



CAISSE D'ÉPARGNE
CAISSE NATIONALE

**CAISSE NATIONALE DES CAISSES D'ÉPARGNE
ET DE PREVOYANCE**

Euro 10,000,000,000

Euro Medium Term Note Programme

Due from one month from the date of original issue

Under the Euro Medium Term Note Programme described in this Offering Circular (the “**Programme**”), Caisse Nationale des Caisses d'Épargne et de Prévoyance (the “**Issuer**” or “**CNCEP**” or “**CNCE**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes under the Programme (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 10,000,000,000 (or the equivalent in other currencies).

This Offering Circular replaces and supersedes the Offering Circular dated 31 October 2001.

This Offering Circular shall be in force for a period of one year as of the date set out hereunder.

Application will be made in certain circumstances to list Notes issued under the Programme on the Luxembourg Stock Exchange. However, unlisted Notes may be issued pursuant to the Programme. The relevant Pricing Supplement (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and, if so, the relevant stock exchange.

Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”) as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-4 of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes which are dealt in on a regulated market may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (“**Euroclear France**”) which shall credit the accounts of Account Holders (as defined in “Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination”) including Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*nominatif pur*), in which case they will be inscribed with the registration agent (designated in the relevant Pricing Supplement) for the Issuer, or in administered registered form (*nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders. Dematerialised Notes which are not dealt in on a regulated market will be in registered dematerialised form (*au nominatif*) only and, at the option of the relevant Noteholder, in either fully registered form or administered form inscribed as aforesaid.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in “Temporary Global Certificates issued in respect of Materialised Bearer Notes”) upon certification as to non US beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depositary for Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

Unless otherwise specified in the applicable Pricing Supplement, Notes will be rated as follows

<i>Status of the Notes</i>	<i>Rating given by Fitch Ratings</i>	<i>Rating given by Moody's Investors Service</i>	<i>Rating given by Standard and Poor's</i>
Unsubordinated Notes (long term)	AA	Aa2	AA
Unsubordinated Notes (short term)	F1+	P-1	A-1+
Subordinated Notes (Lower Tier 2)	AA–	Aa3	AA–
Subordinated Notes (Upper Tier 2)	AA–	Aa3	A+

Fitch Ratings, Moody's Investors Service and Standard & Poor's will only rate Tier 3 Subordinated Notes (as defined herein), on a case-by-case basis. Structured Senior Notes or other Notes issued pursuant to the Programme may be unrated or rated differently in certain circumstances. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to Notes issued under the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Arranger

Deutsche Bank

Dealers

Barclays Capital
CDC IXIS Capital Markets
Deutsche Bank
Goldman Sachs International

HSBC
JPMorgan
SG Investment Banking
Tokyo-Mitsubishi International plc

UBS Warburg

The date of this Offering Circular is 4 November 2002

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer, the Issuer and its consolidated subsidiaries and affiliates (*filiales consolidées et participations consolidées*) taken as a whole (the “Group”) and the Notes that is material in the context of the issue and offering of the Notes, the statements contained in it relating to the Issuer, the Group and the Notes are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer accepts responsibility accordingly.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in “Summary of the Programme”). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”) or, in the case of Materialised Notes in bearer form, the U.S. Internal Revenue Code of 1986, as amended (the “U.S. Internal Revenue Code”). For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see “Subscription and Sale”.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Offering Circular. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with any Tranche (as defined in “Summary of the Programme”), one of the Dealers may act as a stabilising agent (the “Stabilising Agent”). The identity of the Stabilising Agent will be disclosed in the relevant Pricing Supplement. References in the next paragraph to “the issue of any Tranche” are to each Tranche in relation to which a Stabilising Agent is appointed.

In connection with the issue of any Tranche, the Stabilising Agent or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be

discontinued at any time and must be brought to an end after a limited period. Any such transactions will be carried out in accordance with applicable laws and regulations.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999, references to “FRF” or “FF” are to French francs, references to “£”, “pounds sterling”, “GBP” and “Sterling” are to the lawful currency of the United Kingdom references to “\$”, “USD” and “U.S. Dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan and references to “CHF” and “Swiss francs” are to the lawful currency of the Helvetic Confederation.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with any amendments or supplements to this Offering Circular, each relevant Pricing Supplement, the most recently published audited annual accounts and any interim accounts (whether audited or unaudited) published subsequently to such annual accounts of the Issuer from time to time, each of which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. All documents incorporated by reference in this Offering Circular may be obtained, free of charge, at the offices of each Paying Agent set out at the end of this Offering Circular during normal business hours so long as any of the Notes are outstanding.

SUPPLEMENTAL OFFERING CIRCULAR

The Issuer has given an undertaking to the Dealers and to the Luxembourg Stock Exchange that if at any time during the duration of the Programme there is a significant change affecting any matter contained in this Offering Circular (including the **“Terms and Conditions of the Notes”**) whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Group and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes, submit such amendment or supplement to the Luxembourg Stock Exchange for approval and supply each Dealer and the Luxembourg Stock Exchange with such number of copies of such amendment or supplement as may reasonably be requested. All documents prepared in connection with the listing of the Programme will be available at the specified office of the Paying Agent in Luxembourg.

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SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and, unless specified to the contrary in the relevant Pricing Supplement, will be subject to the Terms and Conditions set out on pages 12 to 34.

Issuer:	Caisse Nationale des Caisses d'Epargne et de Prévoyance
Description:	Euro Medium Term Note Programme for the continuous offer of Notes (the “ Programme ”)
Arranger:	Deutsche Bank AG Paris branch
Dealers:	Barclays Bank PLC CDC IXIS Capital Markets Deutsche Bank AG London Goldman Sachs International HSBC Bank plc J.P. Morgan Securities Ltd. Société Générale Tokyo-Mitsubishi International plc UBS AG, acting through its business group UBS Warburg

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

At the date of this Offering Circular, only credit institutions and investment firms incorporated in a member state of the European Union (“EU”) and which are authorised by the relevant authority of such member home state to lead-manage bond issues in such member state may act (a) as Dealers with respect to non-syndicated issues of Notes denominated in Euro and (b) as lead manager of issues of Notes denominated in Euro issued on a syndicated basis.

Programme Limit:	Up to Euro 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Fiscal Agent and Principal Paying Agent:	Deutsche Bank AG London
Paying Agents:	Deutsche Bank AG Paris branch as Paris Paying Agent and Deutsche Bank Luxembourg S.A. as Luxembourg Paying Agent
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ Tranche ”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a “ Pricing Supplement ”).

Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue. Subordinated Notes, the proceeds of which constitute Upper Tier 2 Capital (as defined below) shall be undated. The maturity of Subordinated Notes, the proceeds of which constitute Lower Tier 2 Capital (as defined below), will not be less than 5 years, and the maturity of Subordinated Notes, the proceeds of which constitute Tier 3 Capital (as defined below) will not be less than 2 years.
Currencies:	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling and in any other currency agreed between the Issuer and the relevant Dealers.</p> <p>Issues of Notes denominated in Swiss francs or carrying a Swiss franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on Article 7 of the Federal Law on Banks and Savings Banks of 8 November 1934 (as amended) and Article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995 in connection with Article 2, paragraph 2 of the Ordinance of the Federal Banking Corporation on Stock Exchanges and Securities Trading of 2 December 1996. Under such regulations, the relevant Dealer or, in the case of a syndicated issue, the lead manager (in each case, the “Swiss Dealer”), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission as per the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.</p>
Denomination(s):	<p>Notes will be in such denomination(s) as may be specified in the relevant Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).</p> <p>Dematerialised Notes shall be issued in one denomination only.</p>
Status of the Unsubordinated Notes:	Unsubordinated Notes (“ Unsubordinated Notes ”) will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by French law) equally with all other present or future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.
Status of the Subordinated Notes:	Subordinated Notes (“Subordinated Notes”) will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future unsecured, unconditional and subordinated obligations of the Issuer with the exception of the <i>prêts participatifs</i> granted to the Issuer and the <i>titres participatifs</i> issued by the Issuer as set out in Condition 3(b). The proceeds of issues of Subordinated Notes may or may not constitute (i) <i>fonds propres complémentaires</i> within the meaning of Article 4 (c) of <i>Règlement</i> no. 90-02 dated 23 February 1990, as amended of the <i>Comité de la Réglementation Bancaire et Financière</i> (“ CRBF ”) (“ Upper Tier 2 Capital ”); (ii) <i>fonds propres complémentaires</i> within the meaning of Article 4 (d) of the <i>CRBF Règlement</i> no. 90-02 dated 23 February 1990, as

amended (“**Lower Tier 2 Capital**”, together with Upper Tier 2 Capital “**Tier 2 Capital**”); and (iii) *fonds propres surcomplémentaires* within the meaning of the meaning of Article 3.3 of the CRBF *Règlement* no. 95-02 dated 21 July 1995, as amended (“**Tier 3 Capital**”), if such *Règlement* is applicable; as described in the applicable Pricing Supplement. – see “Terms and Conditions of Notes – Status”.

If so specified in the relevant Pricing Supplement, the payment of interest in respect of Subordinated Notes without a specified maturity date (“**Undated Subordinated Notes**”) may be deferred in accordance with the provisions of Condition 5(h) – see “Terms and Conditions of Notes – Interest and other Calculations”.

Negative Pledge:

There will be a negative pledge in respect of Unsubordinated Notes as set out in Condition 4 – see “Terms and Conditions of the Notes – Negative Pledge”.

**Event of Default:
(including Cross Default)**

There will be events of default and a cross-default in respect of Unsubordinated Notes as set out in Condition 9(a) and limited events of default only in respect of Subordinated Notes as set out in Condition 9(b) – see “Terms and Conditions of the Notes – Events of Default”.

Redemption Amount:

The relevant Pricing Supplement issued in respect of each issue of Notes will specify the basis for calculating the redemption amounts payable save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Optional Redemption:

The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and if so the terms applicable to such redemption.

Redemption by Instalments:

The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Early Redemption:

Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes – Redemption, Purchase and Options”.

Taxation:

Payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France as provided by Article 131 *quater* of the French General Tax Code, to the extent that the Notes are issued (or deemed to be issued) outside France.

Notes constituting *obligations* under French law will be issued (or deemed to be issued) outside France (i) in the case of syndicated or non-syndicated issues of Notes, if such Notes are denominated in Euro, (ii) in the case of syndicated issues of Notes denominated in currencies other than Euro, if, *inter alia*, the Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France in connection with their initial distribution and such Notes are offered in the Republic of France only through an international syndicate to qualified investors (*investisseurs qualifiés*) as described in Article L.411-2 of the French *Code monétaire et*

financier or (iii) in the case of non-syndicated issues of Notes denominated in currencies other than Euro, if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France, in each case as more fully set out in the Circular of the *Direction Générale des Impôts* dated 30 September 1998.

However, if so provided in the relevant Pricing Supplement, Notes constituting *obligations* denominated in currencies other than Euro may be issued on a non-syndicated basis and placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction at source provided by Article 131 *quater* of the French General Tax Code and payments under such Notes made to a non-French resident will be exempt from withholding or deduction at source only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French General Tax Code, as more fully described in “Terms and Conditions of the Notes – Taxation”.

