS STAKEHOLDERS OF THE ACT ESTABLISHED BY THE RESOLUTION BOARD OF THE ACPR IMPLEMENTING THE SRB'S DECISION OF ENTRY IN RESOLUTION.	36
STEP 2: SUSPENSION OF TRADING IN SECURITIES ISSUED BY THE INSTITUTION/BANKING GROUP UNDER RESOLUTION.....	38
STEP 3: PUBLICATION OF THE EFFECTS OF THE SRB DECISION AND OF THE EFFECTS OF THE ACT BY THE ACPR'S RESOLUTION BOARD IMPLEMENTING THE SRB'S DECISION OF ENTRY IN RESOLUTION	42
STEP 4: CANCELLATION OF PAYMENTS (INTEREST, PRINCIPAL REPAYMENTS, ETC.), SETTLEMENT AND INTEREST PAYMENTS ARE SUSPENDED, AS NECESSARY	43
STEP 5: PREPARATION OF THE INSTITUTION/BANKING GROUP UNDER RESOLUTION AND ITS AGENTS	47
STEP 6: WRITE-DOWN AND CONVERSION OF CAPITAL INSTRUMENTS AND ELIGIBLE LIABILITIES BY EUROCLEAR FRANCE.....	49
STEP 7: REFLECTION/RECORDING IN EURONEXT PARIS' SYSTEMS OF CORPORATE ACTION EXECUTED BY EUROCLEAR FRANCE	57
STEP 8: LIFTING OF THE SUSPENSION OF SETTLEMENT AND RESUBMISSION OF PAYMENT INSTRUCTIONS, WHERE REQUIRED AND APPLICABLE	63
STEP 9: RESUMPTION OF TRADING IN THE SECURITIES ISSUED BY THE INSTITUTION/BANKING GROUP UNDER RESOLUTION.....	65
STEP 10: COMPENSATION MECHANISM: FREE ALLOCATION OF SHARES	68
ANNEX: DATA REQUIREMENTS FOR THE EXTERNAL EXECUTION OF BAIL-IN	70

LIST OF BOXES

BOX 1 – THE CONVERSION RATE APPLIED BY THE RESOLUTION AUTHORITY AND THE NO CREDITOR WORSE OFF CONCEPT.....	27
BOX 2 – THE BAIL-INABLE NATURE OF ACCRUED INTEREST DUE AND THE CANCELLATION OF INTEREST PAYMENTS	43
BOX 3 – SETTING THE RECORD DATE AND PAYMENT DATE FOR THE RELEVANT CORPORATE ACTION	49
BOX 4 - REFERENCE DATES FOR CORPORATE ACTION (CALENDAR DAY AND ACCOUNTING DAY)	50
BOX 5 – PARTIAL WRITE-DOWN USING THE POOL FACTOR METHOD	52
BOX 6 – BASELINE SCENARIOS INCLUDED IN THE OPERATIONAL GUIDE AND BANKING GROUPS CONCERNED .	54
BOX 7 - TREATMENT OF ANY FRACTIONAL AMOUNTS RESULTING FROM CONVERSION AND ILLUSTRATIVE NUMERICAL EXAMPLE	55
BOX 8 – TECHNICAL ADMISSION TO TRADING OF NEW SHARES VS. LISTING OF NEW SHARES	63

LIST OF TABLES

TABLE 1 – TIMELINE OF THE OPERATIONAL PROCEDURES APPLICABLE FOR THE EXTERNAL EXECUTION OF BAIL-IN	31
TABLE 2 – MATCHING BETWEEN BAIL-IN EVENTS AND CORPORATE ACTION FORMS	48
TABLE 3 – TOTAL WRITE-DOWN DATA (CA FORM CHAN)	70
TABLE 4 – TOTAL WRITE-DOWN DATA (CA FORM WRTH)	71
TABLE 5 – PARTIAL WRITE-DOWN DATA (CA FORM PRED)	73
TABLE 6 – TOTAL CONVERSION DATA (CA FORM CONV)	74
TABLE 7 – PARTIAL CONVERSION DATA (CA FORM BONU)	75

LIST OF CHARTS

CHART 1 – GENERIC TIMELINE OF BAIL-IN EXECUTION (INSTITUTION UNDER THE SRB’S REMIT)	29
CHART 2 – TIMELINE OF THE OPERATIONAL PROCEDURES APPLICABLE FOR THE EXTERNAL EXECUTION OF BAIL-IN	34

GLOSSARY

Terms and acronyms used in the Operational Guide	Definition
Accounting day	Reference day for the cut-off date in Euroclear France's books. It ends at the beginning of the evening.
ACPR	Autorité de contrôle prudentiel et de résolution, the French national competent Authority in charge of supervising the banking and insurance sectors.
Admission of securities to listing/trading	The admission to trading of an instrument on a regulated market. An instrument that is not listed on a regulated market cannot be traded on it.
Bail-in	For the sake of convenience and simplicity, in this guide, the term bail-in refers to any write-down or conversion operation carried out on the relevant instruments. Nevertheless, from a legal standpoint, bail-in is a resolution tool aimed at writing down and/or converting bail-inable instruments that are not capital instruments. The write-down and/or conversion of capital instruments is not ensured by bail-in but by the exercise of a specific power, the power to write down and convert capital instruments (Article 59 BRRD). Economically speaking, the effects of the power to write-down and convert capital instruments and of bail-in are similar. The application of bail-in is necessarily combined with the prior application of the power to write down and convert capital instruments.
Banking package	A compendium of rules that provides the legal and administrative standards used to regulate, supervise and govern the financial sector more efficiently in all countries of the European Union. It includes rules on capital requirements (Capital Requirement Directive CRD; Capital Requirements Regulation CRR), recovery and resolution procedures (BRRD and SRMR, see definitions below), as well as a mechanism of harmonised national deposit guarantee schemes (amended Deposit Guarantee Schemes Directive DGSD).
BRRD	The Bank Recovery and Resolution Directive, Directive 2014/59/EU of the European Parliament and Council establishing a framework for the recovery and resolution of credit institutions and investment firms.
CET	Central Europe Time.
Compensation mechanism	Mechanism aimed at compensating creditors who have born excessive losses as a result of bail-in and in light of the definitive valuation.
Conversion percentage	Share of the amount of debt instruments relevant for bail-in that is converted into equity securities.
Conversion rate	The factor that sets the nominal value of shares or other instruments of ownership derived from the conversion of a liability item of a given liability rank.
Corporate action	All events that may occur during the life of an instrument (payment of coupons, repayment, capital increase...). There is no corporate action that is specific to bail-in: all bail-in operations are executed through standard financial instrument reorganisation and distribution transactions.
Corporate Action Event (CAEV)	An event occurring during the life of a financial instrument and requiring a transaction by the central securities depository.
Corporate Action Form (CA Form)	An Excel File that must be filled in and sent to Euroclear France by the paying agents to specify the corporate action to be executed, including when implementing the bail-in.
Cross-border	Involving at least two countries. The term cross-border bail-in is used to underline the international nature of the transactions to be considered (different jurisdictions, laws, intermediaries, etc.).

Terms and acronyms used in the Operational Guide	Definition
CSD	Central Securities Depository.
Delisting or removal from trading	Delisting refers to the reflection in the market operator's systems of the total write-down in Euroclear France's books.
Dynamic form	An Excel file that must be filled in and sent to Euroclear France by the paying agents in order to create the ISIN code associated with the new shares derived from conversion operations.
Initial valuation (valuation 1)	The estimate of the value of an institution's assets and liabilities that is used to determine whether the conditions set to trigger resolution or those applicable to the write-down and conversion of capital instruments are met.
Institution under resolution	An institution that is subject to a resolution action carried out by the resolution authority.
Instrument	For the purposes of the present guide, an instrument refers to capital instruments and any other liabilities issued by a resolution entity that may be subject to either write-down or conversion.
ISIN code	The International Securities Identification Number (ISIN) is a unique 12-character international identifier used to identify financial securities.
Issuer	An institution that has issued the instruments subject to a bail-in operation.
Issuer CSD/investor CSD	CSDs are actively involved in the integration of financial markets, in particular through the setting up of links between CSDs: these links form one way for the market participants in a given market to gain access to securities issued in other jurisdictions. The setting up of a link between a CSD, referred to as the "investor CSD", and another CSD, referred to as the "issuer CSD" consists, for the investor CSD, in becoming a participant in the issuer CSD, meaning, in practical terms, opening a securities account in its name with the issuer CSD (usually a CSD established in another country). The investor CSD thus allows its participants access to securities other than those for which it carries out the notarial function itself.
Listing	The listed price for a given financial instrument on a market.
National agency numbering	The competent Authority for the issue and assignment of ISIN codes in a given country (the Agence Française de Codification operates under the responsibility of Euroclear France).
National authority (NRA) resolution	The national Authorities of the participating Member States, which implement all decisions addressed to them pursuant to the instructions provided by the Single Resolution Board. They are also responsible for planning and adopting resolution plans in respect of those banks for which the Single Resolution Board is not directly responsible.
NCWO	No Creditor Worse Off (than in liquidation) refers to the principle according to which none of the creditors (equity and bond holders) can incur greater losses in the context of a resolution procedure than they would have incurred in the course of winding-up proceedings.
Liquidation (valuation 3) valuation	Counterfactual estimate of the value of an institution's assets and liabilities in the event of bankruptcy. The purpose of this estimate is to compare the treatment received by creditors (equity and bond holders) in resolution proceedings with that which they would have been likely to receive in the event of bankruptcy.
Nominal value	Proportion of capital assigned to a share.

Terms and acronyms used in the Operational Guide	Definition
Open-bank bail-in	Bail-in strategy where the resolution entity retains its corporate status and stays in the market at the end of the resolution procedure (as opposed to a closed-bank bail-in, where the resolution entity is liquidated and/or transferred to a recipient).
Paying agent	The agent who represents issuers in their relations with the CSD and carries out transactions occurring in the life of an issued security (issues, payment of dividends, coupons...) on their behalf.
Payment Date	The date on which the proceeds of a given corporate action must be distributed to its right holders.
Pool factor	A factor, usually expressed as a percentage, which is used by central securities depositories to adjust principal outstanding amount of a bond, without changing its face value when issuers carry out partial redemption transactions.
Provisional and ex post definitive valuation (valuation 2)	Estimate of the economic net asset value of an institution under resolution, aimed at informing the implementation of resolution tools.
Record date	The date on which positions are recorded in the books of the issuer's depository, at the end of the accounting day, to identify the rights holders to the security proceeds. The record date occurs before the payment date.
Regulated market	Trading venues operated or managed by a market operator, on which transactions are executed on a non-discretionary basis and benefit from the primary market admission privilege of instruments to trading.
Relevant amount (in the context of bail-in)	Amount expressed in Euro that is subject to the write-down and conversion operations exercised in the course of bail-in implementation. For instance, for a given debt instrument, it refers to the sum of the principal outstanding amount and accrued interest.
Resolution authority	Refers to the central Authority of the SRM (SRB) or to a national resolution authority, which shall respectively adopt and implement resolution decisions relating to institutions under the SRB's remit.
Resolution entity	An institution designated by the resolution authority as an entity for which the resolution plan provides for resolution action. This concept is specific to resolution planning.
Resolution group	A group formed by a resolution entity and its subsidiaries, which are not themselves resolution entities or subsidiaries of other resolution entities.
Single Resolution Mechanism (SRM)	The SRM came into force in 2014. It aims to ensure the effective resolution of failing banks at the lowest cost to both taxpayers and the real economy. Its operation is governed by the SRM Regulation (806/2014), which is also referred to as SRMR. The Single Resolution Board (SRB) ensures the expeditiousness of decision-making procedures so that the resolution of a bank can take place within a weekend. As a competent authority for prudential supervision, the ECB plays a prominent role in deciding whether a bank is failing or likely to fail. Resolution measures may, where necessary and if the relevant conditions are met, be financed by a single resolution fund, which is itself supplemented by the contributions of banks.
Single Supervisory Mechanism (SSM)	The SSM, which is the European banking supervision system, came into force in 2014. It is comprised of the ECB and the national supervisory authorities of participating Member States. Its main objectives are: safeguarding the European banking system and ensuring its soundness, strengthening financial integration and stability, and ensuring the consistency of banking supervision. It is governed by the SSM Regulation (1024/2013) and the SSM framework

Terms and acronyms used in the Operational Guide	Definition
SRB	Regulation (468/2014), which establishes the respective powers of the ECB and the national competent authorities.
Technical admission of a security at a market operator	The strictly technical creation of the instrument in the information systems of the market operator.
Trading venue	Trading platform operated by an investment firm or market operator on which transactions are executed on a non-discretionary basis.
Warrants	Interim instruments are referred to as Warrants. They enable compensation of creditors that are excessively affected by bail-in as a result of a discrepancy between the provisional valuation and definitive valuation.
WDCI	The specific power to write-down and convert capital Instruments (Article 59 BRRD) independently of or in combination with a resolution action.
Write-down rate	Percentage by which the amount relevant for bail-in of instruments in the same liability rank is written down.

INTRODUCTION

Purpose of this document

The purpose of this document is to set out the approach retained by the Autorité de contrôle prudentiel et de résolution (ACPR), in its capacity as the French national resolution authority responsible for the implementation of bail-in, pursuant to the guidelines issued by the European Banking Authority (EBA/GL/2023/01) on the conversion mechanism applicable to the write-down, conversion, and bail-in exchange mechanic, published on 5 March 2023.¹

Addressed to all stakeholders seeking a better understanding of bail-in, this document aims in particular to improve the resolvability of banks and enhance the predictability of its implementation in France.

Scope of this document

This document focuses on the specific case of banking institutions² deemed "significant", which are under the remit of the Single Resolution Board (SRB). In that context, the ACPR is responsible for implementing the bail-in decision taken by the SRB. However, in the event of the bail-in of an institution under the ACPR's remit, the broader aspects and operational procedures outlined in this document would remain equally relevant.³

Within a resolution group, bail-in only applies to the entity that has been defined as the resolution entity. In the context of a so called single point of entry resolution strategy, this entity is either the head of the banking group (for capitalistic groups) or the central body and all its affiliates (in the case of cooperative banking groups).⁴

Foreword

In the context of its work towards the operationalisation of bail-in, the ACPR retained an incremental approach⁵. This document may therefore be updated as work progresses in order to specify the following items (non-exhaustive list):

- The cross-border dimension of the implementation of bail-in;
- The scope of liabilities subject to bail-in, beyond the scope described in the reference scenarios included in this document;
- The legal terms applicable to the implementation of the French compensation mechanism in the event of inaccurate valuations;
- The treatment of the particular features of bail-in for mutual banking groups.

¹ [Guidelines to resolution authorities on the publication of the write-down and conversion and bail-in exchange mechanic \(EBA/GL/2023/01\)](#).

² Several categories of persons may be subject to resolution measures such as bail-in, including credit institutions, investment firms and financial holding companies (Article L 613-34 of the French Monetary and Financial Code).

³ The key differences lie in the interaction between the SRB and the ACPR. If the ACPR had jurisdiction over a banking institution earmarked for resolution, the ACPR would itself take the bail-in decision.

⁴ The strategy used would then be referred to as an "extended single point of entry" strategy.

⁵ [Statement to resolution authorities concerning the publication of the write-down and conversion and bail-in exchange mechanic \(EBA/GL/2023/01\)](#).

1. GENERAL ASPECTS

1.1 Bail-in and its implementation: principles and country-specific features in France

1.1.1 Purpose of bail-in

Bail-in is one of the four tools that the national resolution authority may decide to implement in relation to an institution that meets the conditions for entry into resolution. These conditions⁶ are defined as follows:

- (i) The institution is either failing or likely to fail;⁷
- (ii) There is no reasonable prospect that any alternative private sector measure or supervisory action could prevent its failure within a reasonable timeframe;
- (iii) Resolution action is necessary in the light of resolution objectives⁸ and a winding-up procedure established by Book VI of the French Commercial Code would not achieve those objectives to the same extent. The latter comprise the following objectives:
 - (a) to ensure the continuity of critical functions;
 - (b) to avoid a significant adverse effect on the financial system;
 - (c) to protect public funds by minimising reliance on extraordinary public financial support;
 - (d) to protect client funds and client assets, in particular those of depositors covered by the deposit guarantee scheme.

Eligible liabilities subject to bail-in of an institution under resolution may be written down or converted into Tier 1 capital instruments, in accordance with the order of priority of claims.⁹

The bail-in tool may be applied for two different purposes:

- on the one hand, it can be used to absorb the losses of a failing institution and then recapitalise it to the extent sufficient to restore its ability to comply with the conditions of its authorisation; in such case, the bail-in tool can only be applied if there is a reasonable prospect of restoring the institution to financial soundness and long-term viability (open-bank bail-in);
- on the other hand, it can be applied to facilitate the implementation of other resolution tools: (i) the bridge institution tool; (ii) the sale of business tool; (iii) the asset separation tool. It allows claims or debt instruments to be written down, or converted into equity or other instruments of ownership, when they are transferred:

⁶ Article 18(1) of Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 2014 (referred to as "SRMR") and Article 32 of Directive 2014/59/EU of the European Parliament and Council of 15 May 2014 ("BRRD"), transposed to section II of Article [L. 613-49 of the French Monetary and Financial Code](#).

⁷ Within the meaning of section II of Article [L. 613-48 of the French Monetary and Financial Code](#).

⁸ Article 31 BRRD, transposed to Article L.613-50 of the French Monetary and Financial Code.

⁹ Article L. 613-30-3 of the French Monetary and Financial Code.

- a) to a bridge institution with a view to providing capital for that bridge institution;
- b) when applying the sale of business tool or using an asset management vehicle.

The bail-in tool can therefore be applied separately or in combination with other resolution tools. For further information on the use of the bail-in tool in combination with other resolution tools, see the paper published by the ACPR on this topic.¹⁰

From a legal standpoint, the write-down and/or conversion of capital instruments is not carried out by means of the bail-in tool *per se*, but through the application of a specific administrative power exercised by the resolution authority: the power to write-down and convert capital instruments.¹¹ In economic terms, the effects of the power to write-down or convert capital instruments and the bail-in tool are similar. The implementation of bail-in is necessarily combined with the prior exercise of the power to write-down or convert capital instruments (WDCCI).

Accordingly, WDCCI and bail-in first affect shareholders and holders of other instruments of ownership in proportion to the equity instruments they hold, and then creditors according to the order of priority of their claims.