The tax regime applicable to Notes which do not constitute *obligations* will be set out in the relevant Pricing Supplement.

Interest Periods and Interest Rates:

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Fixed Rate Notes:

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement), in each case as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.

Index Linked Notes:

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.

Structured Note Risks:

The following paragraph does not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular series

of Notes and the suitability of investing in the Notes in light of their particular circumstances.

An investment in Notes the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor could lose all or a substantial portion of the principal of its Note.

Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Note.

Other Notes:

Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes, credit linked Notes, fund linked Notes and any other type of Notes that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.

Redenomination:

Notes issued in the currency of any Member State of the EU which participates in the third stage (or any further stage) of the EMU may be redenominated into Euro, all as more fully provided in “Terms and Conditions of the Notes – Form, Denomination(s), Title and Redenomination” below.

Consolidation:

Notes of one Series may be consolidated with Notes of another Series as more fully provided in “Terms and Conditions of the Notes – Further Issues and Consolidation”.

Form of Notes:

Notes may be issued in either dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).

Dematerialised Notes which are dealt in on a regulated market may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either *au nominatif pur* or *au nominatif administré* form. No physical documents of title will be issued in respect of Dematerialised Notes. Dematerialised Notes which are not dealt in on a regulated market will be issued in registered dematerialised form only and, at the option of the relevant Noteholder, in either *au nominatif pur* or *au nominatif administré* form. See “Terms and Conditions of the Notes – Form, Denomination(s), Title and Redenomination”.

Materialised Notes will be in bearer materialised form (“**Materialised Bearer Notes**”) only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.

Governing Law:

French law.

Clearing Systems:

Euroclear France as central depository in relation to Dematerialised Notes and Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.

Initial Delivery of Dematerialised Notes: One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *Lettre Comptable* relating to such Tranche shall be deposited with Euroclear France as central depository.

Initial Delivery of Materialised Notes: On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.

Issue Price: Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Listing: The Luxembourg Stock Exchange or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.

Selling Restrictions: There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Pricing Supplement.

The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Pricing Supplement states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

Rating: Unless otherwise specified in the applicable Pricing Supplement, the rating of the Notes issued under the Programme will be as follows:

Status of the Notes	Rating given by Fitch Ratings	Rating given by Moody’s Investors Service	Rating given by Standard and Poor’s
Unsubordinated Notes (long term)	AA	A a 2	AA
Unsubordinated Notes (short term)	F1+	P-1	A-1+
Subordinated Notes (Lower Tier 2)	AA–	Aa3	AA–
Subordinated Notes (Upper Tier 2)	AA–	Aa3	A+

Fitch Ratings, Moody’s Investors Service and Standard & Poor’s will only rate Tier 3 Subordinated Notes (as defined herein), on a case-by-case basis. Structured Senior Notes or other Notes issued pursuant to the Programme may be unrated or rated differently in certain circumstances.

Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to Notes issued under the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Pricing Supplement. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Bearer Notes). All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Caisse Nationale des Caisses d’Epargne et de Prévoyance (the “**Issuer**” or “**CNCEP**” or “**CNCE**”) with the benefit of an agency agreement dated 13 September 2000 between the Issuer, Deutsche Bank AG London as fiscal agent and the other agents named in it, as amended by a first supplemental agency agreement dated 31 October 2001 and by a second supplemental agency agreement dated 4 November 2002 (the “**Agency Agreement**”). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”. The holders of Dematerialised Notes and Materialised Notes, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the “**Talons**”) for further Coupons (the “**Couponholders**”) and the holders of the receipts (the “**Receipts**”) for the payment of instalments of principal (the “**Receiptholders**”) relating to Materialised Notes of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

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

Copies of the Agency Agreement are available for inspection during normal business hours at the specified offices of each of the Paying Agents.

1 Form, Denomination(s), Title and Redenomination

- (a) **Form:** Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).
 - (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* (the “**Code**”) by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article 7 of Decree no. 83-359 of 2 May 1983) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes which are dealt in on a regulated market (*admises aux négociations sur un marché réglementé*) are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France (“**Euroclear France**”) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*nominatif administré*) inscribed in the books of a Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Pricing Supplement) acting on behalf of the Issuer (the “**Registration Agent**”).

Dematerialised Notes which are not dealt in on a regulated market (*non admises aux négociations sur un marché réglementé*) are issued in registered dematerialised form (*au nominatif*) only and, at the option of the relevant Noteholder, in either administered registered form (*au nominatif administré*) or in fully registered form (*au nominatif pur*) inscribed as aforesaid.

For the purpose of these Conditions, “**Account Holder**” means any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and the depository bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

- (ii) Materialised Notes are issued in bearer form only (“**Materialised Bearer Notes**”). Materialised Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

In accordance with Article L.211-4 of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination(s):** Notes shall be issued in the specified denomination(s) as set out in the relevant Pricing Supplement (the “**Specified Denomination(s)**”). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Registration Agent.
- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue (“**Definitive Materialised Bearer Notes**”), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Receipts, Coupons, or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Pricing Supplement), on any Interest Payment Date, without the consent of the holder of any Note, Receipt, Coupon or Talon, by giving at least 30 days’ notice in accordance with Condition 15 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the third stage (or any further stage) of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the “**EC**”), as amended from time to time (the “**Treaty**”) or events have occurred which have substantially the same effects (in either case, “**EMU**”), redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Pricing Supplement accordingly, as described below. The date on which such

redenomination becomes effective shall be referred to in these Conditions as the “**Redenomination Date**”.

- (ii) Unless otherwise specified in the relevant Pricing Supplement, the redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 123(4) of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.
- (iii) In the case of Dematerialised Notes only, the Issuer may also redenominate all, but not some only, of the Notes of any Series into Euro in accordance with Article L.113-4 of the Code provided that references to the Franc or the ECU contained in such Article L.113-4 shall be deemed to be a reference to the currency of any Member State participating in the third stage (or any further stage) of the EMU.
- (iv) Upon redenomination of the Notes, any reference in the relevant Pricing Supplement to the relevant national currency shall be construed as a reference to Euro.
- (v) Unless otherwise specified in the relevant Pricing Supplement, the Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the holder of any Note, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.
- (vi) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

2 Conversion and Exchanges of Notes

(a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article 4 of Decree no. 83-359 of 2 May 1983. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

3 Status

The obligations of the Issuer under the Notes may be either unsubordinated (“**Unsubordinated Notes**”) or subordinated (“**Subordinated Notes**”).

(a) **Status of Unsubordinated Notes**

The Notes and, where applicable, any relative Receipts and Coupons are direct, unconditional unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) equally with all other present or future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

(b) **Status of Subordinated Notes**

(i) Subordination

Subordinated Notes (which term shall include both Subordinated Notes with a specified maturity date (“**Dated Subordinated Notes**”) and Subordinated Notes without a specified maturity date (“**Undated Subordinated Notes**”)) and the Receipts and (if the applicable Pricing Supplement so specifies) Coupons relating to them constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future unsecured, unconditional and subordinated obligations of the Issuer with the exception of the *prêts participatifs* granted to the Issuer and the *titres participatifs* issued by the Issuer. If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Subordinated Notes shall be subordinated to the payment in full of unsubordinated creditors and, subject to such payment in full, the holders of Subordinated Notes shall be paid in priority to any *prêts participatifs* granted to the Issuer and any *titres participatifs* issued by the Issuer. In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Subordinated Notes will be terminated. The holders of Subordinated Notes shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

(ii) Dated Subordinated Notes

Unless otherwise specified in the relevant Pricing Supplement, payments of interest relating to Dated Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 3(a).

(iii) Undated Subordinated Notes

Unless otherwise specified in the relevant Pricing Supplement, payments of interest relating to Undated Subordinated Notes will be deferred in accordance with the provisions of Condition 5(h).

In the event of the Issuer incurring losses, the loss will be charged first against accumulated profits, then against reserves and capital and finally, if needed, against the subordinated loans (including interests of such Notes), in order to allow the Issuer to fulfil the regulatory requirements applicable to banks in France, especially those relating to solvency ratios and in order to allow the Issuer to continue its activities.

The relevant Pricing Supplement may provide for additions or variations to the Conditions applicable to the Subordinated Notes for the purposes *inter alia* of enabling the proceeds of the issue of such Subordinated Notes to count as *fonds propres complémentaires* within the meaning of Article 4 (c) of the

Comité de la Réglementation Bancaire et Financière (“**CRBF**”) *Règlement* no.90-02 dated 23 February 1990, as amended (“**Upper Tier 2 Capital**”); (ii) *fonds propres complémentaires* within the meaning of Article 4 (d) of the CRBF *Règlement* no. 90-02 dated 23 February 1990, as amended (“**Lower Tier 2 Capital**”, together with Upper Tier 2 Capital “**Tier 2 Capital**”) and (iii) *fonds propres surcomplémentaires* within the meaning of Article 3.3 of the CRBF *Règlement* no. 95-02 dated 21 July 1995, as amended (“**Tier 3 Capital**”), if such *Règlement* is applicable.

4 Negative Pledge

So long as any of the Unsubordinated Notes or, if applicable, any Receipts or Coupons relating to them, remains outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to subsist any mortgage, charge, pledge or other security interest upon any of its assets or revenues, present or future, to secure any relevant indebtedness (as defined below) incurred or guaranteed by the Issuer (whether before or after the issue of the Unsubordinated Notes) unless the Unsubordinated Notes are equally and rateably secured so as to rank *pari passu* with such relevant indebtedness or the guarantee thereof.

For the purposes of this paragraph, “**Relevant Indebtedness**” means any indebtedness for borrowed money, whether or not represented by notes or other securities (including securities initially privately placed) which are for the time being, or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter-market or other securities market.

This Condition 4 shall not apply to Subordinated Notes.

5 Interest and other Calculations

(a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer or any successor thereto (the “**TARGET System**”) is operating (a “**TARGET Business Day**”) and/or
- (ii) in the case of a specified currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or
- (iii) in the case of a specified currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres so specified

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual/365**” or “**Actual/Actual – ISDA**” is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/Actual-ISMA**” is specified in the relevant Pricing Supplement:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

in each case where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date specified hereon or, if none is so specified, the Interest Payment Date

- (iii) if **“Actual/365 (Fixed)”** is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365
- (iv) if **“Actual/360”** is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 360
- (v) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)) and
- (vi) if **“30E/360”** or **“Eurobond Basis”** is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)

“Effective Date” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Pricing Supplement or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates

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

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“Interest Amount” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the relevant Pricing Supplement

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Supplement or, if none is so specified, (i)

the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Pricing Supplement for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro

“Interest Payment Date” means the date(s) specified in the relevant Pricing Supplement

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the relevant Pricing Supplement

“ISDA Definitions” means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Pricing Supplement

“Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (**“Reuters”**) and Moneyline Telerate (**“Moneyline Telerate”**)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate

“Rate of Interest” means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Pricing Supplement

“Reference Banks” means the institutions specified as such in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Pricing Supplement or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London

“Relevant Date” means, in respect of any Note, Receipt or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised Notes if earlier) the date seven days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation

“Relevant Rate” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Pricing Supplement or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose **“local time”** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 a.m., Brussels Time

“Representative Amount” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Pricing Supplement or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time

“Specified Currency” means the currency specified as such in the relevant Pricing Supplement or, if none is specified, the currency in which the Notes are denominated and

“Specified Duration” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Pricing Supplement or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii)

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Pricing Supplement.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Pricing Supplement.