1.1.2 Scope of bail-in (statutory and discretionary exclusions)

Eligible liabilities subject to bail-in purposes can only be written down and/or converted if Common Equity Tier 1 capital instruments and Additional Tier 1 or Additional Tier 2 have been fully written down.¹² Therefore, bail-in eligible liabilities are claims or liabilities and capital instruments excluding:

- (i) Common Equity Tier 1 instruments and Additional Tier 1 and Tier 2 capital instruments;
- (ii) those that are excluded from the scope of the bail-in tool.

Such exclusions fall under one of two categories: statutory or discretionary.

Statutory exclusions cover liabilities¹³ that cannot under any circumstances be written down or converted (such as covered deposits). Discretionary exclusions entail a decision by the resolution authority to exclude or partially exclude certain liabilities¹⁴ from the application of the write-down or conversion powers, where the bail-in tool is applied. A decision to that end is justified by exceptional circumstances:¹⁵

- a) Where it is not possible to bail-in such liabilities within a reasonable timeframe notwithstanding the good faith efforts of the relevant resolution authority;
- b) where the exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines;

¹⁰ [Strategic optionality in resolution: combination of tools | ACPR \(banque-france.fr\)](#).

¹¹ See Articles [L. 613-48](#) and [L. 613-48-1](#) of the French Monetary and Financial Code.

¹² Article 38 BRRD.

¹³ Listed in Article 44 (3) BRRD, transposed to Article [L. 613-55-1 of the French Monetary and Financial Code](#).

¹⁴ Common equity Tier 1 and additional Tier 1 or additional Tier 2 are not eligible for such discretionary exclusions.

¹⁵ See Article [L. 613-55-1 of the French Monetary and Financial Code](#).

- c) where the exclusion is strictly necessary and is proportionate to avoid giving rise to widespread contagion, in particular as regards eligible deposits held by natural persons and micro, small and medium-sized enterprises;
- d) where the application of the bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in.

1.1.3 Calibrating the level of bail-in: subsequent valuation

Resolution authorities determine the extent of bail-in according to the valuation of the institution under resolution. As a general rule, valuation aims to provide a fair, prudent and realistic estimate of the value of the latter assets and liabilities. This valuation is carried out by a person independent from any public authority and from the institution under resolution.¹⁶

A distinction must be made between:

- (i) on the one side, an initial valuation (also referred to as “valuation 1”) that is used in order to determine whether the conditions for resolution, or those for the write-down and conversion of capital instruments, are met;
- (ii) and on the other, a subsequent valuation (also referred to as “valuation 2”) on which the decision to apply one or more resolution tools shall be based.

The initial valuation refers to an accounting valuation (book value) carried out in line with the regulatory, accounting and prudential applicable framework. It is used to determine whether the value of an institution’s assets is less than that of its liabilities (which is one of the criteria used to qualify an institution as failing or likely to fail).

If the bail-in tool is applied, the subsequent valuation provides the elements that will serve as a basis for the determination of:

- (i) the extent of the cancellation or dilution of instruments of ownership and the write-down or conversion of capital instruments and relevant eligible liabilities, when exercising the powers to write-down and convert;
- (ii) the extent of the write-down or conversion of eligible liabilities subject to bail-in.

The latter valuation concerns the economic value of the assets and liabilities of the institution under resolution. It must be conducted conservatively, considering the present value of cash flows that the entity can reasonably expect. This may imply departing from the accounting or prudential valuation frameworks and related conventions (such as time horizon or discount rates). It is used to determine the economic net asset value of the relevant institution, which corresponds to the difference between the economic value of assets and that of liabilities.

¹⁶ Where an independent valuation would not be possible, the SRB may carry out a provisional valuation of assets and liabilities.

The sequence of steps between valuation and the implementation of bail-in can be described as follows:

- (i) Accounting valuation as one of the criteria used to determine whether the institution is failing or likely to fail;¹⁷
- (ii) Upon entry into resolution, the economic valuation of the relevant institution's balance sheet is carried out using the most appropriate measurement basis (hold value and, where applicable, disposal value¹⁸);
- (iii) Calculation, based on the economic valuation, of the net asset value of the institution under resolution;
- (iv) Calculation of the loss absorption amount: the amount by which the value of eligible liabilities subject to bail-in needs to be written down to restore the net asset value of the aforementioned institution **to zero**.
- (v) Where applicable, calculation of the recapitalisation amount: the amount up to which eligible liabilities subject to bail-in must be converted into shares or other instruments of ownership to ensure that the regulatory capital requirements, as a condition for authorisation, are met or, where applicable, arrange for a bridge institution to comply with such requirements.

The calculation of the recapitalisation amount is based on an estimate of the total risk exposure amount of the institution after resolution. This estimate must be obtained in collaboration with the institution under resolution, as part of an impact assessment pertaining to bail-in.

The extent of bail-in is therefore equal to the cumulative amount of loss absorption and recapitalisation. These two amounts reflect two distinct phases of WDCCI and bail-in: shareholders should first bear losses and, next, creditors should contribute to the recapitalisation of the institution.

In light of both the urgency of the situation and the short timeframe of a resolution weekend, the subsequent valuation (i.e. valuation 2) can be broken down into two steps: (i) a provisional valuation, that is only partially compliant with the requirements defined by law, which will serve for a timely determination of the bail-in amounts; (ii) a subsequent, definitive valuation (following the execution of the bail-in) that fully complies with the legal requirements. The definitive valuation must be carried out as early as possible.

1.1.4 The definitive valuation and the compensation mechanism for the “affected «creditors: interim instruments

The estimate of the net asset value of the institution under resolution that stems from the definitive valuation may differ from the provisional valuation of the latter net assets. Where the difference between these two estimates is positive, the creditors may have incurred excessive losses as a result of write-down and/or conversion powers and bail-in.

Pursuant to Article L. 613-55-3 III of the French Monetary and Financial Code, once the definitive valuation is carried out, the ACPR may compensate the creditors that are excessively

¹⁷ The FOLTF status may also be triggered by the deterioration of an institution's liquidity position, even where that institution's net asset value is positive.

¹⁸ In case the bail-in tool is combined with transfer tools, see Delegated Regulation (UE) No 2018/345.

affected by bail-in (hereinafter referred to as the “affected creditors”) during the “resolution weekend” using a provisional valuation. To that end, the ACPR is considering providing affected creditors with interim instruments, which may take the form of a free distribution of share warrants in the resolution entity (hereinafter referred to as “Warrants”, which are actually similar to common share purchase warrants). These Warrants will be required to meet the admission criteria set by Euroclear France.

The Warrants would constitute claims on the institution under resolution, and would grant conditional entitlement, at the end of proceedings, to free shares in the relevant institution. Such Warrants would match the nature and form of security certificates in bearer form within the meaning of Article L. 228-1 *et seq.* of the French Commercial Code.

Insofar as the outcome of the definitive valuation cannot be anticipated at the time of the resolution weekend, all the creditors who were affected by the bail-in tool will be granted Warrants from a given category when applying bail-in. There will be as many Warrant classes as there are ranks within the hierarchy of creditors¹⁹ affected by the implementation of bail-in.

Should the resolution authority conclude, following the definitive (*ex post*) valuation, that Warrant holders need to be compensated, the Warrants would automatically be settled and the holders would receive free shares in the resolution entity. In the accounts of the resolution entity, such an allocation would result in an increase in share capital through the capitalisation of reserves.

Arrangements for the implementation of this compensation mechanism for valuation errors will be further specified in updated versions of this document.

1.1.5 Safeguards in resolution: *pari passu* and NCWO principles

In the context of resolution, resolution authorities must ensure that the two principles below are complied with:

- (i) *Pari passu* principle: creditors with the same rank shall be treated equally.
- (ii) No Creditor Worse Off (NCWO – than in liquidation) principle: no creditor (equity and bond holders) can incur greater losses than that holder or creditor would in the course of insolvency proceedings, as set out in Book VI of the French Commercial Code.²⁰

These two principles are applicable to all resolution measures and, therefore, to all bail-in decisions.

The first principle implies that the ACPR carries out a write-down or conversion of the same magnitude for all instruments of equal rank, unless statutory or discretionary exclusions apply.

In order to check compliance with the second aforementioned principle, a counterfactual scenario is required to estimate the treatment that each security holder class and each creditor rank would have received under normal insolvency proceedings.

¹⁹ According to the French insolvency ranking.

²⁰ Article L. 613-50, 1°, II of the [French Monetary and Financial Code](#).

Therefore, once bail-in has been implemented, the resolution authority shall immediately arrange for an independent assessment to be carried out by an expert independent from any public authority and from the institution concerned. This expertise aims to:

- 1) Determine how shareholders and creditors would have been treated under normal insolvency proceedings;
- 2) Assess the level of losses actually incurred by them as a result of resolution measures.

This valuation (“valuation 3”) is different from both book value (initial valuation) and economic value (provisional and definitive valuation carried out *ex post*). It can be likened to a liquidation valuation in that it allows for a comparison to be made between the treatment received by creditors (equity and bond holders) in resolution and that which they would likely have received in the course of normal insolvency proceedings.

Where it has been established, through valuation, that the creditors (equity and bond holders) have suffered greater losses than they would likely have incurred in the course of normal insolvency proceedings, resolution authorities employ the resolution funding mechanism²¹ to compensate them for that difference in treatment.²²

1.1.6 Bail-in and the business reorganisation phase

The bail-in tool may only be applied if there is a reasonable prospect that applying that instrument would restore the institution under resolution to financial soundness and long-term viability. This prospect is assessed with particular regard to the measures implemented under the business reorganisation plan.

The latter defines the restructuring measures designed to restore the long-term viability of the institution under resolution within a reasonable timeframe. These measures rely on realistic assumptions as regards both the economic conditions of the reorganisation and the environment of the financial markets involved. The business reorganisation plan notably includes a detailed diagnosis of the factors and issues that caused the failure of the institution under institution, as well as the circumstances that led to its difficulties.

The institution under resolution is required to draw up and submit its business reorganisation plan to the ACPR one month after the bail-in operations have been implemented.²³

As regards institutions under the SRB’s remit, the ACPR sends its assessment of the business reorganisation plan to the SRB within fourteen days. Should the SRB consider that changes to this plan are required, the SRB instructs the ACPR to notify the management body of the resolution entity of the specific elements of their plan that need to be amended. The institution is then required to draw up and send an amended version of its business reorganisation plan

²¹ Either the Single Resolution Fund for institutions under the SRB’s remit, or the Deposit Guarantee and Resolution Fund for institutions under the ACPR’s remit.

²² Pursuant to Article L. 312-5 section III of the French Monetary and Financial Code.

²³ This one-month period may be extended to a maximum of two months, under exceptional circumstances and provided that it is necessary to achieve the objectives set for resolution.

to the Resolution Board of the ACPR within fourteen days (or two weeks) following receipt of the notification.

Once the new business reorganisation plan is approved by the SRB, the latter sends it to other resolution authorities involved and to the European Banking Authority. Its implementation is duly monitored: a progress report is submitted to the ACPR every six months.²⁴

1.1.7 Specific features of bail-in for cooperative banking groups: coordinated bail-in

For most French cooperative banking groups, the preferred resolution strategy in the view of resolution authorities is the “extended single point of entry” (also referred to as extended SPE). According to that strategy, the bail-in tool would be applied simultaneously at both the level of the central body and that of all its affiliates. In line with article L. 511-30 of the French Monetary and Financial Code, the following are designated as central bodies: Crédit Agricole S.A., the central body of the cooperative banking group formed by Caisse d’Epargne and Banque Populaire,²⁵ as well as the Confédération Nationale du Crédit Mutuel.

For groups comprising a central body and a network of affiliated institutions and firms, the resolution authority shall assess whether the conditions for resolution²⁶ have been met at the specific level of the central body and all its affiliates. Where necessary, the resolution authority takes coordinated resolution measures (write-down or conversion and, where appropriate, bail-in) in respect of the central body and all its affiliates.

In such case, these measures would apply to all entities in the network, regardless of the origin of losses. Under Article L. 613-51 of the French Monetary and Financial Code, the ACPR may then exercise all the powers of the central body provided for in Article L. 511-31 of the French Monetary and Financial Code in addition to the resolution measures, especially with a view to redistributing the resources resulting from the coordinated implementation of bail-in between the central body and its affiliates.²⁷ The calibration of bail-in depends on the capital requirements on a consolidated basis to recapitalise the group.

Interactions between bail-in and the solidarity mechanism²⁸

Resolution measures do not affect the internal financial solidarity mechanism as provided for in Article L. 511-31 of the French Monetary and Financial Code. This article states that the central bodies represent all credit institutions and financing companies affiliated to them before the Banque de France and the ACPR. They shall take all necessary measures to ensure the

²⁴ The SRB may consider that the business reorganisation plan needs to be amended in order to restore the institution’s long-term viability. If so, the institution is required to revise its plan and submit it to the ACPR for approval. The abovementioned steps should be followed in order to assess and approve the revised plan.

²⁵ As set out in Article L. 512-106 of the French Monetary and Financial Code: The central body designated for *caisses d’épargne* and *banques populaires* is the central body of the cooperative banking group made up of the savings bank and cooperative bank networks, as well as of the other affiliated credit institutions and financing companies. It is set up as a public limited company in which the *banques populaires* and *caisses d’épargne et de prévoyance* hold, together, the absolute majority of the company’s capital and voting rights.

²⁶ These conditions are set out in section II of Article L. 613-49 of the French Monetary and Financial Code.

²⁷ Pursuant to subparagraph V of Article L. 613-49-1 of the French Monetary and Financial Code.

²⁸ Refer to the discussion paper published by the ACPR for a more in-depth analysis: [20211019 how to resolve a cooperative group.pdf \(banque-france.fr\)](https://www.banque-france.fr/20211019-how-to-resolve-a-cooperative-group.pdf).

liquidity and solvency of each of these institutions and financing companies as well as that of the whole network.

This way, each network member benefits from internal financial solidarity and contributes to it. The general provisions of the French Monetary and Financial Code have been translated into internal mechanisms that set out operational measures to be taken under this legal mechanism for internal financial solidarity. Due to the unrestricted character of the solidarity principle, the central body may, at any given time, request for one or several of its affiliates to contribute to the financial efforts required to remedy the situation. The central body may, as needed, mobilise all of its members' liquid assets and own funds, where one or more of these members are undergoing stress.

In line with Article L. 613-48, subparagraph IV, of the French Monetary and Financial Code, a central body as mentioned in Article L. 511-30 or one of its affiliates are considered to be failing or likely to fail if, after the implementation of the measures set out in Article L. 511-31 (the statutory solidarity mechanism), the specific scope consisting of the central body and all of its affiliates is also considered as failing or likely to fail. Therefore, the decision to apply the bail-in tool to a cooperative banking group would imply that the statutory mechanism for internal solidarity would not have been able to remedy the failure of one or more entities in the network.

1.2 Main stakeholders and their respective duties

1.2.1 The Single Resolution Board (SRB)

Established in 2015, the SRB is the central resolution authority for the European Banking Union and the Single Resolution Mechanism (SRM). It interacts with other European institutions, such as the European Central Bank (ECB), the European Banking Authority (EBA), the European Commission, and the European Parliament.

The SRB ensures the orderly resolution of failing banks, while limiting adverse impacts of such failures on the real economy and on public finances.

On January 1st, 2015, the SRB became the competent authority for the drawing up of the resolution plans of significant credit institutions subject to direct supervision by the ECB under the Single Supervisory Mechanism (SSM), those of investment firms where they are subsidiaries of credit institutions included in the scope of the SRM, and those of cross-border institutions under its remit.

On January 1st, 2016, the SRB also became competent as regards the adoption of resolution decisions taken in relation to the aforementioned institutions. Consequently, the SRB determines whether the powers to write-down or convert capital instruments and eligible liabilities must be exercised, either separately or combined with a resolution measure.

Pursuant to the decision of the Single Resolution Board of 28 June 2016 establishing the framework for cooperation between the SRB and the National Resolution Authorities (hereinafter 'NRAs'), the latter remain directly involved in the SRB's work pertaining to the draft resolution plans of institutions under the SRB's remit, and they are party to the adoption of resolution decisions taken by the SRB as regards these institutions. Indeed, responsibility for

implementing SRB decisions is allocated to NRAs, the designated NRA for France being the ACPR.

Thus, the SRB has established joint teams (Internal Resolution Teams, hereinafter IRTs), together with the National Resolution Authorities, in order to draw up the resolution plans of the institutions under its remit. As regards the functioning of IRTs, the priorities of their work plan are set by the SRB with a view to ensuring the resolvability of banking groups. IRT work sessions focus on addressing these priorities and ensuring the resilience of banking groups: high-performance IT systems allowing them to generate relevant information within a short timeframe, governance arrangements in resolution ensuring efficient crisis communication, etc.

1.2.2 The Resolution Board of the ACPR

In line with Article L. 612-1, section IV of the CMF, the Resolution Board of the ACPR exercises its powers relating to the resolution of banking crises on credit institutions, financial holding companies, mixed financial holding companies, financial institutions, and investments firms without prejudice to the powers conferred to the SRB under the SRMR.

For the purposes of the execution of the Single Resolution Mechanism established by the SRMR, the Resolution Board of the ACPR is the national resolution authority for France. As such, the Board assists the SRB in the performance of the tasks conferred on it under that regulation.

Where, pursuant to that same regulation, the Resolution Board has been instructed by the SRB to that effect, the Board may exercise the powers conferred on it by the French Monetary and Financial Code transposing the BRRD.

The Resolution Board, or the director in charge of the departments mentioned in Article L. 612-8-1, as the case might be, takes the necessary measures to transpose and implement the recommendations, warnings, guidelines, instructions, decisions, and any other legal act issued by the SRB under the SRMR.

The Resolution Board of the ACPR comprises seven members:

1. The Governor of the Banque de France, or his legal representative, acting as Chair;
2. The Director General of the Treasury, or his representative;
3. The Chair of the Autorité des marchés financiers or her representative;
4. The Deputy Governor appointed by the Governor of the Banque de France, or his representative;
5. The Chair of the Commercial, Financial and Economic Division of the French Cour de Cassation, or his representative;
6. The Chair of the Board of the Deposit Guarantee and Resolution Fund (FGDR), or his representative. He only has a seat and takes part in deliberations when the Resolution Board discusses institutions and companies under the FGDR's remit;²⁹

²⁹ The Resolution College holds “banking sessions” and “insurance sessions”, the representative of the FGDR does not attend “insurance sessions”.

7. The Vice President of the Autorité de contrôle prudentiel et de résolution.

1.2.3 The Autorité des Marchés Financiers (AMF)

The AMF is an independent public authority tasked with safeguarding savings invested in financial products, ensuring that investors are appropriately informed and that financial markets operate properly.