- (c) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Pricing Supplement) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Pricing Supplement as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Pricing Supplement
- (b) the Designated Maturity is a period specified in the relevant Pricing Supplement and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Pricing Supplement.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
 - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,in each case appearing on such Page at the Relevant Time on the Interest Determination Date
- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the “**Principal Financial Centre**”) are quoting at or about the

Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and interest will accrue by reference to an Index or Formula as specified in the relevant Pricing Supplement.
- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(e)(i)).
- (e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating, a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.
- (f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Pricing Supplement.
- (g) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (h) **Deferral of interest:** In the case of Undated Subordinated Notes, interest shall be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the Issuer so elects) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not have any obligation to make such payment. Notice of any Optional Interest Payment Date shall (for so long as the rules of the Luxembourg Stock Exchange so require) be given to the Noteholders in accordance with Condition 15 and to the Luxembourg Stock Exchange. Such notice shall be given at least seven days prior to the relevant Optional Interest Payment Date(s). Any interest not paid on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute “**Arrears of Interest**” which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiration of not less than seven days’ notice to such effect given to the Noteholders in accordance with Condition 15 but all Arrears of Interest on all Undated Subordinated Notes outstanding shall become due in full on whichever is the earliest of:
 - (i) the Interest Payment Date immediately following the date upon which the *Assemblée Générale* passed a resolution to pay a dividend on the ordinary share capital of the Issuer; and
 - (ii) the commencement of a liquidation or dissolution of the Issuer.

If notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice. When Arrears of Interest are

paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall (to the extent permitted by law) bear interest accruing (but only, in accordance with Article 1154 of the Civil Code, after such interest has accrued for a period of one year) and compounding on the basis of the exact number of days which have elapsed at the prevailing rate of interest on the Undated Subordinated Notes in respect of each relevant Interest Period. For these purposes the following expressions have the following meanings:

“Compulsory Interest Payment Date” means any Interest Payment Date unless at the *Assemblée Générale* of the shareholders of the Issuer immediately preceding such date which was required to approve the annual accounts of the Issuer for the fiscal year ended prior to such *Assemblée Générale*, no resolution was passed to pay a dividend on the ordinary share capital of the Issuer in respect of such previous fiscal year.

“Optional Interest Payment Date” means any Interest Payment Date, as the case may be, other than a Compulsory Interest Payment Date.

- (i) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:**
 - (i) If any Margin or Rate Multiplier is specified in the relevant Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph
 - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (j) **Interest on Undated Subordinated Notes:** Payment of interest on Undated Subordinated Notes may be postponed in accordance with applicable French banking laws and regulations and, in particular, Article 4 (c) of Regulation no.90-02 dated 23 February 1990 of the CRBF in France, as amended from time to time.
- (k) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (l) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:** As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each

Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (m) **Calculation Agent and Reference Banks:** The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Pricing Supplement and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. Any changes mentioned in this Condition 5(m) regarding the Calculation Agent shall be notified to the Luxembourg Stock Exchange in accordance with Condition 15.
- (n) **Interest on credit linked Notes:** In the case of credit linked Notes, their interest will be specified in the relevant Pricing Supplement.

6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any option provided by the relevant Pricing Supplement including any Issuer's option in accordance with Condition 6(c) or any Noteholders' option in accordance with Condition 6(d), each Note shall be finally redeemed on the Maturity Date specified in the relevant Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount. Subordinated Notes, the proceeds of which constitute Upper Tier 2 shall be Undated Subordinated Notes. The Maturity Date, in relation to Subordinated Notes the proceeds of which constitute Lower Tier 2 Capital, will not be less than five years from the Issue Date and where the proceeds constitute Tier 3 Capital, will not be less than two years from the Issue Date. In the case of credit linked Notes, their redemption will be specified in the Pricing Supplement.

- (b) **Redemption by Instalments and Final Redemption:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified in the relevant Pricing Supplement) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(c) or (6)(d), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (c) **Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption:** If a Call Option is specified in the relevant Pricing Supplement, the Issuer may, subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* in the case of Subordinated Notes the proceeds of which constitute Tier 2 Capital or Tier 3 Capital and to compliance by the Issuer by of all the relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Pricing Supplement) redeem, or exercise any Issuer's option (as may be described) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Pricing Supplement and no greater than the maximum nominal amount to be redeemed specified in the relevant Pricing Supplement. The redemption date, in relation to Subordinated Notes the proceeds of which constitute Lower Tier 2 Capital, will not be less than five years from the Issue Date and where the proceeds constitute Tier 3 Capital, will not be less than two years from the Issue Date.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article 9 of Decree no. 83-359 of 2 May 1983 and the provisions of the relevant Pricing Supplement, subject to compliance with any other applicable laws and stock exchange requirements.

So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

- (d) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If a Put Option is specified in the relevant Pricing Supplement and provided that the relevant Note is not a

Subordinated Note the proceeds of which constitute Tier 2 Capital or Tier 3 Capital, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption including, where applicable, any Arrears of Interest.

To exercise such option or any other Noteholders' option that may be set out in the relevant Pricing Supplement (which must be exercised on an Option Exercise Date) the Noteholder must deposit with any Paying agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained from any Paying Agent or the Registration Agent during normal business hours, as the case may be, within the notice period. In the case of Materialised Bearer Notes shall have attached to it such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent at its specified office. In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(e) **Early Redemption:**

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(f) or Condition 6(g) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Pricing Supplement.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or Condition 6(g) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Pricing Supplement.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(f) or Condition 6(g), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption

(including, where applicable, any Arrears of Interest) unless otherwise specified in the relevant Pricing Supplement.

(f) **Redemption for Taxation Reasons:**

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Pricing Supplement, at any time, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15 and, in the case of Subordinated Notes, the proceeds of which constitute Tier 2 Capital or Tier 3 Capital, subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire*, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Pricing Supplement, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15 and, in the case of Subordinated Notes, the proceeds of which constitute Tier 2 Capital or Tier 3 Capital, subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire*, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with, unless otherwise specified in the Pricing Supplement, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Pricing Supplement, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

- (g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Pricing Supplement.

- (h) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. In the case of Subordinated Notes the proceeds of which constitute Tier 2 Capital or Tier 3 Capital, any such purchase will be subject to the prior approval of the *Secrétariat Général* of the *Commission Bancaire* if it relates (individually or when aggregated with any previous purchase) to 10% or more of the principal amount of the Notes.

- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer must be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all

unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

- (j) **Illegality:** If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest).

7 Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Bearer Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent during normal business hours outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre of such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case

such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities (including Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange), (v) in the case of Dematerialised Notes, in fully registered form, a Registration Agent, (vi) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed and (vii) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(f) Unmatured Coupons and Receipts and unexchanged Talons:

- (i) Unless Materialised Bearer Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Bearer Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).
- (ii) If Materialised Bearer Notes so provide, upon the due date for redemption of any such Materialised Bearer Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Materialised Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for

redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

- (vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any Arrears of Interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Additional Financial Centres**” in the relevant Pricing Supplement and (B) (i) (in the case of a payment in a currency other than Euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.

8 Taxation

- (a) **Tax exemption for Notes issued or deemed to be issued outside France:** Interest and other revenues with respect to Notes which constitute *obligations* and which, as may be specified in the relevant Pricing Supplement, are being issued or deemed to be issued outside the Republic of France benefit from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (general tax code) from deduction of tax at source. Accordingly such payments do not give the right to any tax credit from any French source. The tax regime applicable to Notes which do not constitute *obligations* will be set out in the relevant Pricing Supplement.

As to the meaning of the expression “issued or deemed to be issued outside the Republic of France” see “Summary of the Programme – Taxation” above.

- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:
 - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or
 - (ii) **More than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the Noteholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

- (iii) **Payments to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (iv) **Payment by another Paying Agent:** presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU.
- (c) As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of Arrears of Interest, references to “becomes due” shall be interpreted in accordance with the provisions of Condition 5(h)) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, all Arrears of Interest) payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.
- (d) **Tax exemption for Notes not issued or deemed to be issued outside France:** Interest and other revenues with respect to Notes which, if so specified in the relevant Pricing Supplement, are not being issued or deemed to be issued outside the Republic of France only benefit from the exemption from deduction of tax at source provided by, and subject to the provisions of, Article 125 A III of the *Code Général des Impôts*, which requires *inter alia*, certification of non-French residency.
- (e) **Certification of Non-Residency in France:** Each Noteholder shall be responsible for supplying certification of non-residency (in the form as may be required by the French tax authorities from time to time) in accordance with the provisions of Article 125 A III of the *Code Général des Impôts* and the Issuer shall not be responsible for any deduction or withholding in respect of any payment made under any Note, Receipt or Coupon resulting from the failure of such Noteholder to submit such certification.

9 Events of Default

Any Noteholder may, upon written notice to the Fiscal Agent, request the immediate reimbursement of the Notes together with any interest accrued until the date of the reimbursement:

- (a) **Unsubordinated Notes:** In the case of Unsubordinated Notes
 - (i) the Issuer is in default for more than thirty (30) days for the payment of principal of, or interest on, any Note (including the payment of any additional amounts mentioned in Condition 8 “**Taxation**” pursuant to the terms thereof), when the same shall become due and payable; or
 - (ii) the Issuer is in default in the performance of any of its other obligations under the Notes and such default has not been cured within forty-five (45) days after the receipt by the Fiscal Agent of the written notice of such default by a Noteholder; or
 - (iii) any indebtedness of the Issuer in excess of Euro 50,000,000 or any guarantee by the Issuer of any such indebtedness shall become due and is not paid on the date which is the later of (i) its stated maturity, and (ii) the expiry of applicable grace periods (the term

“**indebtedness**” as used herein shall mean any note or other debt instrument issued by the Issuer or any credit facility granted to the Issuer by banks); or

- (iv) the Issuer sells, transfers or otherwise disposes of, directly or indirectly, the whole or a substantial part of its assets, or the Issuer enters into, or commences any proceedings in furtherance of, forced or voluntary liquidation or dissolution, except in the case of a disposal, dissolution, liquidation, merger or other reorganisation in which all of or substantially all of the Issuer’s assets are transferred to a legal entity which simultaneously assumes all of the Issuer’s debt and liabilities including the Notes and whose main purpose is the continuation of, and which effectively continues, the Issuer’s activities; or
 - (v) the performance of any obligation of the Issuer under the Notes contravenes any legal provisions entered into force after the date hereof or contravenes any provision entered into force after the date hereof or contravenes any provision in effect at the date hereof due to a change of interpretation of such provisions by any competent authority; or
 - (vi) the Issuer applies for or is subject to the appointment of a conciliator (*conciliateur*) or enters into an amicable settlement (*règlement amiable*) with its creditors or a judgement is rendered for its judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l’entreprise*) or makes any conveyance for the benefit of, or enters into any agreement with, its creditors or cannot meet its current liabilities out of its current assets.
- (b) **Subordinated Notes:** In the case of Subordinated Notes and in accordance with Condition 3(b), if any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 3(b), at their principal amount together with any accrued interest to the date of payment.

10 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 Representation of Noteholders

Except as otherwise provided by the relevant Pricing Supplement, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the “**Masse**”).

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48 and L.228-59 and by the decree no. 67-236 of 23 March 1967 with the exception of Articles 218, 222 and 224 subject to the following provisions:

(a) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the Noteholders (the “**General Meeting**”).

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

(b) Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Executive Board (*Directoire*), its Supervisory Board (*Conseil de Surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of

Directors, Executive Board (*Directoire*), or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or

- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Pricing Supplement. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Pricing Supplement.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the name and address of the Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) Powers of Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

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

The Representative may not be involved in the management of the affairs of the Issuer.

(d) General Meeting

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

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 15.

Each Noteholder has the right to participate in a General Meeting in person or by proxy. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(e) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in

controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor authorise or accept a postponement of the date of payment of interest on or a modification of the terms of repayment of or the rate of interest on the Notes, nor establish any unequal treatment between the Noteholders and that no amendment to the status of Subordinated Notes the proceeds of which constitute Tier 2 Capital or Tier 3 Capital may be approved until the consent of the *Secrétariat Général* of the *Commission Bancaire* has been obtained in relation to such amendment.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a quarter of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(f) Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during normal business hours and at any other place specified in the notice of the General Meeting.

(g) Expenses

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

(h) Single Masse

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

12 Modifications

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

The Agency Agreement will be capable of amendment or waiver by the parties thereto, without the consent of Noteholders, Receiptholders or Couponholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties to the Agency Agreement mutually deem necessary or desirable and which does not, in the reasonable opinion of such parties, adversely affect the interests of the Noteholders, Receiptholders or Couponholders.

13 Replacement of definitive Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the

Issuer may require. Mutilated or defaced Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues and Consolidation

- (a) **Further Issues:** Unless otherwise specified in the relevant Pricing Supplement, the Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further Notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Pricing Supplement) and that the terms of such Notes provide for such assimilation and references in these Conditions to “Notes” shall be construed accordingly.
- (b) **Consolidation:** The Issuer, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent, may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed on any stock exchange(s), notices shall be valid if published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed which in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form shall be valid if published in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed on any stock exchange, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed which in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15 (a), (b), (c), above; except that (i) so long as such Notes are listed on any stock exchange(s) and the rules of that stock exchange so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 shall also be published in a leading newspaper of general circulation in Europe.

16 Governing Law and Jurisdiction

- (a) Governing Law: The Notes and, where applicable, the Receipts, the Coupons and the Talons and the Agency Agreement are governed by, and shall be construed in accordance with, French law.
- (b) Jurisdiction: Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons and the Agency Agreement may be brought before any competent court in Paris.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES

Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”), Euroclear or Clearstream, Luxembourg will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Pricing Supplement indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Materialised Bearer Notes and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for Definitive Materialised Bearer Notes.

Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes. In this Offering Circular, Definitive Materialised Bearer Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement.

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of the Unsubordinated Notes will be used for the Issuer's general corporate purposes unless otherwise specified in the relevant Pricing Supplement. The net proceeds from the issue of Subordinated Notes under the Programme will be used by the Issuer in accordance with the provisions of the relevant Pricing Supplement.

DESCRIPTION OF CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PREVOYANCE

INTRODUCTION

Legal form

CNCEP is a bank organised as a *société anonyme à directoire et conseil de surveillance* (corporation) governed by a Management Board and a Supervisory Board subject to the provisions of the *Code de commerce* and, in particular, articles L.225-57 to L.225-93 of the commercial code, the provisions of Decree 67-236 of 21 March 1967, the provisions of the law n° 84-46 of January 1984 embodied in the Code and to the legal, regulatory provisions adopted for the implementation or modification of such texts.

CNCEP was granted final approval as a bank by the *Comité des Etablissements de Crédit et des Entreprises d'Investissement* (Committee of credit institutions and investment firms) on 27 October 1995, when it was still named the Caisse Centrale des Caisses d'Epargne et de Prévoyance.

Pursuant to article 29 of the Savings and Financial Security Law n° 99-532 of 25 June 1999, during the extraordinary shareholders' meeting convened on 29 September 1999, the Caisse Centrale des Caisses d'Epargne et de Prévoyance became the Caisse Nationale des Caisses d'Epargne et de Prévoyance and took over from the Centre National des Caisses d'Epargne et de Prévoyance as the central body of the Caisse d'Epargne Group, as provided for by articles L.511-30, L.511-31 and L.511-32 of the Code. The new name and new responsibilities of the central institution are irrelevant to the form and official approval of CNCEP.

Duration of CNCEP

The duration of CNCEP is set at 99 years and shall consequently expire on 26 November 2090, except in the event of earlier dissolution or extension.

Purpose

Pursuant to article 2 II of its Articles of Incorporation, CNCEP is a credit institution, officially approved as a bank. In this respect, it conducts – independently of its responsibilities as a central institution as defined in article L.512-95 of the Code – both in France and abroad, all the banking operations referred to in articles L.311-1 and L.311-2 and provides the investment services referred to in articles L.321-1 and L.321-2 of the Code, to French and foreign customers and, notably, to the Caisses d'Epargne and all entities and companies contributing to the development of the Caisse d'Epargne Group.

In this capacity, CNCEP may acquire and hold investments in companies contributing to the purpose outlined above or to the development of the Caisse d'Epargne Group network or, more generally, may conduct all operations of any nature related directly or indirectly to this purpose and liable to facilitate its development or achievement.

CNCEP registration

CNCEP is registered at the *Registre du Commerce et des Sociétés de Paris* under reference number 383 680 220.

Its registered office is at 5, rue Masseran – 75007 Paris, France.

Its head office for business purposes is at 77, boulevard Saint-Jacques – 75014 Paris, France.

MANAGEMENT OF CNCEP

The Management Board

The following are members of the Management Board (*Directoire*) of CNCEP:

Charles MILHAUD	Chairman
Philippe WAHL	General Manager
Pierre CARLI	
Nicolas MERINDOL	
Bruno METTLING	

The Supervisory Board

The following are members of the Supervisory Board (*Conseil de Surveillance*) of CNCEP :

Chairman	Michel ANDRIER
Vice Chairman	Bernard COMOLET
Caisses d'Epargne Representatives	Michel DOSIERE*
	Jean-Charles COCHET
	Jean-Claude CREQUIT
	François DROUIN
	Marcel DUVANT
	Alain LEMAIRE
	Jean LEVALLOIS
	Jean MERELLE
	Jacques MOUTON
	Hervé VOGEL
Caisse des Dépôts Representatives	Isabelle BOUILLOT (permanent representative)
	Daniel LEBEGUE
	Jean-Pierre MENANTEAU
	Gérard BARBOT
	Antoine LISSOWSKI
	Gilles BENOIST
Network's employees Representatives	Jacques MOREAU
	Jean-Jacques DORMOY
Censors	Joël BOURDIN
	Jean-Louis CARRERE
Works Council Representatives	Maryse AGUINET
	Jean-Pierre BASTIAS
	Philippe CHASSAING

* Appointed by the other members of the Supervisory Board on 25 October 2002 replacing Georges CARA who resigned. This decision will be subject to ratification at the next Ordinary General Meeting of the shareholders.

CNCEP's Statutory Auditors

The statutory auditors (*Commissaires aux Comptes*), which are members of the *Compagnie Nationale des Commissaires aux Comptes*, are appointed every six years by CNCEP's shareholders to audit CNCEP's accounts and financial reports.

CNCEP's statutory auditors are :

- KPMG SA, represented by Mr Philippe SAINT-PIERRE and Mr Rémy TABUTEAU, 2 bis, rue de Villiers, 92300 Levallois-Perret ; and
- Cabinet Coopers & Lybrand Audit, represented by Mr Yves NICOLAS, 32 rue Guersant, 75017 Paris.

The substitute statutory auditors are :

- Mr Gérard RIVIERE, 1, cours Valmy, 92923 Paris La Défense Cedex,
- Mr Pierre ANGLADE, 32 rue Guersant, 75017 Paris.

Financial year

The financial year is the calendar year.

Recent developments

EUROPEAN ALLIANCE BETWEEN CAISSE D'EPARGNE GROUP AND CAISSE DES DEPÔTS GROUP

In 2001, the Caisse d'Epargne Group launched a new phase in its growth strategy by concluding a European financial alliance with the Caisse des Dépôts in the form of a holding company – named “EULIA”, set up to optimise synergies between their business activities and to reinforce both groups' potential for future growth.

EULIA is a “multi – specialist” and “multi – customer” alliance based on the complementary strengths of retail and investment banking.

The two groups have combined their competitive financial activities in investment banking, insurance and real estate, along with the specialised financial services of their retail banking divisions within four core business lines.

The financial holding company, EULIA – which became operational on January 1, 2002 – is a joint subsidiary of the Caisse d'Epargne and *Caisse des Dépôts* which controls the interests owned by both groups in the four core business lines listed above. Equally owned (50.1% by CDC and 49.9% owned by CNCE) and co-chaired by the Chairman of the Management Board of the CNCE and the CEO of the Caisse des Dépôts, Eulia's mission is to ensure the strategic management of the alliance in accordance with the responsibilities of the CNCE as the central institution of the Caisses d'Epargne network, as provided for by the Act of June 25, 1999 in article L.512-95 of the Code.

With shareholders' equity of 18 billion euro (2000 figures), EULIA is the third largest French financial entity pursuing its business activities in six European countries, the United States and Japan. The Caisse d'Epargne and Caisse des dépôts groups have set themselves the target of doubling the earnings of the alliance over the next five years.

CNCEP CAPITALISATION

The capitalisation of the Issuer as at 30 June 2002 is as follows (in millions of euros):

Medium and long term borrowings (more than 1 year)	
Unsubordinated Issues	18,388
Subordinated Issues	
Tier 2 Subordinated Issue	837
Other Subordinated Issue	0
	<hr/>
1/Total medium and long term borrowings	19,225
	<hr/>
Own Funds	
Issued Share Capital	2,905
Subscription Premium	622
Legal reserves	16
Other reserves	55
Net Profit 2001 after distribution	0
	<hr/>
2/Total Own Funds	3,598
	<hr/>
(1) + (2) Total Capitalisation	22,823
	<hr/> <hr/>

The share capital is equal to Euro 2,905,079,234.75 divided into 190,496,999 fully paid-up ordinary shares of Euro 15.25 each.

There has been no material change in the capitalisation of CNCEP since 30 June 2002.