In the context of resolution, Articles L. 613-56-6 and L. 613-56-7 of the French Monetary and Financial Code directly confer a role to the AMF, which acts upon decision by the Resolution Board in relation to the suspension of all or part of trading in financial instruments admitted to trading on a regulated market, as well as the delisting/withdrawal from trading of equity securities or other instruments of ownership or debt.

The AMF also holds its own powers, by virtue of common law, concerning suspensions of trading on French trading venues such as Euronext Paris (Article L. 420-10-I of the French Monetary and Financial Code).

1.2.4 The banking entity/banking group concerned (institution under resolution)

The institution under resolution plays a key role in the implementation of bail-in. Indeed, it provides resolution authorities and the independent valuer with the information and data required for the implementation of the various resolution measures (such as valuation, implementation of resolution tools...). The institution is also tasked with executing all operations carried out internally within the banking group in order to implement bail-in ("internal execution"). Lastly, it falls on that institution to forward the requests made by resolution authorities to all the various stakeholders for which it is the usual point of contact (including paying agents).

1.2.5 Paying agents

The paying agents of a banking institution act as intermediaries between that institution and the central securities depositories. The role of paying agents is to forward to a central securities depositories the instructions from the issuer (in this case, the institution subject to resolution) concerning transactions to be carried out in its (equity or debt) instruments registered in the books of this central depository.

Some French banking institutions have in-house paying agents, but others rely on the services of external paying agents.

1.2.6 The national central securities depository, Euroclear France

Euroclear France is a central securities depository (CSD) as defined by Article L. 441-1 of the French Monetary and Financial Code, and authorised under the CSDR.

The role of Euroclear France as a central securities depository

Euroclear France as CSD assumes different roles to facilitate investors' access to a given market. Euroclear France can act as issuer CSD or as investor CSD.

An issuer CSD is a CSD in which securities are issued (or immobilised): it is thus the primary place of deposit for the given securities. The issuer CSD opens accounts allowing investors (in a direct holding system) and/or intermediaries (including investor CSDs) to hold these securities. In many jurisdictions, the issuer CSD is responsible for ensuring the integrity of the issuance, i.e. that the number of securities initially created equals the total number of securities in circulation (booked in investors' accounts) at any time. The issuer CSD takes the lead in reflecting the write-down and/or conversion on its books and any cancellation of instruments.

An investor CSD – or a third party acting on behalf of the investor CSD – opens an account at the issuer CSD to enable the cross-system settlement of securities transactions. The activity of investor CSDs is facilitated by direct and indirect (through a third party, usually a custodian bank) links amongst CSDs. Euroclear France may act as investor CSDs in respect of securities issued in other markets. As investor CSDs, Euroclear France follows the local market issuer CSD and only credit the proceed securities after having received information that these securities have been credited to their account at the local CSD of issue.

For a new security to be credited to the accounts of holders in a given CSD and for supporting the transfer of instruments across holders, the relevant CSD must either be the issuer CSD or have a link with the issuer CSD for the new security and act as investor CSD. In the absence of CSD links (or when the proceed security does not meet the eligibility criteria of the foreign CSD) the usual market practice is for the agent to gather from the participants in the foreign CSD the delivery details for the proceed security.

Euroclear France as issuer CSD is a key player in the execution of bail-in, as it needs to reflect in its systems and in the accounts of its participants the actions that RAs have taken in respect of the resolution processing, including:

- The write-down of the relevant instruments to absorb losses: shares, other instruments of ownership, but also debt securities if the amount of losses so requires;
- The cancellation of the relevant debt and/or equity instruments used to absorb losses to render the instruments legally non-existent;
- The conversion of the relevant debt instruments into new shares or other instruments of ownership or the redistribution of existing shares to recapitalise the firm in resolution in an open-bank bail-in or the issuance of new securities of a new entity in a closed-bank bail-in.

Under CSD procedures, a bail-in scenario is generally treated as a standard corporate action.

For the sake of clarity, Euroclear France is not in charge, nor entitled to verify the conditions and correctness of the bail-in processes that it asked by the Resolution Authority.

The role of Euroclear France as a National Numbering Agency

In addition to its functions as a central securities depository, Euroclear France acts as the French National Numbering Agency in order to facilitate trade and settlement using internationally recognised standards.

Euroclear France assigns a unique identification code to each new instrument created in France. This includes ISINs beginning with FR (for France) and MC (for Monaco).

1.2.7 The national regulated market operator, Euronext Paris

Euronext Paris S.A. is a market undertaking as defined in Article L. 421-2 of the French Monetary and Financial Code. It manages Euronext's regulated markets and Multilateral Trading Facilities (MTF) in France. In accordance with Article L. 421-10 of the French Monetary and Financial Code, Euronext Paris adopts rules for each of these markets to ensure fair and orderly trading as well as efficient order execution.

Euronext Paris is responsible for all operations relating to the admission and delisting of instruments, to administrative measures, and to all continuing obligations that fall on issuers, including disclosure requirements applicable for the corporate actions.

Issuers are required to notify Euronext Paris of all corporate actions relating to instruments admitted to trading in order to ensure the fair, orderly and efficient operation of markets. Such notification must be made to the competent Euronext market undertaking, at least two trading days prior to the earliest of the two following dates: (i) the public notice of the timeline relating to the corporate action concerned, or (ii) the relevant corporate action affecting the market or the positions of the holders of the securities concerned.

The issuer must comply with the reporting and disclosure requirements applicable to corporate action under national law. The terms and conditions of corporate actions are communicated to the market by Euronext Paris by means of a notice.

At the request of Euronext Paris, the issuer must provide all legal and corporate documents relating to the corporate action concerned. The sole purpose of this requirement is to allow Euronext Paris to fulfil its duties and perform its tasks as a market undertaking. When examining the aforementioned documents, Euronext Paris only checks the technical information it requires in order to manage the market.

In the context of bail-in, Euronext Paris acts as a market operator, and is required to reflect in its systems the measures taken by the resolution authorities, including, but not limited to:

- The write-down of relevant instruments;
- The delisting of relevant instruments;
- The conversion of relevant debt instruments into new shares or other classes of securities;
- The admission to trading of new securities, and/or;
- The suspension of trading of the relevant instruments and, where appropriate, the subsequent resumption of trading.

1.2.8 The special manager

Replacing the management body and the senior management of the institution under resolution is one of the principles of resolution.³⁰ However, depending on the circumstances, the resolution authority may consider that the retention of all or part of the management body and senior management is necessary in order to achieve the objectives set for resolution.

In the event that the senior management of a French institution is removed, the Resolution Board of the ACPR may either exercise directly all the rights and powers conferred on the removed management bodies or appoint a special manager.³¹ Out of these two options, the appointment of a special manager is the preferred choice.

1.3 Baseline scenarios and consequences of bail-in

1.3.1 Baseline scenarios

The first version of this document focuses on instruments for which the issuer CSD is the national CSD for France, Euroclear France.³² As mentioned in the introduction, this document will be complemented at a later stage so as to cover all instruments.

More precisely, baseline scenarios cover the following instruments:

Class 1: Common Equity Tier 1 (CET1) and other instruments of ownership;

Class 2: Subordinated debt instruments within the meaning of Article L. 613-30-3, I, 5° of the French Monetary and Financial Code, which essentially includes all instruments that are or have been eligible for Additional Tier 1 (AT1) and Tier 2 prudential ratio calculations;

Class 3: Senior non-preferred³³ (SNP) debt instruments within the meaning of Article L. 613-30-3, I, 4° of the French Monetary and Financial Code.

However, this document also applies to other classes of unstructured instruments, such as debt instruments in the senior preferred (SP) class.

Scenario 1:

(i) Total write-down of instruments in classes 1 and 2;

(ii) Total conversion of class 3 instruments into shares and other instruments of ownership.

³⁰ Article 34, paragraph 1(c) of the BRRD, transposed in [Article L. 613-50, section II, subsection 2 of the French Monetary and Financial Code.](#)

³¹ [Article L. 613-51 of the French Monetary and Financial Code.](#)

³² For securities issued through International Central Securities Depositories, (Euroclear Bank and Clearstream Banking Luxembourg), refer to the following SRB document: "Reflecting bail-in in the books of the International Securities Depositories".

³³ For more details on this class of debt instruments within the European framework, see the Working Paper on Loss Absorbing Capacity in Resolution: [Loss-absorbing capacity requirements in resolution for G-SIBs in the EU and the US | ACPR \(banque-france.fr\).](#)

In this scenario, at the end of bail-in internal execution, the custodians of class 1 and 2 creditors will be required to reflect the loss of all rights in respect of these instruments under the conditions laid down in the implementing act established by the ACPR. Similarly, the custodians of class 3 creditors will be required to reflect the loss of all rights in respect of previous instruments and the allocation of shares and other instruments of ownership.

Scenario 2:

- (i) Total write-down of class 1 instruments;
- (ii) Partial write-down of class 2 instruments, followed by total conversion of remaining debt into equity securities³⁴;
- (iii) Total conversion of class 3 instruments into shares and other instruments of ownership.

In this scenario, at the end of the bail-in internal execution, the custodians of class 1 creditors will be required to reflect the loss of all rights in respect of these instruments under the conditions laid down by the implementing act established by the ACPR. Similarly, the custodians of class 2 and 3 creditors will be required to reflect the loss of all rights in respect of previous instruments and the allocation of shares and other instruments of ownership pursuant to the respective conversion terms of these classes.

Scenario 3:

- (i) Total write-down of class 1 instruments;
- (ii) Total write-down of class 2 instruments;³⁵
- (iii) Partial write-down and partial conversion of class 3 instruments.³⁶

Scenario 3 provides an opportunity to test all possible combinations of write-down and conversion operations. Compared to total conversion, the combined use of partial write-down and partial conversion entails, from an operational standpoint, that fewer shares will be distributed in exchange for the instruments affected by bail-in.

The purpose of these three scenarios is merely to illustrate some combinations of elementary bail-in operations.

1.3.2 Consequences of write-down and conversion of relevant capital instruments and eligible liabilities

In the event of **total write-down**, the principal amount of an equity instrument or that of an eligible liability is written down to zero, thereby automatically cancelling all rights attached to the instrument. As a result, this liability, and any bond or claim arising therefrom that is unmatured at the time the measure is implemented, is deemed to be extinguished in principal

³⁴ In a real-world scenario, treatment would be differentiated among subdivisions of this class, reflecting their respective rank in the hierarchy of claims in liquidation. The ACPR may itemise this part of the scenario at a later stage, in particular with regard to differentiating treatment applied for the AT1 rank from that applied for the T2 rank.

³⁵ In a real-world scenario, treatment would be differentiated among subdivisions of this class, reflecting their respective rank in the hierarchy of claims in liquidation. The ACPR may itemise this part of the scenario at a later stage, in particular with regard to differentiating treatment applied for the AT1 rank from that applied for the T2 rank.

³⁶ When the write-down rate is 0%, this scenario equates to that of a partial conversion alone.

and interest, and cannot be invoked in any subsequent proceedings relating to the resolved institution or to any successor entity in subsequent liquidation proceedings.

In the event of **partial write-down**, the liability is extinguished to the extent of the amount written down. The instrument or contract from which the original liability arose continues to apply in respect of the residual principal amount or the outstanding amount payable in respect of the liability, provided that the interest payable is adjusted to take account of the write-down of the principal and of any other changes made to the conditions that the resolution authority may decide.

In the event of **partial conversion**, all aspects related to the partial write-down are applicable. Newly issued shares or other instruments of ownership are granted to the holder of the partially converted security with the rights attached thereto.

Total conversion entails the automatic cancellation of all rights attached to the initial security. The relevant equity instrument/initial eligible liability is deemed to be extinguished in principal and interest. It may not be invoked in any subsequent proceedings relating to the resolved institution or to any successor entity in subsequent liquidation proceedings. Newly issued shares or other instruments of ownership are granted to the holder of the initial security with the rights attached thereto.

2. THE IMPLEMENTATION OF BAIL-IN

2.1 Preparing decisions

During the resolution weekend, the SRB sets up a crisis management team, with which the ACPR is actively involved. This team is a continuation of the joint ACPR/SRB team that is responsible for organising the work during the resolution planning phase.

2.1.1 Collection of the data and information required to calibrate the level of bail-in

The failing institution is required to provide the resolution authorities with balance sheet data on its liabilities. These granular data allow for the identification of all the instruments that will be subject to write-down and/or conversion. Such data include notably, for each instrument, an identifier (ISIN or other identifier), the nominal value of the instrument and the central depository where it is registered (as applicable).

The minimum list of data points required for institutions under the SRB's remit is publicly available (June 2022).³⁷ They must be made available by the institution within 24 hours, using a virtual data room where appropriate.

2.1.2 Calibration of bail-in by the resolution authority

Through the valuation and estimation of the post-resolution total risk exposure amount (refer to the section below), two aggregate amounts can be determined: the loss absorption amount and the recapitalisation amount.

Bail-in must be calibrated so as to distribute the sum of these two amounts across the various liability classes. This allocation process should be conducted in accordance with the statutory hierarchy of claims in liquidation (or insolvency ranking) and the *pari passu* treatment of creditors.

The granular data provided by the institution under resolution are used to determine the aggregate amounts of liabilities of a given rank. For each rank, the resolution authority sets the write-down and/or the conversion rate required to respectively ensure the absorption of losses and the institution's recapitalisation.

The data derived from this calculation are, where applicable, the write-down and/or the conversion percentage as well as the conversion rate applicable to instruments of equal rank. These write-down and conversion percentages/rates must be defined for each creditor rank in the hierarchy that is affected by bail-in. They are included in the SRB resolution scheme communicated to the ACPR, which incorporates them as part of the adoption of the act implementing the resolution scheme of the SRB.

Impact assessment

³⁷ [SRB Bail-in Data Set Instructions \(europa.eu\)](https://europa.eu).

Simultaneously with the decision preparation phase, the conduct of two separate kinds of impact assessments is required.

As a first step, as part of the process of preparing decisions and calibrating bail-in operations, resolution authorities are responsible for assessing the impact of bail-in on certain classes of liabilities in the light of the exceptional circumstances provided for in the legislation (see section 1.1.2 above). This analysis of economic, operational and legal impact, carried out jointly with the banking groups, may, where appropriate, support any discretionary exclusion decisions taken by resolution authorities in view of the specific circumstances of the case.

Without prejudging the decisions to be taken when the bail-in tool is applied, the ACPR has conducted assessments, jointly with the French industry, on the bail-in of three classes of liabilities: unsecured derivatives, structured notes and uncovered deposits.³⁸

Subsequently, the bail-in and valuation processes should be reflected in the books and accounting records of the institution under resolution. Once the parameters of bail-in have been set, the institution will therefore be required to carry out, jointly with resolution authorities, an assessment of the bail-in impact on its accounting balance sheet and prudential statements. This updated balance sheet is necessary in order to compute the level of capital that will enable the relevant institution to comply with the requirements of its banking license at the end of the resolution procedure.

This impact assessment is also required to include an estimate of the total amount of risk exposure as at the end of the resolution procedure.

2.1.3 Preparing the implementing act issued by the ACPR

In accordance with article 29 of the SRM Regulation and article L. 612-1 IV of the French Monetary and Financial Code, the ACPR, in its capacity as the national resolution authority, takes all measures necessary to ensure the decisions of the SRB are implemented, by exercising the powers conferred on it by French law transposing the BRRD Directive.

Main content of the ACPR decision (National Implementing Act)

The act issued by the ACPR implementing the SRB's decision will include, *inter alia*, the following items, as instructed by the SRB in its decision on the resolution scheme applicable to the institution:

- Information about the institution subject to resolution;
- The results of valuation;
- Detailed information on the resolution tools used (in this case, the choice made of using the bail-in tool);
- The effective date of entry into resolution and the recipient of that decision;
- The write-down percentages applied to each creditor according to its rank in the hierarchy of claims in liquidation;

³⁸ [Enhancing the credibility of the EU bail-in design: the example of the treatment of discretionary exclusions | Banque de France \(banque-france.fr\)](#).

- The conversion percentages applied, where applicable, for each position in the hierarchy of creditors, in accordance with the order of priority of their claims;
- In the event of conversion, the conversion rates applied for eligible capital instruments and for each creditor according to its rank in the hierarchy of claims (see **BOX 1**);
- The nominal value of the equity or other instruments of ownership resulting from the conversion;
- Where applicable, for each rank of creditors (according to the hierarchy claims in liquidation) affected by bail-in, the distribution arrangements for Warrants aimed to compensate creditors affected by the difference between the provisional and definitive valuation;
- Where relevant, detailed information on the terms and conditions of the suspension of trading (annexed list of securities affected by this suspension of trading);
- Where relevant, the suspension of interest or dividend payment and other in-flight transactions;
- The record date on which positions are frozen in order to identify the investors affected by the write-down and conversion of instruments;
- The list of liabilities affected by the bail-in;
- Where relevant, the list of liabilities subject to discretionary exclusion;
- The resolution powers of the ACPR;
- As applicable, the application of the power to write-down and convert eligible capital instruments and eligible liabilities;³⁹
- The appointments required to implement bail-in;
- Where applicable, the paying agent (or paying agents), which, theoretically, will be the institution's usual paying agent.

Annexes may notably include:

- the list of securities affected by the suspension of trading;
- the list of securities affected by the suspension of payments, rights and liabilities;
- the list of any discretionary exclusions made.

³⁹ Pursuant to Article L. 613-55 of the French Monetary and Financial Code.

BOX 1 – The conversion rate applied by the resolution authority and the No Creditor Worse Off concept

Pursuant to Article 50 BRRD (transposed to Article L 613-55-7 of the French Monetary and Financial Code), resolution authorities may apply a differentiated conversion rate to the various classes of capital instruments and liabilities in accordance with the hierarchy of claims in normal insolvency proceedings.

Compliance with the hierarchy of claims in liquidation imposes a constraint on the authorities in terms of differentiating the conversion rate according to priority rankings: the conversion rate applicable to liabilities that are considered to be senior under applicable insolvency law is required to be higher than that applicable to subordinated liabilities. The EBA issued guidelines⁴⁰ on the definition of conversion rates

Where a creditor with priority rank X risks incurring greater losses during a resolution procedure than that creditor would have incurred under normal insolvency proceedings – this risk is often referred to as No Creditor Worse Off (NCWO) – the authorities may mitigate or offset this risk by allocating more shares to creditors with that rank, and fewer shares to creditors ranking below. This excess number of shares increases the value derived by a creditor rank X from a resolution procedure, as compared with the value under winding-up proceedings. Assuming a default conversion rate of 1:1 for all liability instruments (EUR 1 in a liability instrument gives the right to EUR 1 in shares), this reallocation of shares to mitigate the NCWO risk results in a conversion rate higher than 1 for rank X in the hierarchy of claims in liquidation and a conversion rate lower than 1 for the lower/subordinated rank.

Effects of the act

- Immediate effect of the implementing act
- Effects of bail-in operations

It bears reminding that under articles L. 613-55-11 and L. 613-55-12 of the French Monetary and Financial Code, the legal effect of the write-down and conversion measure is immediate and does not require further formal steps. However, its operational implementation is still required with CSDs holding issuing accounts and other stakeholders.

In accordance with article L613-55-11 of the French Monetary and Financial Code, any measures to reduce the principal or receivables, to convert or to cancel securities shall take effect *ipso jure* and shall be immediately binding for the institution under resolution and on the creditors and holders of affected equity securities or other ownership instruments.

The principal or amount owed in respect of a liability written down to zero, as well as any obligation or claim arising therefrom that has not fallen due at the time the resolution measure is implemented pursuant to Article L. 613-55 of the French Monetary and Financial Code, shall be deemed to be extinguished in principal and interest.

⁴⁰ [Guidelines on the setting of conversion rates \(EBA-GL-2017-03\) EN.pdf \(europa.eu\)](#).

Communication methods

Under Article L. 613-58 of the French Monetary and Financial Code, the ACPR shall notify the act by the Resolution Board implementing the resolution measure decided by the SRB without delay. On this basis, the Resolution Board of the ACPR shall notify the following authorities of its implementing act:

- Institution⁴¹ subject to resolution;
- The Minister for the Economy and Finance;
- The European Commission;
- The European Central Bank;
- The European Systemic Risk Board;
- The European Banking Authority, the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority;⁴²
- The Banque de France;
- The Autorité des Marchés financiers (AMF);
- The High Council for Financial Stability;
- The Supervisory Board of the ACPR;
- The Deposit Guarantee and Resolution Fund;
- System operators (payment system operators, securities settlement system, clearing house) in which the institution in resolution participates, where applicable;
- The competent authority (or authorities, if several) of an EU Member State in which the institution in resolution has established a branch;
- The Single Resolution Fund;
- The supervisory authority on a consolidated basis, as applicable;
- The resolution authority at group level, as applicable.

Once this information has been sent to the competent bodies of the institution under resolution, it is up to the latter to prepare (possibly through their paying agents) for the corporate actions induced by the write-down and conversion measures by carrying out the necessary due diligence with the CSDs that hold the issuing accounts for the instruments concerned.

As provided for in Article L. 613-58-III of the French Monetary and Financial Code, the Resolution Board of the ACPR publishes on the ACPR website either its decision or a press release setting out the effects of resolution action, in particular for retail customers.

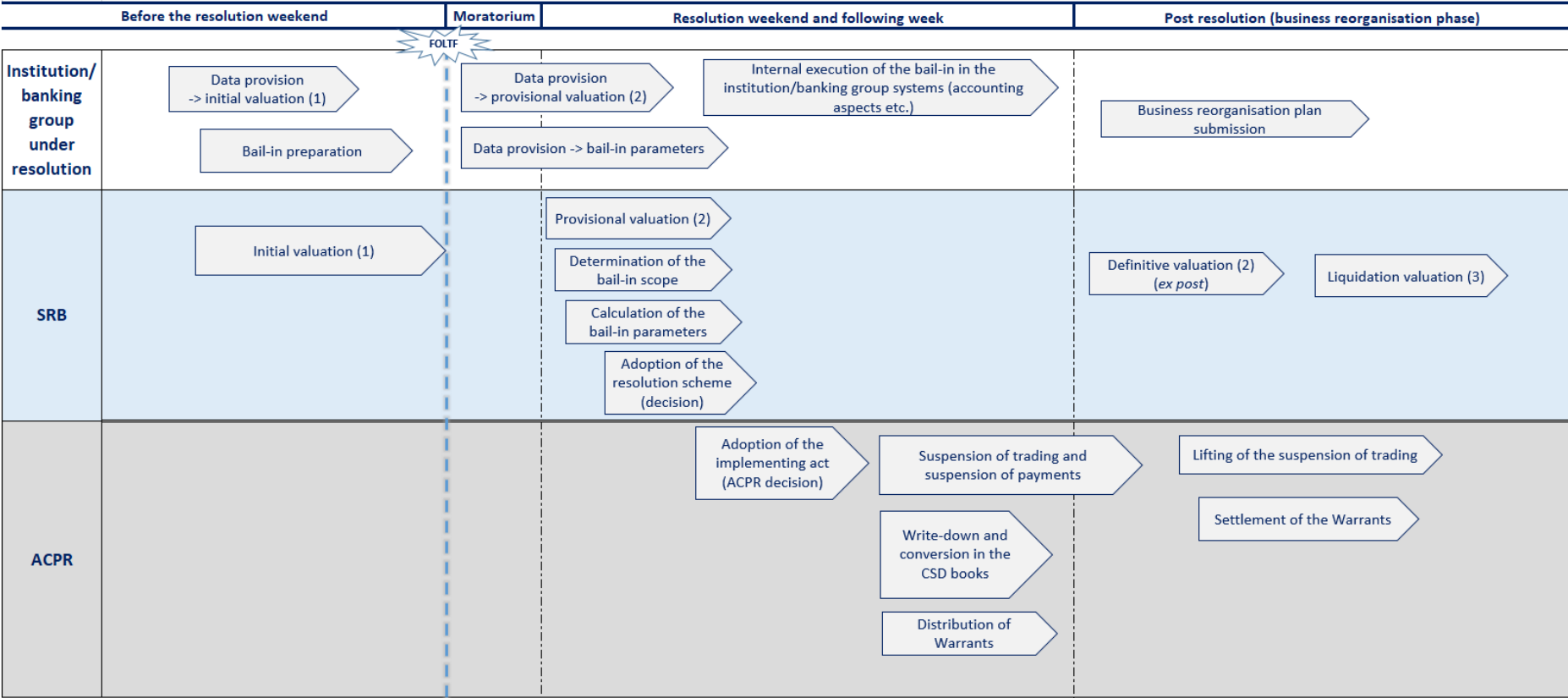
Such communication is made alongside the SRB's decision that the ACPR implements.

⁴¹ When the scenario involves a cooperative banking group, the notification is sent to the central body, which is responsible for forwarding it to the relevant entities in the group.

⁴² For the latter authority, only when the institution under resolution carries out insurance activities.

The chart below illustrates in a simplified way the sequence of the key steps of bail-in detailed in Section 1 (broader aspects) and Section 2 (preparation of the ACPR implementing act and external execution).

CHART 1 – Generic timeline of bail-in execution (institution under the SRB’s remit)



N.B.: pursuant to Article 33a of the BRRD, under specified conditions, resolution authorities have the power to suspend any payment or delivery obligations arising from a contract a failing bank is a party to. That temporary ‘moratorium’ period runs from the time of publication of the suspension notice until midnight at the end of the following working day. That period may be especially necessary ahead of the resolution weekend, in order to limit run-off risk on certain bail-inable liabilities.

2.2 Operational procedures applicable to the external execution of bail-in

The ACPR, in its capacity as the French national resolution authority, is responsible for the execution of the bail-in decision taken by the SRB. Such execution is referred to as “external execution”, as it falls beyond the scope of internal procedures within the institution under resolution.

The implementation of the baseline scenarios (see section 1.3 above) is broken down into several steps. Each of these steps is commensurate to the involvement of a stakeholder at a given bail-in execution stage. The steps are chronologically laid out, starting at the time the implementing act is sent by the Resolution Board of the ACPR to the resolution entity.

TABLE 1 – Timeline of the operational procedures applicable for the external execution of bail-in

Timeline ⁴³ (calendar day)	Description	Alignment with the steps presented below
Between Friday evening and D (Sunday)	Based on the information and data relating to the valuation of the bank's assets (notably the Valuation Data Set) and liabilities (Bail-in Data Set), the resolution authorities (SRB/ACPR) set the bail-in parameters (list of instruments affected by bail-in action, powers of the ACPR, any suspension, write-down rates, etc.) and prepare at the same time the resolution decision (SRB) and its implementing act (ACPR).	None
D (Sunday)	The Resolution Board of the ACPR decides to implement the SRB's entry in resolution decision in respect of the institution/banking group under resolution.	The decision taken by the Resolution Board of the ACPR is the starting point for the sequencing of steps.
D to D+ 1 (before market opening)	<p>Notification to the institution⁴⁴ of the act taken by the ACPR's Resolution Board implementing the SRB's decision of entry in resolution.</p> <p>Notification to Euroclear France and to the market operator (Euronext) of the act taken by the Resolution Board of the ACPR implementing the SRB's entry in resolution decision.</p> <p>Prior to the opening of markets, publication of the ACPR act implementing the SRB's decision of entry into resolution.</p> <p>Upon instruction by the Autorité des Marchés Financiers, and before markets open (on the basis of prior notification sent by the ACPR to the Autorité des Marchés Financiers), Euronext suspends trading in securities issued by the institution under resolution.</p>	<p>Step 1:</p> <p>Notification to the various stakeholders of the act established by the ACPR's Resolution Board implementing the SRB's decision of entry in resolution</p>
D+1 (Monday)	<p>On Monday morning, the effects of the authorities' decisions are published, including, where appropriate, the appointment of a designated paying agent.</p> <p>Notification is sent by the issuer to the Paying Agent [named, as applicable, by the ACPR] of the decision taken by the ACPR's Resolution Board, along with the operational notice as necessary</p> <p>Paying agents then:</p>	<p>Step 2: Suspension of trading</p> <p>Step 3: Publication of the effects of the SRB and ACPR decisions</p>

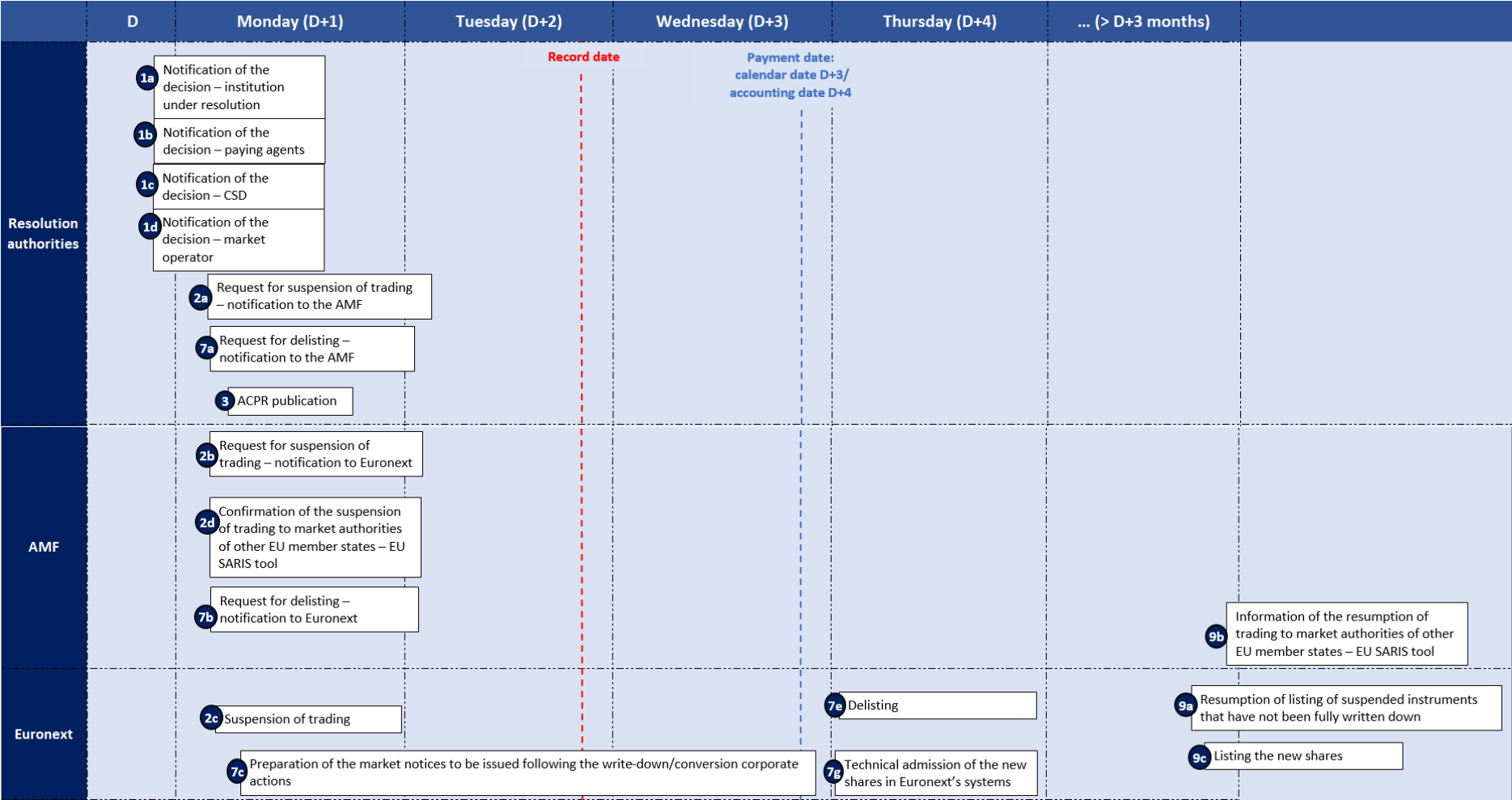
⁴³ The term resolution weekend is used for illustrative and informative purposes only. The decision to implement the bail-in may be taken at a different time rather than during a weekend. In such case, D would not fall on a Sunday.

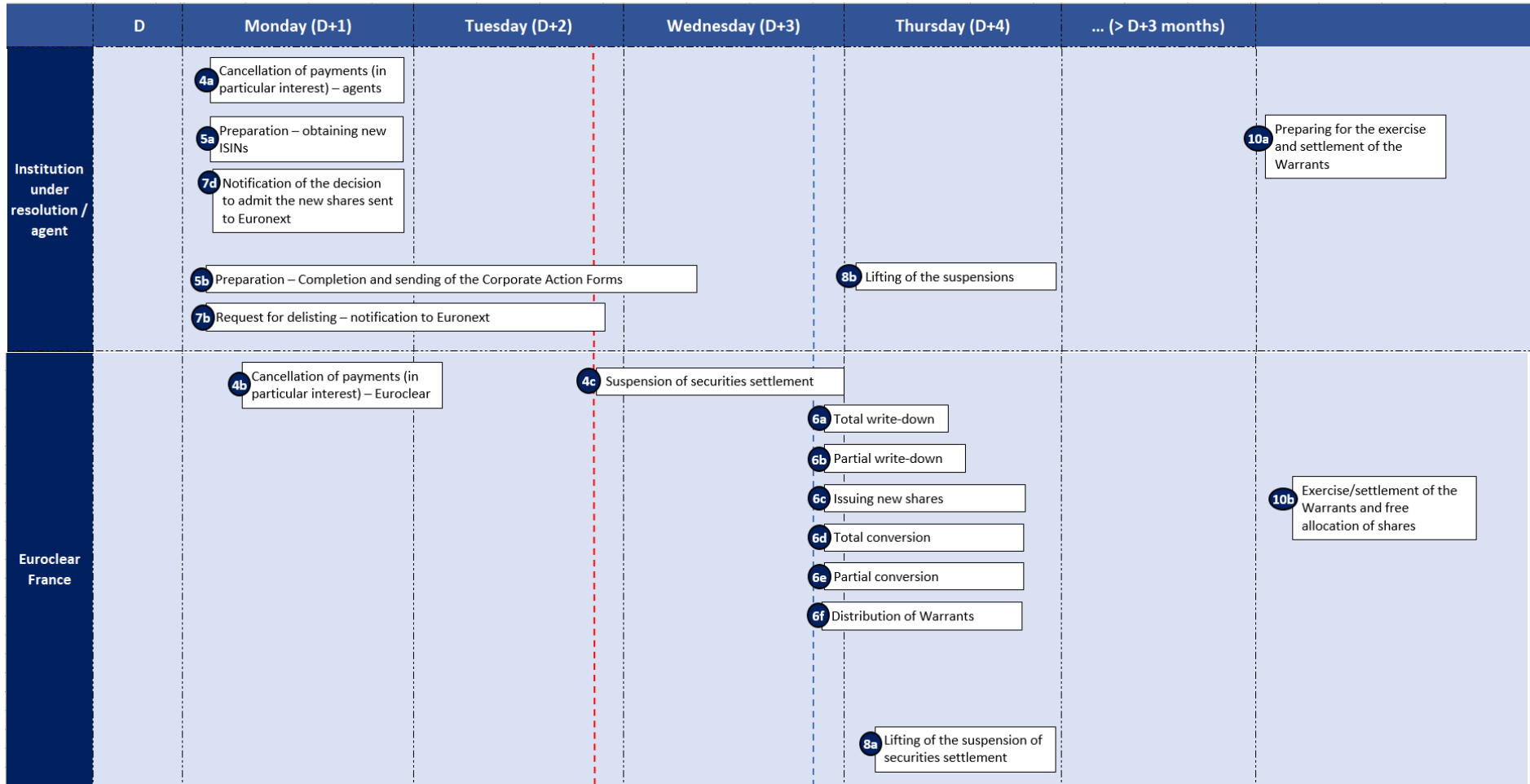
⁴⁴ When the scenario involves a cooperative banking group, the notification is sent to the central body, which is then responsible for forwarding it to the entities of the group.