CNCEP'S MANAGEMENT REPORT FOR THE YEAR 2001

1 Highlights of the 2001 financial year

● **Creation of Eulia, the pan-European financial alliance between the Caisse d'Epargne Group and the Caisse des dépôts Group**

A major financial institution at a pan-European level, Eulia is currently the third largest French financial entity in terms of shareholders' equity (Euro 17.7 billion), the diversity of its clientele and the scope of its core business activities.

Eulia employs a total of 48,000 people; it boasts aggregate net banking income of Euro 8.3 billion with a ROE of 10%.

Compagnie Financière Eulia is a financial holding company jointly managed by its two shareholders, the Caisse des dépôts et consignations and the CNCE, which hold stakes in the new company's capital of 50.1% and 49.9% respectively. Eulia is responsible for the strategic governance of the alliance, namely:

- to define, recommend and supervise adherence to the strategy of Eulia's core business lines,
- to promote greater synergies,
- to oversee the national and international expansion of the core activities pursued by the European financial alliance.

Within the broader framework of this strategic oversight, the operational units will assume full responsibility for their commercial activities and results. To ensure the efficient execution of its responsibilities, Compagnie Financière Eulia will hold both partners' combined equity interests in the non-regulated core business lines, namely: the specialised retail banking subsidiary, the investment banking arm, insurance and guarantees, and real estate.

● **Acquisition of two overseas banks**

On December 28, 2001, the CNCE acquired from the Bank of Hawaii a majority interest in the Banque de Tahiti and the Bank of Hawaii-New Caledonia, renamed on this occasion "Banque de Nouvelle-Calédonie."

This transaction significantly reinforced the presence of the Caisse d'Epargne Group in French overseas territories where it now runs the largest banking network (in terms of market share) with, notably, 10% of the banking market in the French West Indies, 20% on Reunion Island and 20% in French Polynesia. The Group was already present in the French West Indies, Reunion Island and Saint-Pierre-et-Miquelon prior to these new acquisitions.

The Caisse d'Epargne Group now generates total net banking income of Euro 200 million from its operations in French overseas territories.

The Banque de Tahiti and the Banque de Nouvelle-Calédonie will be consolidated within the structure of the Caisse d'Epargne Group in 2002.

● **Creation of Caisse d'Epargne Financement**

The Caisse d'Epargne Group joined forces with Cetelem to create a subsidiary specialising in consumer credit: *Caisse d'Epargne Financement* (CEFI); the Group controls 67% of this new financial company.

The corporate mission of this new entity is to sell and manage a full range of consumer credit. It will deploy its activities gradually through the Caisses d'Epargne network in the course of 2002 and will subsequently be in a position to sign agreements with other banking networks on both domestic (French) and international markets.

At the beginning of 2002, it will launch the "Teoz" card, a renewable credit product combined with an innovative Visa-style banker's card.

CEFI will be consolidated within the Group structure as of 2002.

- **Borrowers' insurance**

The Group took full advantage of its negotiating power to launch a call for tenders related to insurance to cover borrowers' contracts.

The CNP was chosen by 25 Caisses d'Epargne while AXA was chosen by 5 other Caisses d'Epargne.

- **Continued development of Compagnie de Financement Foncier**

This Group subsidiary, the front-ranking player in the market for *obligations foncières* (secured paper similar to mortgage-backed bonds or debentures secured on landed property) launched issues for a total value of Euro 6.3 billion in 2001. This paper received the highest possible triple-’A’ rating from the principal rating agencies.

Apart from the acquisition of internal receivables from the Crédit Foncier Group for a total of Euro 2.3 billion, the activities of Compagnie de Financement Foncier was marked, in 2001, by the initial transactions related to the securitisation of receivables from the individual Caisses d'Epargne for a total of Euro 300 million.

2 Analysis of consolidated income

	CNCE	Crédit Foncier Group	Others	Total 2001	Total 2000
			(in millions of euros)		
Net banking income	217	358	162	737	626
General operating expenses	-136	-306	-172	-614	-518
Gross operating income	81	52	-10	123	108
Risk-related costs	19	-20	-1	-2	16
Operating income	100	32	-11	121	124
Share in net income of companies accounted for by the equity method	—	25	30	55	44
Gains (or losses) on fixed assets	10	—	7	17	95
Net ordinary income before tax	110	57	26	193	263
Extraordinary items	-2	51	—	49	-36
Tax on profits	1	9	-6	4	-4
Amortization of goodwill	-4	-2	—	-6	-5
Allocations to the Reserve for General Banking Risks and regulated reserves	8	-33	—	-25	-76
Minority interests	—	-6	-5	-11	-11
Net profit attributable to the Group	113	76	15	204	131
Earning capacity	105	109	15	229	207

Consolidated net income (Group's share) of the CNCE amounted to Euro 204 million in 2001, representing growth of Euro 73 million over the figure for 2000.

Earning capacity (consolidated net income, Group's share before allocations to the Reserve for General Banking Risks) reached a total of Euro 229 million, equal to growth of 11%.

The Crédit Foncier Group is 52.78%-owned by the CNCE and 40%-owned by Compagnie Financière Eulia. It is subject to the joint supervision of both partners within the wider framework of Eulia, following the pact agreed by the shareholders of Compagnie Financière Eulia. It is recorded in the consolidated accounts of the CNCE on a proportional basis whereas it was recorded in the CNCE's books as a fully consolidated subsidiary until 2000. Starting on December 31, 2001, the percentage of proportional consolidation used to record this subsidiary in the CNCE's accounts is equal to the percentage interest of the CNCE in the Crédit Foncier Group, namely 72.74%.

2.1 Analysis of net banking income

	2001	2000	Change	% change
	<i>(in millions of euros)</i>			
Net interest margin and similar income . .	441	380	61	16%
Commission and fee income	201	185	16	9%
Other net income.	95	61	34	56%
Net banking income.	737	626	111	18%

Net banking income for the year amounted to Euro 737 million of which 29% was derived from the Caisse Nationale and 49% represents the contribution of the Crédit Foncier Group.

The Euro 111 million increase in net banking income compared with 2000 may be broken down as follows:

- a decline in the contribution from the Caisse Nationale with respect to financial activities, which is chiefly due to the disappointing stock market performance in 2001,
- strong growth in net banking income generated by the Crédit Foncier Group, chiefly as a result of the lower average cost of CFF resources following the redemption of high interest-rate loans and growth in outstandings in the non-regulated market. Net banking income also benefited from the liquidation of speculative swap operations.

2.1.1 Net interest margin

	2001	2000	Change	% change
	<i>(in millions of euros)</i>			
Net interest income and related revenues	395	303	92	30%
Revenue from variable-interest securities	45	44	1	3%
Net gains on financial operations .	1	33	-32	-97%
Net interest margin	441	380	61	16%

The **net interest margin** rose 16% compared with 2000 to reach a total of Euro 441 million.

This increase was driven by the strong rise in net interest income (+ 30%) due to robust growth in the Caisse Nationale's loans outstanding position and the decline in the average cost of CFF resources.

2.1.2 Commissions

	2001	2000	Change	% change
	<i>(in millions of euros)</i>			
Customer transactions	35	22	13	59%
Payment processing	60	54	6	11%
Securities transactions	106	108	-2	-2%
Other commissions	-	1	-1	-100%
Total	201	185	16	9%

Commissions received in 2001 stand at a total of Euro 201 million versus Euro 185 million received in the course of the previous year.

This increase is chiefly due to customer transactions, with a Euro 13 million increase in contributions from one year to the next. The collection of substantial commissions with respect to the organisation of operations related to the lending and special financing activity also contributed to this positive performance.

Commissions charged on payment processing services rose 11%, driven by growth in the volume of transactions handled.

2.2 General operating expenses

	2001	2000	Change	% change
	<i>(in millions of euros)</i>			
Personnel costs	328	295	33	11%
Taxes	25	22	3	14%
External services	349	279	70	25%
Cross-charged expenses	-123	-100	-23	23%
Net depreciation charges	35	22	13	59%
Operating expenses	614	518	96	19%

General operating expenses rose 19% to a total of Euro 614 million, including Euro 136 million of costs from the Caisse Nationale (against Euro 127 million in 2000) and Euro 306 million from the Crédit Foncier Group (against Euro 269 million in 2000).

The general expenses of the Crédit Foncier Group are inflated by non-recurring items, notably a provision for retirement obligations for a total of Euro 19 million.

For the Caisse Nationale, the broadening of its responsibilities and growth in personnel justify the higher operating expenses which, however, still remain significantly below the level provided for in the revised budget.

Cross-charged expenses include the operating costs of the central institution and, since 2001, strategic initiatives such as intra-community IT programmes, creation of subsidiaries, etc. and cross-functional projects recharged for their actual amount to the network. These initiatives and projects are supervised by the Caisse Nationale on behalf of the Group entities within the framework of its strategic plan.

2.3 Gross operating income

Gross operating income rose by Euro 15 million compared with 2000 to reach a total of Euro 123 million in 2001.

This growth is the result of the combined impact of the following factors:

- a contribution from the CNCE for a total of Euro 81 million, representing a decline of Euro 31 million compared with 2000. This depressed result can be explained by the fact that net

banking income generated by financial activities was penalized by the disappointing stock market performance in 2001. It was partially offset, however, by budgetary cuts decided by the Management Board towards the end of the year,

- the contribution from the Crédit Foncier Group for a total of Euro 52 million in 2001 should be compared with a loss of Euro 23 million posted in 2000, in line with the sharp recovery in net banking income.

2.4 Risk-related costs

This item records the combined impact of two opposing events:

- the net allocation of Euro 20 million with respect to the Crédit Foncier Group including notably:
 - the allocation of a **sector-based provision** related to activities in the aeronautical industry (Euro 10.2 million),
 - the net allocation of a so-called “**dynamic**” **provision**, drawn up in compliance with the standards of the Caisse d’Epargne Group, for a total of Euro 34.3 million divided into Euro 12.2 million in respect of financing activities in the aeronautical sector, Euro 7.5 million in respect of other major account financing activities, Euro 13 million in respect of small- to medium-sized enterprises, and Euro 1.6 million in respect of the local government market,
 - a reversal of provisions for miscellaneous real-estate risks for a total of Euro 22.3 million, of which Euro 13.7 million in respect of an “ex ante” provision retained in 1998 on performing loans to self-employed professionals for a unit amount less than FRF5 million (Euro 762,000);
- a net reversal with respect to the CNCE for a total of Euro 19 million chiefly concerning dynamic provisions related to the transfer of lending activities to the CDC IXIS Group. The balance of the provision stands at Euro 4 million and corresponds to the risks still carried by the CNCE.

2.5 Net ordinary income before tax

Net ordinary income before tax reached Euro 193 million in 2001, representing a Euro 70 million decline compared with 2000, a period enjoying exceptional income related to restructuring operations within the Group.

Share in net income of companies accounted for by the equity method stands at Euro 55 million. The companies which made the largest contribution to this result in 2000 were the following:

	2001	2000	Change	% change
	<i>(in millions of euros)</i>			
CDC IXIS AM	4	5	–1	–20%
Cicobail	4	3	1	33%
Foncier Participations	2	9	–7	–78%
SICP	12	19	–7	–37%
Simco	11	14	–3	–21%
Holassure	22	–8	30	ns
Divers	0	2	–2	–100%
Total	55	44	11	25%

The negative contribution of HOLASSURE in 2000 was related to measures taken to cover a possible 2% decline in value of CNP shares liable to be transferred to La Poste in 2003 in accordance with certain provisions contained in the shareholders’ pact.

The significant Euro 78 million decline in gains **(or losses) on fixed assets** is the result of two exceptional events that occurred in 2000:

- capital gains on the sale of Société des Immeubles de France to Simco (Euro 44 million),

- capital gains, in the Group's favour, derived from the transfer to the Holassure holding company of CNCE's interest in CNP (Euro 37 million).

2.6 Extraordinary items

Extraordinary income stands at Euro 49 million and corresponds, for the most part, to a reversal of provisions previously retained by the Crédit Foncier Group to provide for costs related to an employment scheme.

2.7 Allocations to the Reserve for General Banking Risks and regulated reserves

This item is subject to a net allocation of Euro 25 million resulting from:

- a reversal of Euro 8 million to the Caisse Nationale, corresponding to the flat-rate regulated provision for medium-to long-term risks,
- Euro 33 million appropriation to the Reserve for General Banking Risks carried in the accounts of the Crédit Foncier Group.

2.8 Corporation tax

The "Tax on profits" item reveals income of Euro 4 million chiefly derived from involvement in fiscal partnerships (*GIE fiscaux*).

2.9 Net profit attributable to the Group

The CNCE's consolidated net profit attributable to the Group for the 2001 financial period amounts to Euro 204 million, representing an increase of Euro 73 million compared to the previous year.

3 Analysis of the consolidated balance sheet

Following the implementation of the Alliance project, the scope of consolidation of the CNCE Group changed significantly at December 31, 2001 notably with the arrival of the CDC IXIS Group in the consolidated structure.

As a result of the various operations related to the creation of Eulia, the CNCE's principal holdings include 49.9% of Compagnie Financière Eulia, 52.78% of the capital of Crédit Foncier de France, and all the shares of Holassure.

Consolidated balance sheet – assets

	<i>CNCE</i>	<i>Crédit Foncier Group</i>	<i>CDC IXIS Group</i>	<i>Others</i>	<i>Total 2001</i>	<i>Total 2000</i>
			<i>(in billions of euros)</i>			
Due from banks	37.0	2.8	31.4	0.0	71.2	57.1
Customer loans	0.1	20.1	4.5	0.2	24.8	31.1
Securities transactions	1.0	3.6	19.3	1.7	25.6	9.7
Fixes assets	0.1	0.1	0.7	0.1	1.0	0.3
Other assets	2.2	2.6	4.5	0.8	10.1	5.2
Total Assets	40.4	29.2	60.4	2.8	132.7	103.4

Consolidated balance sheet – liabilities

	<i>CNCE</i>	<i>Crédit Foncier Group</i>	<i>CDC IXIS Group</i>	<i>Others</i>	<i>Total 2001</i>	<i>Total 2000</i>
			<i>(in billions of euros)</i>			
Due to banks.	14.7	3.3	24.4	0.5	42.9	40.4
Customer deposits.	0.3	0.6	4.3	—	5.2	1.1
Securities and subordinated debt . .	32.3	21.1	9.7	—	63.1	52.8
Other liabilities	2.9	3.5	10.6	0.4	17.4	6.6
Capital funds.	3.7	0.1	0.4	—	4.2	2.5
Total Liabilities	53.9	28.6	49.4	0.9	132.8	103.4

At December 31, 2001 the total consolidated assets of the CNCE Group amounted to Euro 132.8 billion, 28% higher than at the end of the previous financial year.

Owing to the change in the consolidation method applied to the Crédit Foncier Group, this subsidiary is recorded in the consolidated accounts for Euro 10.7 billion less than the amount obtained on a full consolidation basis.

The arrival of the CDC IXIS Group in the CNCE Group structure has led to a Euro 42.3 billion increase in the consolidated balance sheet, excluding the impact of the CNCE contribution.

The consolidated balance sheet of the CNCE Group is reduced by a total of Euro 18.9 billion following the transfer of the CNCE's Finance Division to the CDC IXIS Group.

Other effects which include, in particular, the change in consolidation method applied to the Cicobail Group result in an aggregate increase in the consolidated balance sheet equal to Euro 1.7 billion.

If the various impacts related to the creation of Eulia are excluded, total consolidated assets stand at Euro 118.5 billion.

3.1 Interbank items

	<i>2001</i>	<i>2000</i>	<i>Change</i>	<i>% change</i>
			<i>(in billions of euros)</i>	
Due from banks	71.2	57.1	14.1	25%
<i>of which Caisses d' Epargne</i>	<i>14.7</i>	<i>50.2</i>	<i>–35.5</i>	<i>–71%</i>
Due to banks.	42.9	40.4	2.5	6%
<i>of which Caisses d' Epargne</i>	<i>9.2</i>	<i>21.9</i>	<i>–12.7</i>	<i>–58%</i>
Net interbank position.	28.3	16.7	11.6	69%
<i>of which Caisses d' Epargne</i>	<i>5.5</i>	<i>28.3</i>	<i>–22.8</i>	<i>–81%</i>

Within the framework of the creation of Eulia, the refinancing activity of the Caisses d'Epargne has now been entrusted to Martignac Finance, a wholly-owned subsidiary of CDC IXIS. The CDC IXIS Group is consolidated on a proportional basis in the consolidated accounts of the CNCE at the rate of 26.45% (representing the percentage of indirect ownership via Compagnie Financière Eulia, which holds 53% of the capital of the CDC IXIS Group).

The item “Due from banks” on the assets side of the consolidated balance sheet of the CNCE Group is affected by the transactions related to the creation of Eulia as follows:

- the transfer from the Caisse Nationale to Martignac Finance of claims on the Caisses d'Epargne, resulting in the sharp decline in outstandings carried on this line of the balance sheet,
- the refinancing of Martignac Finance by the Caisse Nationale, in the form of “mirror loans,” contributing to the continued presence of significant outstandings due from banks,

- the inclusion in the consolidated balance sheet of the Caisse d'Epargne Group of interbank loans of the CDC IXIS Group carried at the proportional consolidation rate of 26.45%,
- and, to a lesser extent, the change in consolidation method (from full to proportional consolidation) applied to the Crédit Foncier Group has led to a small reduction in the consolidated interbank loans item.

The item “Due to banks” on the liabilities side of the consolidated balance sheet of the CNCE Group is similarly affected by the transactions related to the creation of Eulia.

The balance of these different items results in a net lending position of Euro 28.3 billion. The position vis-à-vis the Caisses d'Epargne network continues to show an excess of loans over debts, but for a total of only Euro 5.5 billion at December 31, 2001 compared with Euro 28.3 billion carried on the consolidated balance sheet in 2000. This reduction reflects, in particular, the operations related to the creation of Eulia.

The intermediation activity carried out on behalf of the Caisses d'Epargne enjoyed strong growth during the year. If the Eulia effect is excluded, loans and advances to financial institutions would have increased by 15% to reach a total of Euro 65.5 billion.

3.2 Customer loans

	<i>2001</i>	<i>2000</i>	<i>Change</i>	<i>% change</i>
		<i>(in billions of euros)</i>		
Home purchase loans	17.3	22.6	−5.3	−24%
Personal loans	0.5	1.5	−1.0	−64%
Equipment financing	3.6	5.2	−1.6	−31%
Miscellaneous	3.5	1.8	1.7	93%
Outstanding customer loans	24.9	31.1	−6.2	−20%

Customer transactions recorded on the consolidated balance sheet of the CNCE Group suffered a 20% decline both in the home purchase loans and equipment financing sectors.

This change can be explained by three factors: the transfer to the CDC IXIS Group of the bulk of the CNCE's customer outstandings, the partial inclusion on the consolidated balance sheet of the customer outstandings of the Crédit Foncier Group, and the fact that these changes are only offset to a very limited extent owing to the inclusion of the CDC IXIS Group in the consolidated accounts:

- the contribution of the CNCE's lending business to the CDC IXIS Group has reduced the amount of consolidated customer transactions by a total of Euro 4.7 billion,
- the outstandings carried by the Crédit Foncier Group rose by 1% during the year thanks to strong growth (30%) in new loan origination; but this growth is concealed by the change in the consolidation method related to the creation of Eulia. This new consolidation approach also removed Euro 7.5 billion from the contribution of the Crédit Foncier Group to the “customer loans” segment carried on the consolidated balance sheet of the CNCE Group,
- if the CNCE contribution is excluded, the impact of including the CDC IXIS Group in the CNCE Group structure represents additional customer transactions for a total of Euro 2.8 billion.

Thus, if the accounts were restated to exclude the impact of the creation of Eulia, customer transactions concluded by the CNCE Group would stand at 34.3 billion, equal to an increase of approximately 10% compared with the previous year.

3.3 Debt securities issued

	2001	2000	Change	% change
	<i>(in billions of euros)</i>			
Certificates of deposit and domestic medium term notes	19.0	10.3	8.7	84%
Bonds outstanding	42.5	40.7	1.8	4%
of which secured bonds	17.9	22.2	-4.3	-19%
Total debt securities issued	61.5	51.0	10.5	21%

Total resources in the form of debt securities issued by the CNCE Group rose by Euro 10.5 billion compared with their position at December 31, 2000.

The growth in bonds outstanding representing an increase of Euro 1.8 billion is partially cancelled out by the change in the method used to record the Crédit Foncier Group in the consolidated accounts of the CNCE Group.

In particular, the line “secured bonds” (*obligations foncières*) shows a reduction of Euro 4.3 billion but this position does not reflect all the activities of Compagnie de Financement Financière, which issued bonds of this type for a total of Euro 6.3 billion in 2001 and whose resources have increased.

The amount of debt securities issued by the CNCE has also continued to rise. For the first time in 2001, the CNCE issued 8 to 10-year guaranteed-capital bonds indexed on the equities market.

The resources needed to cover the short-term refinancing requirements of the Caisses d’Epargne were chiefly raised through the issue of certificates of deposit and domestic medium term notes, leading to an 84% increase in this item.

3.4 Securities portfolio

	2001	2000	Change	% change
	<i>(in billions of euros)</i>			
Bonds, shares, other fixed- and variable-income securities	22.8	7.8	15.0	192%
Investments by insurance companies . . .	0.4	0.2	0.2	100%
Investments, interest in associated companies and other long-term positions	2.4	1.7	0.7	41%
Total securities transactions	25.6	9.7	15.9	164%

The securities portfolio carried on the consolidated balance sheet of the CNCE Group is affected as follows by the operations related to the creation of Eulia:

- the transfer from the Caisse Nationale to the CDC IXIS Group of the securities held within the framework of the activities of its Finance Division, leading to a Euro 3.6 billion reduction in the total outstandings included under this heading,
- the inclusion on the consolidated balance sheet of the Caisse d’Epargne Group of the securities held by the CDC IXIS Group accounted for at the proportional consolidation rate of 26.45%. This percentage interest represents a volume of Euro 18 billion.
- the change in the consolidation status (from full to proportional consolidation) of the Crédit Foncier Group has also led to a reduction in this item for a total of Euro 1.4 billion.