	<ul style="list-style-type: none"> - prepare the corporate action forms and the additional forms (dynamic forms) needed for the suspension of interest payments and the execution of bail-in operations. - send to Euroclear France the dynamic forms allowing for the creation of the new ISINs required both for conversion operations and to fill in the corporate action forms relating to conversion (EXOF and BONU). In turn, Euroclear France communicates these new ISINs to the paying agents. 	<p>Step 4: Cancellation of payments</p> <p>Step 5: Preparation of the institution and its paying agents</p>
D+2 (Tuesday)	<p>At the end of the accounting day, Euroclear France closes records in its books to identify the holders of securities that will be affected by the corporate action associated with bail-in (record date).</p> <p>Euroclear France manually suspends settlement of all instruments affected by bail-in.</p> <p>Where appropriate, in addition to the corporate action forms, the elements required (legal documentation ratifying the bail-in operations, press release, etc.) to update its repository and issue its market notices have also been sent to Euronext.</p> <p>Euronext publishes market notices to inform market participants of all measures taken by resolution authorities (delisting, write-down, conversion and admission).</p>	<p>Step 4: Settlement of the securities is suspended</p> <p>Step 6: Write-down and conversion of capital instruments and eligible liabilities by Euroclear France (record date)</p> <p>Step 7: Communication to Euronext of the corporate action events to be executed</p>
D+3 (Wednesday)	<p>Corporate action forms are communicated to Euroclear France and Euronext at the same time (no later than D+ 3 at noon, meaning Wednesday morning).</p> <p>Corporate action events are executed in Euroclear France's books (payment date corresponds to D+ 4 from an accounting perspective). From an operational standpoint, bail-in operations have therefore been completed. Where appropriate, Warrants are distributed as part of the compensation mechanism.</p>	<p>Step 6: Write-down and conversion of capital instruments and eligible liabilities by Euroclear France (payment date)</p>
D+4 (Thursday)	<p>Corporate action events have been reflected in the systems of Euronext. From an operational standpoint, the relevant instruments are delisted, subject to partial write-down and/or technically admitted to Euronext systems (in the event of conversion).</p> <p>Upon request by the resolution authority, the suspension of settlement is lifted. For instruments that are only partially subject to bail-in action (partial write-down and/or partial conversion), payment instructions are resubmitted by paying agents.</p>	<p>Step 7: Reflection/recording of corporate action events in Euronext systems</p> <p>Step 8:</p>

	Securities admitted to trading that have been eliminated as a result of bail-in operations (total write-down or total conversion) are delisted by Euronext (ACPR notification to the AMF, AMF notification to Euronext for execution).	Lifting of the suspension of settlement and resubmission of payment instructions
After D+4	Much later (in all likelihood after 3 months):	Step 9:
	Trading in securities that weren't delisted resumes (lifting of trading suspensions on the basis of an ACPR notification sent to the AMF and of a notification sent by the AMF to Euronext for execution).	Resumption of trading
	New shares created by way of conversion are admitted to trading and listed (without any requirement to obtain the agreement or consent of the issuer or investors or to take other disclosure measures, including the prior publication of a prospectus).	Step 10:
	Once listing in the new shares has resumed, where applicable, paying agents shall provide Euroclear France with the instructions necessary for the finalisation of Warrant-related transactions, and the creditors excessively affected by bail-in shall be awarded free shares in the resolution entity.	Compensation mechanism

CHART 2 – Timeline of the operational procedures applicable for the external execution of bail-in





Step 1: Notification to the various stakeholders of the act established by the Resolution Board of the ACPR implementing the SRB's decision of entry in resolution.

⚠ The provisions on market abuse laid down in European Union law are brought to the attention of all stakeholders, in view of the significant risks that may arise from the sharing of inside information before the market is notified and trading is effectively suspended.

On account of this, stakeholders are notably required to rely on procedures ensuring the integrity and confidentiality of such information-sharing and to draw up an insider list.

Step 1a: Notification of the decision taken by the Resolution Board of the ACPR and implementing the SRB's decision of entry into resolution to the banking institution/banking group subject to resolution

This marks the start of bail-in execution. It follows the adoption of the resolution scheme by the SRB by way of an extended executive session. The adopted resolution scheme provides for the application of the bail-in tool and the implementation instruction addressed to the ACPR.⁴⁵ The SRB decision and the ACPR implementing act (which will have been drafted alongside with the SRB's decision) will be notified to the institution.

Timeline	D to D+1
Responsibility for execution is allocated to	Resolution Board of the ACPR.
Incoming data flows	SRB decision to enter resolution via the SRB's crisis management platform.
Executed operations	<p>The SRB communicates its decision of entry into resolution to the General Secretariat of the ACPR's Resolution Board, which then prepares a draft implementing act.</p> <p>This draft should specify the elements mentioned in Section 2 (Decision by the ACPR to apply bail-in).</p> <p>This draft implementing act is then adopted by the Resolution Board during an extraordinary session. These meetings may be held remotely (either by way of a written consultation or via teleconference).</p> <p>Once the act has been signed by the Chair of the Resolution Board, the General Secretariat of the Resolution Board notifies this decision, not only to the institution under resolution, but also to the various stakeholders identified in Article L. 613-58 section</p>

⁴⁵ Based, when appropriate, on a joint decision within the colleges of resolution authorities.

	II of the French Monetary and Financial Code, by any means allowing for the date of receipt to be recorded.
Outgoing data flows	ACPR implementing act.
Recipient	The resolution entity.
Risks/impediments	

Step 1b: Notification of the decision to paying agents

This step takes place once the institution has analysed the decision notified to it by the SRB/the ACPR. The institution notifies this decision to the agent appointed in the implementing act issued by the ACPR. Barring exceptional circumstances, that paying agent should be the usual paying agent of the institution. It is therefore essential that the institution provide the authorities with this information during the preparation phase, prior to their decision.

Timeline	D to D+1
Responsibility for execution is allocated to	ACPR / Issuer (operational notice).
Incoming data flows	Ready for Crisis (R4C) platform of the SRB. Implementing act + issuer instruction file.
Executed operations	Communication of information + Acknowledgement of receipt by the Paying Agent.
Outgoing data flows	Email or other. Implementing act + issuer instruction file.
Recipient	Paying agent.
Risks/impediments	The notification must contain all the information required for the proper execution of the bail-in events by the paying agent.

Step 1c: Notification of the decision to the Central Securities Depository (Euroclear France)

The resolution authority, issuer and/or appointed agent shall also notify Euroclear France of the decision. This way, Euroclear France can take note of the instructions issued by the resolution authority.

Timeline	D to D+1
Responsibility for execution is allocated to	ACPR
Incoming data flows	Letter from the resolution authority – Implementing Act.
Executed operations	Euroclear France takes note of the instructions from the resolution authority for the implementation of bail-in.

	Information through Capinews (drafted by the agent and circulated by Euroclear at the agent's request) and through NewsFlash.
Outgoing data flows	Email or other. Euroclear France's participants and subscribers to this service receive the Capinews or Newsflash publication.
Recipient	Agent. Capinews or Newsflash subscribers.
Risks/impediments	

Step 1d: Notification of the decision to the market operator

In order to allow for the market operator (in this case Euronext) to prepare for the suspension of trading, it would be appropriate (albeit not mandatory) to notify that operator of the ACPR decision at a sufficiently early stage.

Timeline	D to D+1
Responsibility for execution is allocated to	ACPR
Incoming data flows	Email notification(s) addressed to the market operator containing: - A copy of the ACPR decision
Executed operations	Preparation of the communication issued by Euronext to the market for the suspension of trading.
Outgoing data flows	None
Risks/impediments	None

Step 2: Suspension of trading in securities issued by the institution/banking group under resolution

This step involves the procedures that are required to suspend trading on the securities of the institution under resolution on French trading venues.

Step 2a: Request for suspension of trading sent to the AMF by the Resolution Board (Article L613-56-6 of the French Monetary and Financial Code)

The Resolution Board of the ACPR takes the decision (in its act implementing the resolution scheme adopted by the SRB or in an *ad hoc* decision) to suspend trading of all or part of the financial instruments of the institution that are admitted to trading in France. The Resolution Board must then address a request to the AMF for the latter to carry out the suspension. This notification, which is sent to the Chair of the AMF, according to the template established

between the AMF and the ACPR, includes: the precise list of financial instruments covered by the Board's suspension decision (including their respective ISIN), the requested duration of that suspension, the list of venues in France on which the securities concerned are traded, as well as any other specific conditions.

Timeline	D to D+4 (On Monday at the latest – the target suspension day – 7AM)
Responsibility for execution is allocated to	ACPR.
Incoming data flows	SRB instruction for the ACPR to implement its decision.
Executed operations	Request made by the ACPR to the AMF, upon decision by the Resolution Board, to suspend trading in all or some of the financial instruments of the institution concerned that are admitted to trading in France.
Outgoing data flows	Notification sent to the Chair of the AMF, according to the template defined for such notifications between the AMF and the ACPR, which includes, <i>inter alia</i> : <ul style="list-style-type: none"> - The precise list of financial instruments covered by the suspension decision issued by Resolution Board (including their respective ISIN); - The requested duration of suspension, to date; - A list of the trading venues on which the relevant securities are traded in France; - Any other specific conditions.
Risks/impediments	Identification of the exhaustive list of trading venues on which the relevant securities are traded in France.

Step 2b: Notification by the AMF to Euronext of the suspension decision

Following receipt of the request from the ACPR Resolution Board, the AMF requests that Euronext suspends trading for the securities concerned without delay. Pursuant to its own powers under common law (Article L420-10-I of the French Monetary and Financial Code), the AMF may decide to extend the scope of the request for suspension to all or part of the financial instruments of the institution under resolution that were not explicitly referred to in the ACPR notification, should the AMF consider that the situation involves non-disclosure of inside information. This notification includes all the elements contained in the ACPR notification (see Step 2a above).

Timeline	D to D+1 (On Monday at the latest – the target suspension day – 8 AM)
Responsibility for execution is allocated to	AMF

Incoming data flows	ACPR notification to the AMF to suspend trading, upon decision by the Resolution Board, on all or some of the financial instruments of the institution concerned admitted to trading in France.
Executed operations	The AMF requests that Euronext suspends trading in the securities concerned without delay. Pursuant to its own powers under common law (Article L420-10-I of the French Monetary and Financial Code), the AMF may decide to extend the scope of the request for suspension to all or part of the financial instruments of the institution under resolution that were not explicitly referred to in the ACPR notification, should the AMF consider that the situation involves non-disclosure of inside information.
Outgoing data flows	<p>Notification issued by the AMF to Euronext, which, according to the relevant template for exchanges between the AMF and Euronext, includes in particular:</p> <ul style="list-style-type: none"> - The detailed list of financial instruments covered by the suspension decision issued by Resolution Board (including especially ISIN); - The duration set for the suspension request, to date; - Where appropriate, the list of additional financial instruments for which the AMF also requests a suspension of trading using its own powers; - Any other specific conditions.
Risks/impediments	<p>Late submission by the Resolution Board of the request for suspension of trading to the AMF, which could lead to the suspension of listing occurring after the market has opened.</p> <p>Suspension of trading on trading venues at the same time as Euronext.</p>

Step 2c: Suspension of trading by Euronext

Upon receipt of the notification sent by the AMF, Euronext effectively suspends the listing of the instruments covered by this request and sends a written confirmation by email to the AMF. Euronext also issues a market notice announcing the terms of the trading suspension.

Timeline	D+1 (At 8 AM at the latest, on the target suspension day)
Responsibility for execution is allocated to	Euronext
Incoming data flows	Notification issued by the AMF to the Chair of Euronext, according to the template adopted for exchanges between the AMF and Euronext, which includes in particular:

	<ul style="list-style-type: none"> - The detailed list of financial instruments covered by the suspension decision issued by Resolution Board (including especially ISIN); - The duration set for the suspension request, to date; - Where appropriate, the list of additional financial instruments for which the AMF also requests a suspension of trading using its own powers; - Any other specific conditions.
Executed operations	Euronext proceeds to the effective suspension of trading of the instruments covered, following the request received from the AMF.
Outgoing data flows	<p>Euronext confirms by email the actual suspension of the relevant instruments to the AMF.</p> <p>Euronext issues a market notice announcing the terms associated with the trading suspension.</p>
Risks/impediments	Late submission of the request for suspension of listing to the AMF, which could lead to the suspension of listing occurring after the market has opened.

Step 2d: The AMF informs the market authorities of other EU Member States of the suspension request made

The AMF informs the market authorities of other EU Member States of the suspension request made, using the EU SARIS tool.

Other authorities may, based on that information, decide to suspend trading in the financial securities of the institution concerned on their market.

Timeline	D+1 (the target suspension day, as soon as possible following notification to Euronext)
Responsibility for execution is allocated to	AMF
Incoming data flows	ACPR request to the AMF to suspend trading, upon decision by the Resolution Board, on all or some of the financial instruments of the institution concerned admitted to trading in France.
Executed operations	<p>The AMF informs the market authorities of other EU Member States of the suspension request made, using the EU tool SARIS.</p> <p>Other authorities may, based on that information, decide to suspend trading in the financial securities of the institution concerned on their market.</p>

Outgoing data flows	Notification through SARIS.
Risks/impediments	<p>Technical unavailability of the tool used (a back-up procedure is in place via e-mail), late submission of the information in the SARIS tool, or late consultation of information available in that tool by the relevant authority, which may, as the case may be, lead to the suspension of listing occurring after the market has opened in one or more Member States.</p> <p>It should be noted that SARIS does not currently include the scenario of resolution as grounds for suspension, however AMF services consider that this should not pose problems from an operational perspective.</p>

Step 3: Publication of the effects of the SRB decision and of the effects of the act by the ACPR's Resolution Board implementing the SRB's decision of entry in resolution

This step focuses on the public disclosures to be made concerning the entry into resolution of the institution. To this end, the resolution directorate draws up a statement presenting the effects of the resolution action (and, if applicable, the effects of other measures such as moratorium) and sends it to the Communication Unit of the ACPR for disclosure in the official register of the ACPR, which is available on its website.

As far as possible, it would be advisable for this statement to be published at the same time as the notifications are sent to other authorities and stakeholders, and for all the steps described above (steps 1 to 3) to be carried out before the opening of markets.

Timeline	D+1 (Monday morning, before market opening. In case of trading on several trading venues, account must be taken of the time zone)
Responsibility for execution is allocated to	The SRB, the Resolution Board of the ACPR, the Communication Unit of the ACPR.
Incoming data flows	Implementing act issued by the ACPR.
Executed operations	<p>The Resolution Directorate draws up a statement presenting the effects of resolution action (where applicable, specifying the effects of the moratorium, etc.) and sends it to the Communication Unit of the ACPR.</p> <p>This statement is published in the ACPR's official register, which is available on the ACPR's website.</p>
Outgoing data flows	Statement of entry into resolution on the ACPR's website.

Risks/impediments	The publication of this statement should be carried out simultaneously with the notification sent to other authorities and stakeholders.
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Step 4: Cancellation of payments (interest, principal repayments, etc.), settlement and interest payments are suspended, as necessary

Interest accrued up to the date of the SRB's decision of entry into resolution and that of the Resolution Board's implementing act may be written down or converted as part of bail-in. Therefore, accrued interest for which a payment date was set either on the date of the decisions or just after them must be cancelled. Conversely, as soon as the settlement of the last transactions initiated just before the decisions' date (on Friday in the scenario of a resolution weekend), is finalised, the settlement of securities must be suspended in order to freeze positions subject to write-down and/or conversion. This section comprises all steps relating to these two operations.

BOX 2 – The bail-inable nature of accrued interest due and the cancellation of interest payments

As a reminder:

- **Accrued interest due:** interest which fell due (on a coupon) before the implementing act has been adopted (D), meaning that both a payment notice and a payment date were confirmed.
- **Accrued interest:** on the date of the adoption of the implementing act (D), the coupon maturity date is still in the future.

In practice, payment notices are issued using INTR corporate action forms several days before the maturity date of the relevant coupon. These notices ensure that coupon maturity and interest payment date are synchronised (coupon maturity date = payment date). Interest due is therefore systematically paid on the maturity date of the coupon. To the extent that any interest due has been paid by the date of bail-in, it can no longer be subject to bail-in.

Nevertheless, under the crisis scenario leading to resolution, the resolution entity may have failed to make interest payments due on the date of bail-in.

The ACPR's position is that accrued interest due and unpaid for which payment instructions were initiated does not amount to a liability with a remaining maturity of less than seven days owed to systems or system operators or their participants: therefore, interest due for which a payment order has already been submitted or is scheduled up until D+ 7 starting at the resolution date is not excluded from the scope of bail-in under Article 44(2)(f) BRRD. Both legally and economically, such interest due constitutes a liability with respect to the holders of the securities in question, which makes it bail-inable. **Unpaid accrued interest, whether or not due at the time of the decision to implement bail-in, is therefore bail-inable and will be bailed-in.**

The bail-in of accrued interest due takes place after the cancellation of the payment instructions pertaining to that interest.

In practice, some paying agents send a capital call to the issuer as early as five business days before the scheduled payment date. However, paying agents still have the option of blocking the payment to intermediaries by not confirming the green light on the day of payment (this validation process occurs in EC4S). Therefore, there is no operational issue with the cancellation of payments scheduled up to D+ 5 that have already been announced.

Three differentiated scenarios can be identified, depending on the relative position of the payment date in relation to the date of the decision to implement bail-in:

1. If the payment date is in the past (accrued interest due and unpaid):

In a write-down scenario, there are two logical steps to reducing interest:

- The cancellation of the interest payments occurs when cancelling the first INTR corporate action form: this is done by sending Euroclear France the same corporate action form, containing the same data but with a Withdrawal status (WITH), and adding the COAF and CORP references.
- In case of partial reduction, the resubmission of interest payments is carried out by reflecting the bail-in of part of the initial amount of interest due: this is achieved by sending a new corporate action form (with Creation status) containing relevant new data.

In case of conversion, bail-in of accrued interest can be broken down into three logical steps:

- (i) the payment of interest must be cancelled by sending an INTR corporate action form;
- (ii) at the same time, the amount of accrued interest must be added to the amount of the relevant principal amount in order to calculate the number of shares to be created – which will be specified in a conversion corporate action form;
- (iii) in case of partial conversion, the payment of interest must be resubmitted, reflecting the partial write-down of part of the initial amount of interest due: this is done by sending a new corporate action form (with Creation status) containing relevant new data.

2. If the payment date is set after bail-in but close enough to that date for an interest payment corporate action form to have already been sent (accrued interest):

In case of write-down, two options are available:

- As in the previous case, the cancellation of the first INTR corporate action form sent is carried out by submitting to Euroclear France the same corporate action form containing the same data but with Withdrawal (WITH) status, and adding the COAF and CORP references. Then, in the event partial write-down is used, the resubmission of interest payments adjusted to match the extent of write-down is carried out by sending a new corporate action form (with Creation status) along with relevant new data.
- The alternative option here is to send a corporate action form with an Update status, containing the COAF and CORP references of the first corporate action form and directly amending the amount per unit. Then, in the event partial write-down is used, the resubmission of interest payments adjusted to match the extent of the write-down is

carried out by sending a new corporate action form (with Creation status) along with relevant new data.