If the Eulia effect is excluded, the volume of the securities portfolio stands at approximately Euro 12 billion.

Bonds, shares and other fixed- and variable income securities aggregating a total of Euro 22.8 billion at December 31, 2001 can be broken down as follows:

- trading securities: Euro 14.1 billion, against Euro 1.3 billion in 2000,
- securities held for sale: Euro 4.2 billion, against Euro 3.6 billion in 2000,
- investment securities: Euro 3.8 billion, against Euro 2.7 billion in 2000.

3.5 Changes in capital funds

Consolidated capital funds (excluding minority interests) increased substantially compared to the previous financial year, rising from Euro 2.5 billion to Euro 4.2 billion. Once again, this change is chiefly due to the creation of Eulia.

This Euro 1.7 billion increase can mainly be explained by the following two factors:

- the new equity issue by the CNCE for a total of Euro 1.3 billion, including share premiums,
- the application of French Accounting Regulatory Committee (CRC) Rule 2000-08 (paragraph 2801) (which allows contributions made within the framework of Eulia to be carried at their book value) had an impact on consolidated reserves equal to Euro 411 million that may be broken down as follows:

	<i>(in millions of euros)</i>
New consolidation of the CDC IXIS Group	+ 419
New consolidation of Compagnie Financière Eulia	-148
New consolidation of Ecureuil Vie	+ 85
New consolidation of the Sogeccef Group	+ 61
Dilution of the equity of the Crédit Foncier Group	-22

4 Comments on the activities and results of the CNCE

4.1 Changes in the balance sheet of the CNCE parent company

Total assets recorded on the balance sheet of the CNCE parent company stand at Euro 54.3 billion, representing 18% less than the figure for the year 2000. This change translates the impact of assets contributed by the CNCE to the CDC IXIS Group within the framework of the creation of Compagnie Financière Eulia. Before these contributions, total assets stood at Euro 78.1 billion, representing growth of 18% over the position at December 31, 2000.

On the assets side, virtually all of the item “Loans and advances to customers” whose volume reached Euro 6.4 billion at the end of the year, representing a 50% increase during the period was transferred to the CDC IXIS Group. The same is true of the item “Bonds and other fixed-income securities” whose balance sheet total exceeded Euro 5 billion prior to the contribution operations but only amounted to Euro 416 million afterwards.

Total “Loans and advances to financial institutions” remain high. The CNCE has replaced, on its balance sheet, the refinancing facilities previously granted to the Caisses d’Epargne with “mirror loans” granted to Martignac Finance within the framework of the Eulia creation process. Nevertheless, the transfer of the CNCE’s Finance Division to the CDC IXIS Group has led to a reduction in outstandings from Euro 52.2 billion to Euro 42.7 billion.

On the liabilities side, the item “Amounts due to financial institutions” only represents Euro 15.7 billion against Euro 36 billion at December 31, 2000 owing to the contributions made to the CDC IXIS Group.

By contrast, outstanding bond loans continued their expansion, rising from Euro 17.4 billion at the end of 2000 to reach Euro 21.7 billion at December 31, 2001. The same is true for interbank and other negotiable debt instruments which rose from Euro 7.2 billion to Euro 9.7 billion.

Capital funds increased by a substantial 57% to stand at Euro 3.7 billion. This rise is the result of the various capital increase operations leading to the creation of Compagnie Financière Eulia.

New equity investments acquired by the CNCE during the 2001 financial year and representing an interest of more than 5% in the underlying assets are as follows:

	<i>Net book value</i>	<i>% interest held</i>
	<i>(in millions of euros)</i>	
Compagnie Financière Eulia	2,212	49.9%
Holassure (SA) ⁽¹⁾	928	100.0%
Banque de Tahiti.	76	95.4%
Bank of Hawaii-Nouvelle-Calédonie	56	95.8%
CE Financement	3	67.0%

(1) At December 31, 2000, the CNCE owned a 24.12% stake in the capital of Holassure.

The Caisses d'Epargne transferred their equity interests in the national subsidiaries to the CNCE, which then transferred these holdings to Compagnie Financière Eulia.

The CNCE also brought to Compagnie Financière Eulia all the equity interests it previously held in the national subsidiaries in addition to 40% of the capital of CFF.

As a result, investments in associated companies rose from Euro 1.1 billion at December 31, 2000 to Euro 3.7 billion at the end of the 2001 financial year.

4.2 Changes in the income posted by the CNCE parent company

4.2.1 Net banking income

	<i>2001</i>	<i>2000</i>	<i>Change</i>	<i>% change</i>
	<i>(in millions of euros)</i>			
Net interest margin and similar income	194	226	-32	-14%
Net commission and fee income	78	67	11	17%
Other net income.	-2	—	-2	nc
Net banking income.	271	293	-23	-8%

The net interest margin and similar income reached Euro 194 million, representing a decline of Euro 32 million compared with 2000. This contraction is chiefly due to the disappointing stock market performance in 2001.

Net commission and fee income rose Euro 11 million compared with 2000 to reach a total of Euro 78 million. This growth is largely due to the collection of substantial commissions related to the organisation of lending and financing operations in 2001.

4.2.2 General operating expenses

	<i>2001</i>	<i>2000</i>	<i>Change</i>	<i>% change</i>
	<i>(in millions of euros)</i>			
General operating expenses	174	131	43	33%

General operating expenses are presented net of operating costs cross-charged for their actual amount representing, for the most part, amounts charged to the network to cover the operating costs of the central institution and, since 2001, the expenses incurred by strategic initiatives (intra-community IT programmes, creation of subsidiaries, etc.).

These projects are supervised by the Caisse Nationale on behalf of the Group entities within the framework of its strategic plan.

These operating expenses represent an aggregate of Euro 174 million, up 33% compared with the previous financial year. Personnel costs experienced a sharp increase during the year driven by the larger number of employees (the average headcount was 754 in 2001, compared with 663 in 2000).

4.2.3 Other profit and loss account items

As a result of the transfer of the greater part of the loan portfolio to the CDC IXIS Group, the “dynamic” provision retained in previous years for a total of Euro 24.9 million has been the subject of major reversals.

The balance of Euro 4 million corresponds to risk retained by the CNCE.

The item “**Risk-related costs**” records net reversals of Euro 18.8 million.

Gains on fixed assets amount to Euro 11.4 million and are chiefly derived from the sale of investment securities (Euro 13.4 million) offset by the writing off of real-estate fittings (Euro 2.3 million) at the Montparnasse tower site in Paris.

The Reserve for General Banking Risks and regulated provisions include, with respect to the 2001 financial year, a reversal of the flat-rate regulated provision for medium- to long-term risks following the contributions made in favour of the CDC IXIS Group.

After corporation tax (including the reversal of provisions for deferred taxes), **the net profit for the year of the CNCE amounts to Euro 136.9 million.**

The Annual General Meeting of Shareholders is recommended to distribute **dividends for a total of Euro 76.2 million (after an allocation of Euro 6.8 million to the legal reserve)**. The net dividend paid out per share amounts to Euro 0.40, equal to an aggregate dividend of Euro 0.60 per share for natural persons and for companies enjoying parent company tax status, and of Euro 0.46 for other legal entities subject to corporation tax.

Over the previous three financial years, the dividends distributed to shareholders and the corresponding tax credit were as follows:

	<i>Net dividend</i>	<i>Tax credit</i>	<i>Gross dividend</i>
		<i>(in euro)</i>	
1998	0.85	0.43 ⁽¹⁾	1.28 ⁽¹⁾
.....		0.38 ⁽²⁾	1.23 ⁽²⁾
1999	0.12	0.06 ⁽¹⁾	0.18 ⁽¹⁾
.....		0.05 ⁽²⁾	0.17 ⁽²⁾
2000	0.84	0.42 ⁽¹⁾	1.26 ⁽¹⁾
		0.21 ⁽²⁾	1.05 ⁽²⁾

(1) For natural persons or legal entities enjoying parent company tax status.

(2) For other legal entities.

4.3 Summary of results of the past 5 years

	1997 CCCEP	1998 CCCEP	1999 CNCE (in euro)	2000 CNCE	2001 CNCE
Financial Position					
Capital funds.	182,938,821	182,938,821	1,800,724,895	1,800,724,895	2,905,079,235
Number of shares	12,000,000	12,000,000	118,080,321	118,080,321	190,496,999
Overall results					
Revenues	1,933,235,664	2,522,442,586	2,962,952,085	4,430,421,370	4,972,542,841
Profit before tax, depreciation charges and net allocations to provisions	31,695,881	36,076,007	-30,056,703	178,528,338	82,462,665
Corporation tax	9,467,141	11,113,169	—	34,694,899	583,253
Profit net of corporation tax, depreciation charges and provisions	8,554,880	10,623,331	15,473,103	104,737,674	136,913,494
Profit available for distribution. . .	6,585,798	10,244,574	14,169,639	99,187,470	76,198,800
Result per share					
Revenues	161	210	25	38	26
Profit before tax, depreciation charges and net allocations to provisions	3	3	—	2	—
Corporation tax	1	1	—	—	—
Profit net of corporation tax, depreciation charges and provisions	1	1	—	1	1
Earnings per share.	0.55	0.85	0.12	0.84	0.40
Personnel					
Average number of employees. . .	223	235	345	663	754
– Executive staff.	79	86	93	355	437
– Supervisory staff	65	70	115	160	181
– Clerical staff	79	79	137	148	136
Total salary expense	9,020,791	10,056,129	17,448,321	36,866,011	45,684,101

5 Risk management within the Group

The risk management system described in this section (paragraphs 5.1 to 5.3.1 inclusive, in addition to paragraphs 5.4.1 and 5.4.2) corresponds to the risks prior to the transfer to the CDC IXIS Group of the CNCE's Finance Division.

5.1 Internal control organisation

The organisation of internal control procedures within the CNCE has been planned in line with the requirements of French Banking Regulations Committee Rule 97-02. The aim of the internal control system is to satisfy the following **three requirements**:

- to monitor the activities of the Group in such a way as to achieve the highest possible earning capacity for the bank's business activities while maintaining the lowest possible level of risk inherent in these activities,
- to provide exhaustive, accurate, and timely information necessary for appraising risks and verifying that they remain in line with the level of risk authorised,
- to respect internal and external regulations.

The **scope** of the internal control system includes the individual Caisses d'Epargne, the CNCE and their subsidiaries. Risk monitoring is organised on a consolidated basis at the level of each subsidiary or sub-group parent company.

The CNCE plays a dual role:

- it is the **central institution** of the Caisses d'Epargne Group. In this capacity, it is responsible, in particular, for organising the depositors' guarantee and ensuring the smooth functioning of the Group's different entities,
- it is also a fully-fledged **bank** and seeks to develop new financial activities on its own account as well as on behalf of the Group in areas related to retail banking (trading activities, structuring finance and major account financing).