In case of conversion, bail-in of accrued interest can be broken down into three logical steps:

- (i) interest payments must be cancelled by sending an INTR corporate action form;
- (ii) at the same time, the amount of accrued interest must be added to the principal amount to calculate the number of shares to be created—which will be specified in a corporate action conversion form;
- (iii) where partial conversion is used, interest payments must be resubmitted, reflecting the partial write-down of part of the initial amount of interest due: this is done by sending a new corporate action form (with Creation status) with the new data.

3. If the payment date is set after bail-in, and no corporate action form or instructions have yet been sent (for instance, payment date set three months after bail-in):

In such case, no payment instruction has been sent, which means there is no prior step needed in relation to the cancellation of interest payments.

In case of write-down, there is no operational action required. The legal effect of the bail-in decision is a reduction in the amount of accrued interest by X%, which will be reflected in the post-bail-in payment (for instance, three months afterwards) of accrued interest when it falls due.

In case of conversion, the amount of accrued interest should only be added to the principal amount, in order to calculate the number of shares to be distributed to creditors affected by conversion.

Step 4a: Cancellation of payments (in particular interest) relating to securities: the role of paying agents

The paying agent concerned must send Euroclear France a Corporate Action Form cancelling the scheduled payments, including interest payments that would be affected by bail-in operations. However, if no Corporate Action Form had been sent to announce the payment date, the paying agent only has to refrain from greenlighting them.

Timeline	D+1
Responsibility for execution is allocated to	Paying agent.
Incoming data flows	Implementing act.
Executed operations	The paying agent must send to Euroclear another INTR Corporate Action Form with the WITH status (withdrawal) along with the initial COAF.
Outgoing data flows	SWIFT message (CANC).
Risks/impediments	

Step 4b: Cancellation of interest and principal payments (as appropriate) by Euroclear France

In both cases, this leads to the non-execution of the payment of interest. If Corporate Action Forms (announcing the payment date and then cancelling it) have been sent, the investors holding the relevant securities will be notified by way of a SWIFT message. Alternatively, Euroclear France may also notify them of this, provided that the authorities explicitly request it.

Timeline	D+1
Responsibility for execution is allocated to	ACPR and Euroclear France.
Incoming data flows	From the paying agent INTR Corporate Action Form requesting withdrawal and specifying the initial COAF, or abstaining from giving the green light. The instruction must come from either the ACPR, the AMF or the issuer, specifying the ISINs concerned, and that information must be included in the Implementing Act.
Executed operations	Non-execution of interest payments.
Outgoing data flows	If the incoming data flow was a Corporate Action Form, the outgoing one is a SWIFT message (CANC). Otherwise, Euroclear France may inform its participants using Capinews or Newflash, upon instruction by the resolution authority / the AMF / the designated agent. Euroclear France will only publish upon request by the resolution authority / the AMF / the agent. Euroclear France will not take any initiatives without specific request.
Risks/impediments	

Step 4c: Suspension of settlement by Euroclear France

Upon receiving instructions from the resolution authority to suspend settlement on the relevant securities, Euroclear France blocks instructions⁴⁶ in T2S and may also inform participants, when explicitly requested to do so by either the resolution authority, the AMF or the paying agent.

Timeline	D+1 and D+2 (if the Implementing Act by the ACPR provides for the suspension of settlement of securities and the suspension of interest payments, Euroclear France should be notified respectively by the resolution authority
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⁴⁶ This blocking step only applies to new instructions, it does not apply to transfer orders that have become irrevocable (Article L 330-1 of the French Monetary and Financial Code).

	and the appointed agent on the date of entry into resolution).
Responsibility for execution is allocated to	ACPR and Euroclear France.
Incoming data flows	Instruction from the resolution authority.
Executed operations	Instructions blocked in T2S.
Outgoing data flows	Euroclear France may inform its participants using Capinews or Newsflash, upon instruction sent by the resolution authority / the AMF / the designated agent. Euroclear France will only publish upon request by the resolution authority / the AMF / the agent. Euroclear France will not take any initiatives without specific request.
Risks/impediments	Settlement blocking is purely manual. In case of high volume, there is a risk.

Step 5: Preparation of the institution/banking group under resolution and its agents

This step describes the preparations made by the paying agents for the processing by Euroclear France of bail-in corporate actions associated with each baseline scenario/sub-scenario. It mainly involves paying agents filling in the Corporate Action Forms. In order to fill in the Corporate Action Forms concerning conversion, the paying agent must first send to Euroclear France the appropriate documentation (the Dynamic Form) for the allocation of a new ISIN to the shares stemming from conversion.

Step 5a: Preparations prior to conversion and compensation: obtaining new ISINs for the new shares and Warrants

In order to obtain the allocation of a new ISIN for the new shares and, where applicable, the allocation of new ISINs for the Warrants (one separate ISIN for each rank of creditors affected by bail-in operations), the paying agent must send the Dynamic Form to Euroclear France by email. This way, Euroclear France, in its capacity as the French National Numbering Agency, can proceed with the allocation of these ISINs and notify the agent thereof by return email.

Timeline	D+1
Responsibility for execution is allocated to	Paying agent, Euroclear France.
Incoming data flows	1 Dynamic Form (by email) for the creation of new shares. Where applicable, 1 separate Dynamic Form for the issuance of Warrants (interim instruments) for each rank of creditors (according to the hierarchy of claims in liquidation) that is affected by bail-in operations.

	Allocation of ISIN for new shares.
Executed operations	Allocation of ISINs for the Warrants (as many ISINs as there are ranks of the hierarchy of creditors affected). The agent is credited according to the accounting matching carried out.
Outgoing data flows	Email sent to the agent containing the ISIN codes.
Risks/impediments	Understaffed team / risk of human error / transaction volumes.

Step 5b: Completion and sending of the Corporate Action Forms relevant for bail-in operations by the paying agents

The paying agent fills in the various Corporate Action Forms and exports them to Euroclear France's system. To fill in these forms, either the issuer or the paying agent (depending on the contract concluded between them) must carry out a few calculations, such as adding bailed-in interest to the relevant principal amount and calculating the exchange parity of the shares.

The Corporate Action Forms to be filled in for the various bail-in events comprised under the baseline scenarios are set out in the table below:

TABLE 2 – Matching between bail-in events and Corporate Action Forms

Bail-in events	Alignment with baseline scenarios (see section 1.6)	Corporate Action Form(s) used and sent to Euroclear using EC4S
Total write-down of class 1 (capital) instruments	Scenario 1(i) Scenario 2(i) Scenario 3(i)	WRTH or CHAN
Total write-down of securities in classes other than class 1 instruments (debt instruments)	Scenario 1(i) Scenario 3(ii)	WRTH or CHAN
Total write-down of class 3 instruments	Scenario 1(ii) Scenario 2(iii)	EXOF or CONV
Partial write-down of class 2 instruments, followed by total conversion of remaining debt into equity securities	Scenario 2(ii)	PRED + EXOF or PRED + CONV
Partial write-down and partial conversion of class 3 instruments	Scenario 3(iii)	PRED + BONU
Cancellation of interest payments announced on Euroclear France (see step 4a)	The 3 scenarios (where relevant)	INTR with WITH status

Timeline

D+1 to D+3 at noon

Responsibility for execution is allocated to	Paying agent.
Incoming data flows	ACPR Act implementing the SRB's decision (see step 1b).
Operations	<p>Export of the Corporate Action Forms through the EC4S system and calculations to be performed by the issuer or the paying agent (addition of accrued interest to the principal amount, exchange parity calculation).</p> <ul style="list-style-type: none"> - Identification of the relevant Corporate Action Forms (CA forms) for each bail-in transaction (see Table 2): - WRTH⁴⁷ for the total write-down of instruments in classes 1, 2 or 3. - EXOF⁴⁸ for the total conversion of instruments in classes 2 or 3. - PRED for the partial write-down of instruments in classes 2 or 3. - BONU for the distribution of the new shares in a partial conversion scenario. - Preparing the Dynamic Form <p>Drafting communication through Capinews to inform custodian.</p>
Outgoing data flows	Corporate Action Forms to be validated in Euroclear France's EC4S system – creation of a notice on their website.
Recipient	Euroclear France.
Risks/impediments	Volume represented by manually processed Corporate Action Forms / Volume represented by Corporate Action Forms in EC4S / typing error.

Step 6: Write-down and conversion of capital instruments and eligible liabilities by Euroclear France

This step entails the execution of Corporate Action in the books of Euroclear France. Euroclear France is tasked with the aforementioned execution, based on the information it received from the paying agents. This information is provided in the Corporate Action Forms and the Dynamic Form. Key information to be specified in the Corporate Action Forms include the record date, the payment date and the nature of the transactions to be executed (full or partial write-down and/or full or partial conversion).

BOX 3 – Setting the record date and payment date for the relevant corporate action

⁴⁷ CHAN may also be used.

⁴⁸ CONV may also be used.

The record date is the date on which Euroclear France stops the recording in its books in order to identify the positions that will be affected by corporate action, and in this case by the corporate actions associated with bail-in. It occurs at the end of the accounting day.

In the context of resolution, the resolution authority holds, among others, the power to set the **record date**. In this regard, the authority may rely on the corporate action practices and standards set with the local CSD (Euroclear France for the French financial market), insofar as these practices and standards are suitable for bail-in purposes. For the French market, the “record date” is set at D+ 2. The two-day lag between D and the record date corresponds to the time needed for settlement: by setting the record date at D+2, the resolution authority allows for the settlement of transactions that were already in execution on the date of implementation of bail-in, D, to be finalised. In the scenario of a resolution weekend, where Sunday is D, the record date would be set on Tuesday. The set record date is the same for all bail-in related corporate actions. In 2021, the financial industry of the Place de Paris adopted the pool factor method for partial write-down actions, which allows for the D+2 record date requirement to be fulfilled.

The payment date can be set as early as the next accounting day, which is the same day in calendar terms (see BOX 4). It is set on calendar D+3/accounting D+4 for the purposes of this document, in order to make allowances for potential volume problems linked to the quantity of forms that will have to be filled in by paying agents (see BOX 4).

BOX 4 - Reference dates for corporate action (calendar day and accounting day)

References to calendar day and accounting day

The accounting day is the reference day for the accounting entries in Euroclear France's books. It ends in the early evening (so that the next accounting day starts in the early evening).

The **record date** occurs at the end of accounting day X: therefore, it does match day X, from a calendar-day perspective.

As for the **payment date**, it occurs at the beginning of accounting day Y: it therefore matches day Y-1, from a calendar-day perspective.

Therefore, there is a one-day lag between the calendar frame of reference and the accounting framework as regards **payment date**.

Paying agents must specify two dates when filling in the **Corporate Action Forms**: the **record date** and the **payment date**. These dates must be filled in according to accounting days.

For the purposes of this guide:

- for all corporate action, the record date is set at calendar D+2 and accounting D+2;
- the payment date for all corporate action is set at calendar D+3, late in the day, but this is aligned with the start of the next accounting day, i.e. accounting D+4.

Unless stated otherwise, the timeline specified in all operational steps is expressed in calendar days.

All the Corporate Action Forms of the various bail-in operations have the same record date and the same payment date.

Step 6a: Total write-down

Euroclear France processes the Corporate Action Form. The security concerned is fully written down in its systems, which also means that the write-down is automatically reflected in the securities accounts, and that all relevant holders are notified via SWIFT.

Timeline	D+2 (RD) / D+3 (PD, accounting D+4)
Responsibility for execution is allocated to	Agent for the sending of the Corporate Action Form to Euronext and Euroclear France. Euroclear France for the processing of the corporate action specified in the form.
Incoming data flows	WRTH Corporate Action Forms.
Executed operations	Total write-down of the relevant securities in Euroclear France's systems. The execution of Corporate Action Forms implies that they are automatically reflected in the systems of Euroclear France and in securities accounts, and that notifications are sent to all holders via SWIFT.
Outgoing data flows	SWIFT message to Euroclear France participants holding the relevant security.
Risks/impediments	Corporate Action Events are decided by the agent, who must ensure that Euroclear France can process them.

Step 6b: Partial write-down using the pool factor method

Euroclear France processes the Corporate Action Form. The security concerned is partially written down in its systems using the pool factor method, which also means that the write-down is automatically reflected in the securities accounts and that all holders are notified via SWIFT.

Timeline	D+2 (RD) / D+3 (PD, accounting D+4)
Responsibility for execution is allocated to	The agent is responsible for the sending of the Corporate Action Form to Euronext and Euroclear France. Euroclear France is responsible for the processing of the corporate action requested in the form.
Incoming data flows	PRED Corporate Action Forms.
Executed operations	Partial redemption. The execution of Corporate Action Forms implies that they are automatically reflected in the systems of Euroclear France and in securities accounts, and that notifications are sent to all holders via SWIFT.

Outgoing data flows	SWIFT message to Euroclear France participants that hold the relevant securities.
Risks/impediments	Corporate Action Events are decided by the agent, who must ensure that Euroclear France can process them.

BOX 5 – Partial write-down using the pool factor method

It has emerged from discussions with paying agents that the pool factor method is now the only method used by the French industry for the write-down.

Origin

“Pool factor” is a commonly used term in the context of covered bonds, mortgage-backed securities and asset-backed securities. It refers to the proportion of initial capital that remains in a pool of assets after a given period.

The pool factor is usually expressed as a percentage and represents the share of the pool’s initial capital that remains unpaid after a given period, namely:

$$\text{Pool Factor} = \frac{\text{current outstanding amount}}{\text{initial outstanding amount}}$$

Use by CSDs in the traditional fixed-income context

Beyond the context of securitisation, this concept is also used to qualify the remaining outstanding amount of a bond issuance. This is especially true at the level of central securities depositories, which use the pool factor to adjust the amount of securities outstanding when issuers carry out partial redemption corporate actions of a bond issuance.

In a partial redemption scenario with a pool factor, an equal proportion of all the securities in a given bond issuance are redeemed, but the face value of each security remains unchanged. Instead, a pool factor is applied to the issuance, reflecting the nominal value of the principal that remains to be redeemed (“nominal market value” is the term used by custodians). For each subsequent interest payment, the amount payable by the issuer is then calculated by the paying agent on the basis of the outstanding amount of the principal resulting from the application of the chosen pool factor, rather than based on the face value of the security.

In the event of a partial write-down of a bank’s liabilities triggered by virtue of an order from a resolution authority, the same mechanism would be applied on the basis of the pool factor determined by that authority.

Legal considerations

The pool factor is therefore a technical tool used by investors (for securitisation transactions) and all those involved in the custody chain of bond securities.

The concept is not systematically mentioned in the issuance prospectus published by issuers because it has no legal consequences.

Application in the case of Euroclear France

The pool factor method has been adopted for partial redemptions within Euroclear France since March 2021 in order to comply with European market standards.

For both the partial redemption and partial write-down of a bond issuance, the paying agents of the issuers concerned send instructions to Euroclear France, including the pool factor to be applied, by way of a Corporate Action Form.

Step 6c: Issuing new shares

Having received the dynamic form from the paying agent, Euroclear France automatically processes the Corporate Action Forms for conversion and creates the new shares resulting from conversion (which must be eligible for that purpose in Euroclear France's systems).

Timeline	Accounting and calendar D+3 (PD)
Responsibility for execution is allocated to	Euroclear France.
Incoming data flows	From the designated agent: Dynamic form.
Executed operations	As provided for under the standard procedure: Euroclear France automatically processes Corporate Action Forms. In a scenario including the creation of new shares, Euroclear France ensures that eligibility criteria are met and communicates the new ISIN to the agent.
Outgoing data flows	SWIFT messages. Email for the new ISIN.
Risks/impediments	None

BOX 6 – Baseline scenarios included in the operational guide and banking groups concerned

The baseline scenarios included in this document are based on a dual assumption:

- for write-down transactions, reduced instruments other than equity securities are issued at Euroclear France;
- for conversion transactions, the capital instruments and other instruments of ownership resulting from the conversion are eligible at Euroclear France to the extent that the bailed-in capital instruments were eligible beforehand.

The write-down transactions for instruments issued by Euroclear France are relevant for all French banking groups, regardless of their type (cooperative, public or “capitalistic” banking groups).

This is not necessarily true for conversion transactions, as it will not be possible, for instance, to distribute shares eligible at Euroclear France for all entities in the network of affiliates of mutual banking groups. These specific characteristics of mutual and public banks sometimes mean that the transactions involved are not part of external execution - but rather of internal execution in cases where, for example, shares would have to be cancelled and an internal register of shares would be kept by a cooperative banking group.

However, this raises the issue of the conversion of instruments issued through Euroclear France. The operation involved is twofold:

- (i) write-down/cancellation of the instrument through Euroclear France up to the conversion percentage, and since conversion is not possible in Euroclear France’s books,
- (ii) how these banks will be able to carry out conversion, by reflecting the transactions for the write-down/cancellation of converted instruments only.

This issue is not addressed in this document: it will be in subsequent revisions.

Step 6d: Total conversion

Euroclear France processes the Corporate Action Form. The security concerned is fully written down in its systems and converted into a new capital instrument, which also implies that write-down and conversion are automatically reflected in the securities accounts and that information is sent to all holders via SWIFT.

Timeline	D+2 (RD) / D+3 (PD, accounting D+4)
Responsibility for execution is allocated to	The agent is responsible for the sending of the Corporate Action Form to Euronext and Euroclear France. Euroclear France is responsible for the processing of the Corporate Action requested in the CA form.
Incoming data flows	EXOF Corporate Action Forms.
Executed operations	Conversion into a new capital instrument. The execution of Corporate Action Forms implies that they are automatically reflected in the systems of Euroclear France and

	in securities accounts, and that notifications are sent to all holders via SWIFT.
Outgoing data flows	SWIFT message to Euroclear France participants holding the relevant security.
Risks/impediments	

Step 6e: Partial conversion

Euroclear France processes the Corporate Action Form. The security in question is partially written down in its systems and converted into a new capital instrument, which also implies that the write-down and conversion is automatically reflected in securities accounts and that notifications are sent to all holders via SWIFT.

Timeline	D+2 (RD) / D+3 (PD, accounting D+4)
Responsibility for execution is allocated to	The agent is responsible for the sending of the Corporate Action Form to Euronext and Euroclear France. Euroclear France is responsible for the processing of the corporate action requested in the form.
Incoming data flows	PRED+ BONU Corporate Action Forms.
Executed operations	Partial conversion. The execution of Corporate Action Forms implies that they are automatically reflected in the systems of Euroclear France and in securities accounts, and that notifications are sent to all holders via SWIFT.
Outgoing data flows	SWIFT message to Euroclear France participants holding the relevant security.
Risks/impediments	Corporate action events are decided by the agent, who must ensure that Euroclear France can process them.

BOX 7 - Treatment of any fractional amounts resulting from conversion and illustrative numerical example

Treatment of fractional amounts using the full top-down method

Theoretically, fractional shares can be treated in three different ways: (i) rounding down; (ii) rounding up; (iii) compensation/reimbursement up to their fractional value.

The rounding-down method (full top-down method) is the one used in practice by the financial industry of the Place de Paris. The ACPR proposes to align itself with this market practice in the context of bail-in.

This handling method for fractional shares relates both to the relationship between the paying agent and the custodian and the relationship between the custodian and their customers.

As a first step, fractional shares are credited, where appropriate, to the account of the paying agent. As instructed by the resolution authority, the paying agent sells the fractional shares

(assuming sufficient market liquidity) on the overall position of each of the custodian and calculates a unit amount of compensation. A Corporate Action Form for discount (updated CA form with the initial COAF) is sent to Euroclear to set up a green light for the payment of fractional shares with custodian (1st level compensation).

At a subsequent stage, the custodian may have to manage compensation for the positions of their respective holders (2nd level compensation).

However, the treatment of fractional shares using the top-down method involves a blind spot: the swift resumption of listing on Euronext (which is not the approach currently adopted by the ACPR) and the presence of buyers.

Numerical example of the treatment of fractional shares by rounding down the overall position of participating custodian

Step 1: treatment of fractional shares on the overall position of each custodian account keeper

The overall positions of each custodian are rounded down.

- Let us consider a bond issuance of which each security has a nominal value (principal outstanding amount) of EUR 1000.
- The technical conversion rate is EUR 1000:200.3456789.
- Six participating custodians hold securities from that bond issuance in their accounts with Euroclear France.
- Each participating custodian holds 100 securities in their respective Euroclear France account, with EUR 1,000 in outstanding principal amount.

The theoretical overall position of each custodian, following the write-down and conversion corporate action events, is equal to 20,034.5678900 shares per participating custodian.

The rounding down method implies the elimination of 0.5678900 share for each custodian. Each of them receives 2,034 shares on their respective Euroclear France account.

A total of $0,5678900 \times 6 = 3.4073400$ shares remain held by the issuer.

Step 2: treatment of fractional shares by each custodian in their customers' accounts

In turn, the custodians round down their customers' securities accounts.

- One of the six custodians therefore holds 20,034 shares with Euroclear France.
- It has ten customers, each of whom holds 10 shares in the bond issuance.

Each customer is therefore entitled to 2,003.4 shares but receives only 2,003 shares, due to rounding down. The custodian aggregates the fractional values of the ten customers, all equal to 0.4:

$$0.4 \times 10 = 4 \text{ shares}$$

The custodian must then sell four shares on the market. The proceeds of the sale are then divided between the customers.

Step 6f: Distribution of Warrants (interim instruments)

Under the interim instrument approach developed by the ACPR (see section 1.1.4), the Warrants are distributed to the affected creditors at the same time as the shares resulting from the conversion.

Timeline	D+2 (RD) / D+3 (PD, accounting D+4)
Responsibility for execution is allocated to	The agent is responsible for the sending of the Corporate Action Form to Euronext and Euroclear France. Euroclear France is responsible for the processing of the corporate action requested in the form.
Incoming data flows	RHDI Corporate Action Forms.
Executed operations	Distribution of Warrants. The execution of Corporate Action Forms implies that they are automatically reflected in the systems of Euroclear France and in securities accounts, and that notifications are sent to all holders via SWIFT.
Outgoing data flows	SWIFT message to Euroclear France participants holding the relevant security.
Risks/impediments	Corporate action events are decided by the agent, who must ensure that Euroclear France can process them.

Step 7: Reflection/recording in Euronext Paris' systems of corporate action executed by Euroclear France

This step replicates in the systems of Euronext Paris the processing of corporate action in the books of Euroclear France. In counterpoint to the communication of Corporate Action Forms to Euroclear France, Euronext Paris will also need all these Corporate Action Forms in order to reflect the relevant corporate actions in its own systems. No separate communication between paying agents and Euronext is required for this purpose. The Corporate Action Forms will automatically be sent to Euronext at the same time as they are sent to Euroclear France (a dedicated field to be filled in in each Corporate Action Form allows for the automated transmission to Euronext).

The Corporate Action Forms enable Euronext to determine the nature of the transactions to be carried out in its systems for each instrument (partial write-down, delisting corresponding to total write-down and/or technical admission of shares resulting from conversion) and the associated time frame (at the same time as the execution of corporate action in Euroclear's books, meaning on the payment date).

Step 7a: Request for delisting sent to the AMF by the Resolution Board (Article L613-56-7 of the French Monetary and Financial Code)

Having made the decision to delist all or part of the instruments of the institution concerned by bail-in that are admitted to trading in France, the Resolution Board sends the AMF a request to that effect, using a notification addressed to the Chair of the AMF, which includes the following: (i) the precise list of financial instruments concerned (including their respective ISINs), (ii) the requested delisting date and (iii) where applicable, the list of trading venues located in France on which the securities concerned are traded.

Timeline	D+1
Responsibility for execution is allocated to	ACPR
Incoming data flows	SRB instruction for the ACPR to implement its decision.
Executed operations	Request made by the ACPR to the AMF, upon decision by the Resolution Board, to delist all or part of the financial instruments of the institution concerned that are admitted to trading in France.
Outgoing data flows	Notification sent to the Chair of the AMF, according to the template defined for such notifications between the AMF and the ACPR, which includes, <i>inter alia</i> : <ul style="list-style-type: none"> - The precise list of financial instruments covered by the delisting decision taken by Resolution Board (including ISINs); - The requested delisting date; - Where applicable, the list of all trading venues on which the relevant securities are traded in France.
Risks/impediments	

Step 7b: Notification of total write-down/delisting addressed to Euronext by the AMF and the agent

Following receipt of the request from the ACPR, the AMF requests that Euronext delists the securities concerned on the date specified by the ACPR. At the same time, the paying agent sends Euronext the required information (Corporate Action Forms – see step 7c below, legal documentation ratifying bail-in-related operations, press release by the issuer where applicable, etc.) to update its repository and publish market notices. Following receipt of this information, Euronext issues a market notice announcing the terms of delisting, no later than two trading days before the first effective delisting.

Timeline	D+1 to D+2
Responsibility for execution is allocated to	The AMF sends the delisting request to Euronext. The agent is responsible for the sending of the Corporate Action Form, the legal documentation and the operational instructions to Euronext.

Incoming data flows	ACPR notification to the AMF to delist, upon decision by the Resolution Board, all or part of the financial instruments of the institution concerned that are admitted to trading in France.
Executed operations	<p>The AMF requests that Euronext delist the securities concerned on the date set by the ACPR in the resolution decision.</p> <p>The agent sends to Euronext the required information (Corporate Action Forms, legal documentation ratifying bail-in-related operations, press release, etc.) to update its repository and publish market notices.</p>
Outgoing data flows	<p>Notification issued by the AMF to Euronext, which, according to the relevant template adopted for exchanges between the AMF and Euronext, includes in particular:</p> <ul style="list-style-type: none"> - The precise list of financial instruments covered by the delisting decision based on the decision of the Resolution Board (including ISINs); - The delisting date set for the financial instruments concerned, as established by the ACPR in the implementing act. <p>This notification will be sent to Euronext by email.</p> <p>Notification by the agent to Euronext, including:</p> <ul style="list-style-type: none"> - A copy of the resolution decision taken by the ACPR, - The issuer's press release (where applicable); - Operational instructions as regards delisting (including first/last trading day of all instruments affected by bail-in); - The list of affected instruments; - The Corporate Action Forms. <p>Euronext issues a market notice specifying the terms of delisting applicable for all instruments affected by bail-in (where applicable).</p> <p>Euronext market notices are published no later than two trading days before the first effective delisting of instruments affected by bail-in and listed on its markets.</p>
Risks/impediments	Late submission of the abovementioned information may lead to delisting after the date set by the ACPR in the resolution decision.

Step 7c: Notification of partial write-down addressed to Euronext by the agent

The paying agent sends Euronext Paris the required information in a notification including: a copy of the implementing act by the Resolution Board of the ACPR, a press release from the issuer (where applicable), the operational instructions to be followed regarding the partial write-

down, the list of instruments affected and the Corporate Action Forms. After receiving this information, Euronext will issue a market notice announcing the terms of the partial write-down, no later than two trading days before the effective date of partial write-down of the instruments affected by bail-in and listed on its markets.

Timeline	D+1 to D+2
Responsibility for execution is allocated to	The agent is responsible for sending the Corporate Action Form, legal documents and operational instructions to Euronext.
Incoming data flows	ACPR act implementing the decision by the SRB.
Executed operations	The agent sends Euronext the information required (Corporate Action Forms, legal documentation ratifying bail-in-related operations, press release, etc.) to update its repository and publish market notices.
Outgoing data flows	<p>Notification sent by the agent to Euronext, and including:</p> <ul style="list-style-type: none"> - A copy of the resolution decision taken by the ACPR; - The press release by the issuer (where applicable); - Operational instructions for the partial write-down (including record date and payment date); - The list of affected instruments; - The Corporate Action Forms. <p>Euronext issues a market notice specifying the partial write-down terms applicable to all instruments affected by bail-in (where applicable).</p> <p>Market notices issued by Euronext are published no later than two trading days before the first effective date set for the partial write-down of instruments affected by bail-in and listed on its markets.</p>
Risks/impediments	Late submission of the abovementioned information may lead to the pool factor being applied after the date set by the ACPR in the resolution decision.

Step 7d: Notification of the decision to admit the new shares sent to Euronext by the issuer and the agent

The issuer sends a request to Euronext for the listing of the new shares following the execution of bail-in operations, and its paying agent sends the required documentation (copy of the decision of the Resolution Board of the ACPR, press release from the issuer announcing, among other things, the reference price of the new shares, operational instructions, the list of instruments affected and the Corporate Action Forms).

Timeline	D+1 to D+2
Responsibility for execution is allocated to	<p>The issuer sends the letter requesting admission to trading of the new equity securities to Euronext.</p> <p>The agent is responsible for sending the Corporate Action Form, legal documents and operational instructions to Euronext.</p>
Incoming data flows	ACPR act implementing the decision by the SRB.
Executed operations	<p>The issuer applies to Euronext for the listing of the new shares following the execution of bail-in operations.</p> <p>The agent sends Euronext the information required (Corporate Action Forms, legal documentation ratifying bail-in-related operations, press release, etc.) to update its repository and publish market notices.</p>
Outgoing data flows	<p>Notification by the issuer to Euronext:</p> <ul style="list-style-type: none"> - Letter requesting admission to trading of the Issuer's new equity securities, specifying the specifications of the new equity securities to be admitted to trading on Euronext (where applicable) in a format to be defined. <p>The reference price of the new shares must be notified to Euronext by the issuer/agent in time for the first day of trading, and no later than the close of trading on the business day preceding the relevant admission date.</p> <p>Notification sent by the agent to Euronext, and including:</p> <ul style="list-style-type: none"> - A copy of the resolution decision taken by the ACPR; - Press release from the issuer announcing, among other things, the reference price of the new shares; - Operational instructions as regards withdrawal (including first/last trading day of all instruments affected by bail-in) - The list of affected instruments; - Corporate Action Forms. <p>Euronext issues a market notice announcing the terms associated with the admission to trading of the new shares.</p> <p>Euronext market notices are published no later than two trading days before the date of admission of the new shares.</p>
Risks/impediments	<p>Late submission of the abovementioned information may lead to admission to trading occurring after the date set by the ACPR in the resolution decision.</p>

Step 7e: Delisting/total write-down

Following notification by the AMF of the delisting request and the transmission of Corporate Action Forms specifying the total write-down, the instruments concerned are delisted from the Euronext market no earlier than two trading days following the publication of the market notice announcing delisting.

Timeline	D+4
Responsibility for execution is allocated to	Euronext.
Incoming data flows	Notification of the delisting decision sent by the AMF and the agent to Euronext and publication of the delisting notice by Euronext. Total write-down Corporate Action Forms (WRTH).
Executed operations	The instruments affected by bail-in and listed on its markets are delisted from the Euronext market at the earliest two trading days following the publication of the market notice announcing delisting.
Outgoing data flows	N/A
Risks/impediments	

Step 7f: Partial write-down

Following the transmission to Euronext Paris of Corporate Action Forms specifying the partial write-down of securities using the pool factor method, the pool factor is applied to the instruments concerned that are listed on the Euronext Paris markets no earlier than two trading days following the publication of the associated market notice.

Timeline	D+4
Responsibility for execution is allocated to	Euronext.
Incoming data flows	The agent's PRED Corporate Action Form, automatically sent to Euronext when it is sent to Euroclear France, specifying the partial write-down using the pool factor method.
Executed operations	The application of the pool factor on the instruments affected by bail-in and listed on its markets is effective at the earliest two trading days following the publication of the market notice announcing delisting.
Outgoing data flows	N/A
Risks/impediments	

Step 7g: Technical admission of the new shares in Euronext's systems (without simultaneous listing)

The issuer or its agent send the decision admitting the new shares to trading to Euronext, in order for those shares to be technically admitted in Euronext' systems.

Timeline	D+4
Responsibility for execution is allocated to	Euronext.
Incoming data flows	Notification of the decision admitting the new shares to trading sent by the issuer and the agent to Euronext.
Executed operations	The new shares are technically admitted to trading in Euronext's systems.
Outgoing data flows	N/A
Risks/impediments	

BOX 8 – Technical admission to trading of new shares vs. listing of new shares

The admission of shares to Euronext's systems must be distinguished from the listing of those new shares. Admission refers to the purely technical creation of shares in the systems of Euronext, and it does not entail their admission to trading/listing, which corresponds to the opening of **trading** in the instrument concerned.

Technical admission and listing are two separate steps, from Euronext's perspective, and these steps must take place at different times from the perspective of resolution authorities:

- **technical admission** may take place as soon as the new shares are distributed in the systems of Euroclear (**payment date**);
- the **new shares may be listed** as soon as resolution authorities consider that the post-resolution reorganisation and stabilisation of the banking group has progressed sufficiently.

There may therefore be a time gap, in the order of a few months, between the technical admission to Euronext and the listing of the new shares. During these few months, the shares may be traded over the counter, but not on the regulated market.

Step 8: Lifting of the suspension of settlement and resubmission of payment instructions, where required and applicable

This step follows the execution of bail-in operations: positions having been written down and/or converted, the CSD may proceed to lift the suspension of settlement upon instruction by the ACPR. Paying agents may resubmit previously cancelled payment instructions relating to securities that have not been eliminated (in case of partial write-down and/or conversion), by adjusting the amounts involved to reflect the effects of bail-in.

Step 8a: Lifting the suspension of settlement

Euroclear France will lift the suspension of settlement after receiving instructions to that effect from the resolution authority, either directly or through the paying agent. Euroclear France may also inform participants, again upon instructions from the resolution authority.

Timeline	D+4
Responsibility for execution is allocated to	The resolution authority and/or the agent instructing Euroclear France to lift settlement suspension. Euroclear disseminates that information upon request.
Incoming data flows	Instructions from the resolution authority by email.
Executed operations	Suspension is lifted.
Outgoing data flows	Lifting of suspension of settlement: Newsflash or Capinews.
Risks/impediments	

Step 8b: Generating new payment instructions (e.g. interest payments), as applicable

The resolution authority or agent informs Euroclear France of the request to re-generate the payment instructions that were cancelled (see steps 4a and 4b) and provides it with detailed information on how to process these payments. Where necessary, the paying agent must send Euroclear France a new Corporate Action Form. The payment is then processed and the participants concerned are informed by SWIFT message.

Timeline	D+4
Responsibility for execution is allocated to	The agent and/or the resolution authority will inform Euroclear France of the request to regenerate the payment instructions, providing it with detailed information on how to process such payments. If the Corporate Action Form has been cancelled, a new Form must be sent by the agent in order for the payment to be processed.
Incoming data flows	Instructions from the resolution authority by email. As necessary, the Corporate Action Form from the agent.
Executed operations	The payment is processed.
Outgoing data flows	Payment: SWIFT message.
Risks/impediments	

Step 9: Resumption of trading in the securities issued by the institution/banking group under resolution

This resumption of trading concerns, on the one hand, the admission to trading of new equity securities or of other instruments of ownership, if these securities were listed prior to the resolution or, on the other hand, the readmission of any debt instrument that has been written down. The admission or readmission are implemented without it being required to obtain the agreement or consent of the issuer or investors or to carry out the usual disclosure measures, including the prior publication of a prospectus.⁴⁹ The new shares should be admitted to trading sometime after the implementation of bail-in, so that the institution is once again in a position to communicate clear, accurate and fair information to the market.

Step 9a: Resumption of listing of suspended instruments that have not been fully written down and/or converted (excluding new shares)

In order to resume trading in these instruments, the Resolution Board officially notifies the AMF using the template defined for this purpose. This notification must include the desired date of resumption of trading, the precise list of financial instruments concerned (if the request is only partial) and any other specific conditions.

On this basis, the AMF notifies Euronext Paris to request the resumption of trading, using the same procedure as for requesting a trading suspension (see step 2b). If, when requesting suspension, the AMF extended the list of financial instruments to include instruments other than those specifically targeted by the Resolution Board, the AMF also informs Euronext Paris whether trading can be resumed for those instruments.

If the AMF has also requested the suspension of trading in the financial instruments concerned on trading venues located in France, the AMF notifies the venues concerned of the resumption of trading in accordance with the same procedures as apply to Euronext.

Euronext Paris then resumes trading in the instruments covered by the request notified to it by the AMF. At the end of the trading session preceding the resumption of trading, the order book for the instruments covered by the resumption request is purged. Preparing the associated communication and updating Euronext's information systems takes at least 5 business days and is carried out with the support of the paying agent and/or the issuer (that is to say, the institution that has undergone bail-in).

Timeline	D+X (between the technical admission of the new shares and the resumption of listing of the new shares, meaning between D+4 and in all likelihood, if the conditions are fulfilled D+3 months) (and no later than 5 P.M. on the business day preceding the relevant resumption)
Responsibility for execution is allocated to	ACPR, AMF & Euronext.

⁴⁹ See Article L. 613-56-7 of the French Monetary and Financial Code.

Incoming data flows	<p>1. The ACPR notifies the AMF of the request to resume listing:</p> <p>The Resolution Board officially notifies the AMF of the resumption request using the template defined between the AMF and the ACPR for this purpose. This notification should include the desired trading resumption date, and if the request for resumption of trading is only partial, the precise list of financial instruments covered by the request and any other specific conditions.</p> <p><i>The AMF recommends that the Resolution Board ensures that the market is properly informed through clear, accurate and fair financial disclosures before it requests any resumption of trading.</i></p> <p>2. Based on this, the AMF notifies Euronext:</p> <p>Based on the request received from the Resolution Board, the AMF notifies Euronext in order to request the resumption of trading using the notice template set for this purpose between the AMF and Euronext. This notification will be sent by email to Euronext in the same way as the request for suspension. If the AMF had extended the list of financial instruments in the suspension request to include instruments other than those specifically targeted by the Resolution Board (refer to the suspension request), the AMF will also inform Euronext whether trading can be resumed in these instruments.</p> <p>It should be noted that if the AMF has also requested the suspension of trading in the financial instruments concerned on trading venues located in France (see below), the AMF will notify the platforms concerned of the resumption of trading in accordance with the same procedures as apply to Euronext.</p>
Executed operations	<p>Euronext will resume trading in the instruments covered by the request submitted by the AMF.</p> <p>At the end of the trading session preceding the resumption of trading, the order book for the instruments covered by the resumption request is purged.</p> <p>The preparation of the relevant communication and update of Euronext's information systems require at least 5 business days, and is carried out with the support of the Paying Agent and/or Issuer.</p>
Outgoing data flows	<p>Euronext confirms the effective resumption of the relevant instruments to the AMF by email.</p> <p>Euronext issues a market notice announcing the terms associated with the resumption of trading.</p>
Risks/impediments	<p>Late submission of the request for resumption to the AMF, which could lead to a resumption of listing after the market has opened and/or without the order book being purged.</p>

Insufficient financial information communicated to the market prior to the resumption of trading could lead Euronext and/or the AMF to suspend trading again.

Step 9b: The AMF informs the financial market authorities of other EU Member States of the resumption request

The AMF informs the financial market authorities of other EU Member States of the resumption of trading using the EU SARIS tool.

Following such notification, the other authorities may then decide to authorise the resumption of trading in the securities of the institution concerned on their markets.

Timeline	In all likelihood > D+3 months (and on the target suspension day, as early as possible following notification to Euronext)
Responsibility for execution is allocated to	AMF.
Incoming data flows	Request made by the ACPR to the AMF, upon decision by the Resolution Board, to resume trading in all or some of the financial instruments of the institution concerned that are admitted to trading in France.
Executed operations	The AMF informs the financial market authorities of other EU Member States of the resumption of trading using the EU tool SARIS. Following such notification, the other authorities may then decide to authorise the resumption of trading in the securities of the institution concerned on their markets.
Outgoing data flows	Notification through SARIS.
Risks/impediments	Late submission of the information in the SARIS tool, or late consultation of information available through it by the relevant authority, which may, as the case may be, lead to the resumption of listing occurring after the market has opened in one or more Member States.

Step 9c: Listing the new shares

Once Euronext Paris has received the required information (Corporate Action Form, legal documentation ratifying bail-in operations, press release, etc.) to update its repository and publish its market notices, Euronext Paris will draft its market notices pertaining to the listing of the new shares.

The reference price of the new shares must be communicated to Euronext for the purpose of the first day of listing by the issuer (the institution that has undergone bail-in) or its agent no later than on the close of trading on the business day preceding the targeted admission date.

Timeline	In all likelihood, > D +3 months
Responsibility for execution is allocated to	Paying agent and/or Issuer, Euronext [for listing-related steps].
Incoming data flows	<ul style="list-style-type: none"> - Letter requesting admission to trading of the Issuer's new equity securities, specifying the characteristics of the new equity securities to be admitted to trading on Euronext (where applicable) in a format to be defined; - Copy of any minutes from the Issuer's corporate bodies including the resolutions approving the issuance of the equity securities and the request for admission to trading relating thereto (where applicable); - Corporate Action Forms. <p>The reference price of the new shares must be notified to Euronext by the issuer/agent in time for the first day of trading, and no later than the close of trading on the business day preceding the relevant admission date.</p>
Executed operations	Once Euronext has received the information (Corporate Action Forms, legal documentation ratifying bail-in-related operations, press release, etc.) required to update its repository and publish market notices, Euronext prepares disclosures to the market.
Outgoing data flows	<p>Euronext issues a market notice announcing the terms associated with the admission to trading of the new shares (where applicable).</p> <p>Euronext's market notices must be published no later than two trading days before the first transaction affecting securities listed on the Euronext market.</p>
Risks/impediments	

Step 10: Compensation mechanism: free allocation of shares

Following the definitive valuation 2 and the listing of the new shares, the Warrants must be settled and may lead, where applicable, to the automated allocation of free shares. This step describes the actions to be performed by Euroclear France and the paying agents in order to settle the Warrants.

Step 10a: Preparing for the exercise and settlement of the Warrants

Paying agents must send Euroclear France an accounting letter to have Euroclear reflect the capital increase associated with the free distribution of shares.

Timeline	D+X (after the definitive valuation and listing of the new shares)
Responsibility for execution is allocated to	Paying agent, Euroclear France.
Incoming data flows	1 accounting letter (by email) so that the capital increase associated with the allocation of free shares may be reflected in Euroclear France's books.
Executed operations	The agent is credited according to the accounting letter matching.
Outgoing data flows	Email sent to the agent confirming treatment.

Step 10b: Exercise / settlement of the Warrants and free allocation of shares

Following the request made by the paying agents, the Warrants are converted into shares in the systems of Euroclear France, and therefore in the securities accounts. Participants are informed via SWIFT message.

Timeline	D+X (after the definitive valuation and listing of the new shares)
Responsibility for execution is allocated to	The agent is responsible for the sending of the Corporate Action Form to Euroclear France. Euroclear France is responsible for the processing of the corporate action requested in the form.
Incoming data flows	Corporate Action Forms (such as conversion corporate action forms, EXOF).
Executed operations	Conversion of Warrants into shares in the systems of Euroclear France. The execution of Corporate Action Forms implies that they are automatically reflected in the systems of Euroclear France and in securities accounts, and that notifications are sent to all holders via SWIFT.
Outgoing data flows	SWIFT message to Euroclear France participants holding the relevant security.
Risks/impediments	Corporate Action Events are decided by the agent, who must ensure that Euroclear France can process them.

ANNEX: DATA REQUIREMENTS FOR THE EXTERNAL EXECUTION OF BAIL-IN

The Corporate Action Forms and the Dynamic Form are an essential prerequisite for the external execution of bail-in. For the proper execution of the bail-in, paying agents must be able to fill them in thoroughly so that they can be adequately processed by Euroclear France. A certified accounting letter is also likely to be required when the Warrants are exercised.

The tables below list the minimum data requirements to fill in Corporate Action Forms thoroughly and, therefore, to implement each corporate action relevant to the execution of bail-in. The Corporate Action Forms are required to be filled in in English. The tables below indicate the English attributes and definitions of each data point.

As a reminder, four types of CAFs (e.g. WRTH, EXOF, PRED and BONU) are sufficient to carry out all bail-in-related operations. By combining these tables, it is possible to draw up the list of data required for the external execution of bail-in. Essential information includes in particular the ISIN codes of bailed-in instruments, the record date (expressed in accounting days), the payment date (expressed in accounting days), the pool factor before the corporate action, the new pool factor after the corporate action (in the event of partial write-down), the ISIN code of the new shares and the number of shares to be created per underlying unit of the bailed-in instrument/ISIN.

The inclusion, in the Dynamic Form, of the aggregate number of shares to be created for the new ISIN stemming from conversion is also necessary.

TABLE 3 – Total write-down data (CA FORM CHAN)

Data point	Attribute	Definition
CSD	[CSD Name]	CSD name
Stock Exchange	[Stock Exchange Name]	Stock Exchange name
Forward information to Euronext	[YES / NO]	Choice if the information has to be forwarded to Euronext
Creation / Update / Withdrawal	[Creation / Update / Withdrawal]	Choice corresponding to the CA form occurrence
ISIN code	[ISIN/Specific ID]	ISIN of the interim security/security proceed
Security name	[Text]	Denomination of the interim security/security proceed
Shareholder Rights Directive Indicator	[YES / NO]	Optional - Indicates whether the event is subject to Shareholder Rights

		Directive and whether the announcement was initiated by the first intermediary in the custody chain
ESES Participant Code of the Issuer or Agent	[ESES Participant Code]	ESES participant code of the Issuer Agent
Issuer or Agent Contact	[Text]	Issuer or Agent Contact is the issuer contact
Telephone	[Phone Number]	Telephone is the phone number of the issuer contact
Email address	[Email]	Email Address is the email address of the issuer contact
ESES Code	[Code]	ESES participant code of the Issuer Agent
Name	[Text]	Issuer Name is the name of the issuer
Email address	[Email]	Email Address is the email address of the issuer
Preliminary or Definitive Information	[Preliminary / Definitive]	Choice corresponding to the Information characteristic
ISO CAEV	[CAEV]	Corporate Action Event code
Type of CHAN	[Name / Closure / Decimalisation]	Choice corresponding to the operation type of the security change
Balance Certificate to holder	[YES / NO]	For a Change CHAN closure, holders of underlying security will receive their Balance certificates in PDF format
Record date	[date]	Date/time at which positions are struck at the end of the day to note which parties will be subject to write-down and possibly receive the relevant amount of entitlement, due to be distributed on payment date.
Effective date	[date]	Date on which the Payment is due. When you create a new Corporate action, Payment date must be greater or equal to current date.
Date	[date]	Authorisation date
Authorised signature - Name - Title	[Name]	Authorised signature - Name

TABLE 4 – Total write-down data (CA FORM WRTH)

Data point	Attribute	Definition
CSD	[CSD Name]	CSD name
Stock Exchange	[Stock Exchange Name]	Stock Exchange name

Forward information to Euronext	[YES / NO]	Choice if the information has to be forwarded to Euronext
Creation / Update / Withdrawal	[Creation / Update / Withdrawal]	Choice corresponding to the CA form occurrence
ISIN code	[ISIN/Specific ID]	ISIN of the interim security/security proceed
Security name	[Text]	Denomination of the interim security/security proceed
Shareholder Rights Directive Indicator	[YES / NO]	Optional - Indicates whether the event is subject to Shareholder Rights Directive and whether the announcement was initiated by the first intermediary in the custody chain
ESES Participant Code of the Issuer or Agent	[ESES Participant Code]	ESES participant code of the Issuer Agent
Issuer or Agent Contact	[Text]	Issuer or Agent Contact is the issuer contact
Telephone	[Phone Number]	Telephone is the phone number of the issuer contact
Email address	[Email]	Email Address is the email address of the issuer contact
ESES Code	[Code]	ESES participant code of the Issuer Agent
Name	[Text]	Issuer Name is the name of the issuer
Email address	[Email]	Email Address is the email address of the issuer
Preliminary or Definitive Information	[Preliminary / Definitive]	Choice corresponding to the Information characteristic
ISO CAEV	[CAEV]	Corporate Action Event code
Record date	[date]	Date/time at which positions are struck at the end of the day to note which parties will be subject to write-down and possibly receive the relevant amount of entitlement, due to be distributed on payment date.
Closure required	[YES / NO]	Choice if the closure is required
Payment date of the Cash/Security Proceed 1	[date]	Payment Date of the Proceed: The date on which payment is due. The payment date of the elected option should be as close as possible to the market deadline, preferably the next business day. Ongoing events will be announced with Payment date set to ONGO
Authorised signature - Name - Title	[Name]	Authorised signature - Name

TABLE 5 – Partial write-down data (CA FORM PRED)

Data point	Attribute	Definition
CSD	[CSD Name]	CSD name
Stock Exchange	[Stock Exchange Name]	Stock Exchange name
Forward information to Euronext	[YES / NO]	Choice if the information has to be forwarded to Euronext
Creation / Update / Withdrawal	[Creation / Update / Withdrawal]	Choice corresponding to the CA form occurrence
ISIN code	[ISIN/Specific ID]	ISIN of the interim security/security proceed
Security name	[Text]	Denomination of the interim security/security proceed
ESES Participant Code of the Issuer or Agent	[ESES Participant Code]	ESES participant code of the Issuer Agent
Issuer or Agent Contact	[Text]	Issuer or Agent Contact is the issuer contact
Telephone	[Phone Number]	Telephone is the phone number of the issuer contact
Email address	[Email]	Email Address is the email address of the issuer contact
ESES Code	[Code]	ESES participant code of the Issuer Agent
Name	[Text]	Issuer Name is the name of the issuer
Email address	[Email]	Email Address is the email address of the issuer
Preliminary or Definitive Information	[Preliminary / Definitive]	Choice corresponding to the Information characteristic
ISO CAEV	[CAEV]	Corporate Action Event code
Ex date	[date]	The date from which the underlying security is traded without the benefit/right attached to it. Ex-date must be less or equal to payment date.
Record date	[date]	Date/time at which positions are struck at the end of the day to note which parties will be subject to write-down and possibly receive the relevant amount of entitlement, due to be distributed on payment date.
Payment date	[date]	Date on which the Payment is due. When you create a new Corporate action, Payment date must be greater or equal to current date.

Currency Announced = Currency paid to shareholders Y/N	[YES / NO]	If the currency Announced is equal to currency paid to shareholders
Currency Paid out	[Currency]	Currency Paid out
Previous pool factor (in points)	[Number]	Previous pool factor
Next pool factor (in points)	[Number]	Next pool factor
Narrative - Additional info to be communicated	[Text]	Additional info to be communicated if necessary
Date	[date]	Authorisation date
Authorised signature - Name - Title	[Name]	Authorised signature - Name
Authorised signature - Name - Title	[Name]	Authorised signature - Name

TABLE 6 – Total conversion data (CA FORM CONV)

Data point	Attribute	Definition
CSD	[CSD Name]	CSD name
Stock Exchange	[Stock Exchange Name]	Stock Exchange name
Forward information to Euronext	[YES / NO]	Choice if the information has to be forwarded to Euronext
Creation / Update / Withdrawal	[Creation / Update / Withdrawal]	Choice corresponding to the CA form occurrence
ISIN code	[ISIN/Specific ID]	ISIN of the interim security/security proceed
Security name	[Text]	Denomination of the interim security/security proceed
ESES Participant Code of the Issuer or Agent	[ESES Participant Code]	ESES participant code of the Issuer Agent
Issuer or Agent Contact	[Text]	Issuer or Agent Contact is the issuer contact
Telephone	[Phone Number]	Telephone is the phone number of the issuer contact
Email address	[Email]	Email Address is the email address of the issuer contact
Email address for linked documentation	[Email]	Email Address is the email address of the issuer contact for the documentation
ESES Code	[Code]	ESES participant code of the Issuer Agent
Name	[Text]	Issuer Name is the name of the issuer
Email address	[Email]	Email Address is the email address of the issuer

Preliminary or Definitive Information	[Preliminary / Definitive]	Choice corresponding to the Information characteristic
ISO CAEV	[CAEV]	Corporate Action Event code
Record date	[date]	Date/time at which positions are struck at the end of the day to note which parties will be subject to write-down and possibly receive the relevant amount of entitlement, due to be distributed on payment date.
Payment date of the Security Proceed 1	[date]	Payment Date of the Proceed: The date on which payment is due. The payment date of the elected option should be as close as possible to the market deadline, preferably the next business day. Ongoing events will be announced with Payment date set to ONGO
Initial Quantum in Underlying securities	[integer]	Initial Quantum in Underlying securities
Final quantum in Security Proceed 1	[integer]	Final quantum in Security Proceed 1
Name of the Security Proceed 1	[Text]	Name of the Security Proceed 1
ISIN of the Security Proceed 1	[ISIN/Specific ID]	ISIN of the interim security/security proceed
Account to credit for underlying securities held in Administered registered mode	[Bearer / Without BRN / BRN Requested / Not applicable]	Choice
Date	[date]	Authorisation date
Authorised signature - Name - Title	[Name]	Authorised signature - Name
Authorised signature - Name - Title	[date]	Authorised signature - Name

TABLE 7 – Partial conversion data (CA FORM BONU)

Data point	Attribute	Definition
CSD	[CSD Name]	CSD name
Stock Exchange	[Stock Exchange Name]	Stock Exchange name
Forward information to Euronext	[YES / NO]	Choice if the information has to be forwarded to Euronext
Creation / Update / Withdrawal	[Creation / Update / Withdrawal]	Choice corresponding to the CA form occurrence
ISIN code	[ISIN/Specific ID]	ISIN of the security
Security name	[Text]	Denomination of the interim security/security proceed

ESES Participant Code of the Issuer or Agent	[ESES Participant Code]	ESES participant code of the Issuer Agent
Issuer or Agent Contact	[Text]	Issuer or Agent Contact is the issuer contact
Telephone	[Phone Number]	Telephone is the phone number of the issuer contact
Email address	[Email]	Email Address is the email address of the issuer contact
ESES Code	[Code]	ESES participant code of the Issuer Agent
Name	[Text]	Issuer Name is the name of the issuer
Email address	[Email]	Email Address is the email address of the issuer
Email Address for linked documentation	[Email]	Email Address is the email address of the issuer contact for the documentation
Preliminary or Definitive Information	[Preliminary / Definitive]	Choice corresponding to the Information characteristic
ISO CAEV	[CAEV]	Corporate Action Event code
Ex date	[date]	The date from which the underlying security is traded without the benefit/right attached to it. Ex-date must be less or equal to payment date.
Record date	[date]	Date/time at which positions are struck at the end of the day to note which parties will be subject to write-down and possibly receive the relevant amount of entitlement, due to be distributed on payment date.
Payment date	[date]	Date on which the Payment is due. When you create a new Corporate action, Payment date must be greater or equal to current date.
Name or the security proceed	[Text]	Name or the security proceed
ISIN of the Security Proceed	[ISIN/Specific ID]	ISIN of the Security Proceed
Initial Quantum in Underlying Securities	[Integer]	Initial Quantity Underlying Securities
Final Quantum in Security Proceeds	[Integer]	Final Quantity Underlying Securities
Account to credit for underlying securities held in Administered registered mode	[Bearer / Without BRN / BRN Requested / Not applicable]	Choice
Narrative - Additional info to be communicated	[Text]	Additional info to be communicated if necessary
Date	[date]	Authorisation date

Authorised signature - Name - Title	[Name]	Authorised signature - Name
Authorised signature - Name - Title	[date]	Authorised signature - Name