To carry out its **role of supervising** the internal control system of the Caisse d'Epargne Group, the CNCE is responsible for the following:

- the standardisation of accounting, financial and management rules and procedures within the Group,
- the centralisation and consolidation of credit risks,
- the centralisation and consolidation of interest-rate risks on the Group's liquidities portfolio,
- the centralisation and consolidation of global interest-rate and liquidity risks,
- the periodic verification of the smooth functioning of the internal control procedures by the Internal Audit department.

At Group level, the overall risk control system has been reinforced in line with changes in the structure and new ambitions of the Group:

- the solidarity and guarantee system within the Group, entirely reviewed in 2000, is based on all the capital funds of Group affiliates. These resources are made available through the Group's **mutual guarantee and solidarity fund** (*Fonds de Garantie et de Solidarité du Groupe*) carried in the books of the CNCE and allocated, at December 31, 2001, a total of Euro 250 million which should be added to the local guarantee funds already set up within each individual Caisse d'Epargne;
- the new standards governing financial organisation have reinforced the central role played by the CNCE regarding the refinancing of the Group and guaranteeing the security of processes.

To ensure the control of the **activities of the CNCE and its subsidiaries**, emphasis is placed on the following principles:

- involvement of the senior management in the definition of the general objectives of internal control and monitoring of the system's efficiency,
- measures to enhance the security of the exercise of authority through a collegiate decision-making process for the principal decisions, and overall supervision of the Audit Committee,
- dynamic focus on maintaining the quality of the permanent control system thanks to an efficient organisation, a system facilitating the delegation of powers and responsibility and an appropriate prescriptive framework,
- existence of control structures independent of the operational structures or entities responsible for handling operations, whose mission is to measure, monitor and control general banking risks, credit and market risks as well as operational risks.

To support the development of the new financial activities of the CNCE:

- the Risk Management Department, independent of the operating departments or the departments responsible for handling the operations, is responsible for measuring, monitoring and controlling the counterparty and market risks inherent in the activities of the CNCE,

- an Asset-Liability Management (ALM) department was set up at the end of 2000 to analyse and manage the general financial risks generated by the CNCE. This department, forming part of the Bank's financial activities division, witnessed an increase in its operation in the course of the 2001 financial year.

5.2 Financial risk related to conventional banking activities

There exists, within the CNCE, a Group Asset-Liability Management department reporting to the Financial Planning Department, whose role is to centralise information concerning the management of the Group's balance sheet and to draw up the Group ALM reporting system.

The CNCE's Asset-Liability Management department is responsible for managing the general financial risks of the CNCE. Its principal role is to optimise and secure the institution's results in order to facilitate its development within the limits of regulatory constraints through the control of general financial risks (liquidity, interest-rate and exchange-rate risks).

5.2.1 Liquidity risk

Liquidity risk can be defined as the risk of a financial institution lacking the funds necessary to meet its commitments when due. This risk is chiefly related to three factors:

- the balance sheet risk inherent in transformation,
- investors' confidence in the Bank,
- the general liquidity of the market.

Measuring risk translates into two approaches:

- the prudential approach (liquidity ratio at less than one month, and the ratio of capital funds and permanent resources).
- The liquidity ratio at less than one month of the CNCE, in view of the development of its activities and those of the Group, moved from 114% at December 31, 2000 to 129% at December 31, 2001. The ratio of capital funds and permanent resources of the CNCE was also reinforced in 2001, rising from 73% to 92%;
- the operational approach, which chiefly consists of matching sources and uses of funds according to types of maturity (static and dynamic liquidity gaps with the adoption of crisis scenarios, etc.).

5.2.2 Interest-rate risk

Interest-rate risks consist in the potential decline in an institution's revenue or capital funds following changes in market interest rates. The source of this risk is chiefly related to:

- timing risks (different dates between the pricing of the asset and the liability),
- indexation risks (correlation of assets and liabilities on different indices),
- risks on options granted to customers (early redemption, interest-rate guarantees),
- risks related to the structure of the interest-rate curve and its impact on the balance sheet.

For a bank, interest-rate risks can materialise in three main forms:

- decrease in the value of assets, or increase in the value of liabilities,
- a decline in net interest margins and profitability,
- the triggering of off-balance sheet commitments (implicit options, etc.).

As for liquidity risks, the measurement of interest-rate risks is based on two approaches:

- the prudential approach (capital adequacy ratio on the trading portfolio),

- the operational approach (static and dynamic liquidity gaps with the adoption of a maturity report, sensitivity of net banking income to interest-rate fluctuations with stress tests, sensitivity of the net present value of the balance sheet, etc.).

Thanks to the use of these different risk indicators, the balance sheet management operations should make it possible to avoid the overly negative impact of interest-rate fluctuations with a view to preserving the future results and capital funds of the Bank.

5.2.3 Foreign exchange risk

The foreign exchange risk can be defined as the loss incurred by changes in exchange rates against the institution's reference currency. This risk appears when the Bank holds foreign currency and maintains an open position.

The measurement of foreign exchange risk is also based on two approaches:

- the prudential approach (capital adequacy or the exchange positions monitoring ratio),
- the operational approach (sensitivity of net banking income to exchange-rate fluctuations, etc.).

5.3 Control of credit risks

5.3.1 Organisation and general principles regarding the management of credit risks

The Risk Management Department is responsible, firstly, for measuring, monitoring and controlling counterparty risks inherent in the activities of the Finance Division and, secondly, for recommending counterparty stop-loss limits for the Group as a whole.

- **Commitment processes**

The commitment process is based on the principle of prior authorisation. Authorisations regarding counterparties are defined using an internal rating system of financial institutions and on the basis of a matrix of maximum stop-loss limits (listed per rating and per type of maturity) approved by the Management Board.

The "Credit Risk" Department independently scrutinises the credit applications submitted by the commercial departments, awards a rating and takes a position founded on the commitment proposed.

- **Risk measurement**

The Risk Management Department defines the methods used to evaluate counterparty risks in liaison with the Group Risk Control and Group Management Control Departments, and verifies, prior to the launch of all new types of activity or transaction, that the counterparty risks are properly identified and that an appropriate reporting system has been planned.

- **Risk monitoring**

Counterparties are monitored on a continuous basis by means of procedures designed to alert the Group and provide information about counterparties and issuers.

Risks in excess of stop-loss limits are subject to a reporting procedure based on the reconciliation of these limits and current positions. Commitments are reviewed at least once every year according to several criteria: the quality of the risks inherent in the account appraised using the internal rating scale, the portfolio and country involved, the amount of total risk and, lastly, the type of economic agent.

This review is submitted to a Monitoring Committee, which approves the updated account ratings and decides what action, if any, should be taken regarding each account (preparation of litigation, level of provisions, transfer, etc.).

- **Risk reduction**

The CNCE pursued in 2001 the signature of “framework agreements” with market counterparties. These documents make it possible to terminate transactions prior to maturity in the event of default by the other contracting party and to offset their market value in a single balance.

5.3.2 Analysis of the credit portfolio at December 31, 2001

The lending activities of the CNCE on a consolidated basis are appraised through the accounting systems completed in order to satisfy the need for additional data with contributions from various management information databases.

The analysis of outstandings derived from Group activities with all its different types of clientele (individual customers, professionals, companies, local authorities, etc.) is carried out on a gross outstandings basis, i.e. before consideration of guarantees and provisions.

In the following tables, the CNCE’s outstandings are presented after transfer to the CDC IXIS Group; those of the CFF are carried in their entirety and not at the rate of proportional consolidation.

- **Analysis of outstanding loans by type of counterparty**

The CNCE Group is organised per market. Customer outstandings per market may be analysed as follows:

	2000	2001				
	Net loans outstanding	Performing loans	Non- performing loans	Provisions	Net loans outstanding	Provisioning rate
			(in billions of euros)			
Individual customers	18.6	17.9	0.5	−0.1	18.3	11.6%
Companies and self- employed professionals . .	9.1	5.6	0.9	−0.4	6.1	46.5%
Local and regional authorities	2.0	1.8	0.0	0.0	1.8	ns
Other	1.3	1.6	0.1	0.0	1.7	27.7%
Customer loans	31.1	26.9	1.4	−0.5	27.8	34.1%

At the end of the 2001 financial year, non-performing loans represented 5.1% of outstanding customer loans against 5.4% at the end of 2000, and are covered by provisions retained for 34.1% of their value, compared with 33.3% at the end of 2000. Total non-performing loans have been reduced from Euro 1.7 billion to Euro 1.4 billion.

The CNCE has also retained dynamic and sector-based provisions for a total of Euro 4 million and Euro 44 million respectively with a view to covering the risk of having to write off bad debts included in its loan portfolio to corporate customers and local and regional authorities. In all, the cover rate of non-performing loans by allocated, sector-based or dynamic provisions reached a total of 37.4% in 2001.

- **Analysis of outstanding loans to corporate customers by economic sector**

<i>Sector</i>	<i>2001</i>
Insurance	10.0%
Airline companies	13.8%
Real estate	1.0%
Reinsurance	32.9%
Other transport	3.6%
Financial institutions	7.7%
Wood and materials	0.5%
Tourism and hotels	7.4%
Energy	3.9%
Telecom	1.2%
Other economic sectors	0.2%
Public, social and individual services	17.8%
Total	100.0%

The analysis by economic sector presented above concerns corporate outstandings (including assets financing operations net of guarantees received, listed among the balance sheet and off-balance sheet items of the CNCE and Crédit Foncier). It concerns outstandings worth a total of Euro 2.2 billion.

- **Analysis of outstanding loans by geographical region**

The lending activities of the CNCE are chiefly concentrated on France. Consequently, this region accounts for 71% of the portfolio while Europe (excluding France) accounts for 25%, and North America representing the balance.

<i>Geographical region</i>	<i>2001</i>
France	71.4%
Other EU countries	25.3%
North America (USA and Canada)	3.3%
Japan	—
Asia (other than Japan)	—
Supranational	—
Total	100%

- **Analysis of outstanding loans (market transactions) by quality of rating**

At December 31, 2001, and for the liquidity portfolio of the CNCE and CFF (corporate and securities portfolio, and interbank loans/borrowings), operations appearing on the balance sheet with non-Group counterparties are presented in the following table on the basis of the internal rating system:

<i>Internal rating</i>	<i>2000</i>	<i>2001</i>
AAA, AA+	33%	52%
AA, AA-	9%	13%
A+, A, A-	21%	10%
BBB+, BBB, BBB-	4%	5%
Not rated by the Rating Committee	33%	20%
Total	100%	100%

It should be noted that, for risk monitoring purposes, the guarantees given are assimilated here to balance sheet operations.

The portfolio's average rating on this internal scale has improved significantly. Counterparties rated at least AA– account for almost two-thirds of the entire portfolio as opposed to 42% at the end of 2000.

Counterparties not rated on the internal system chiefly concern CFF operations, and their proportion of the total has declined significantly. For the most part they are comprised of:

- non-subordinated shares in mutual funds specialising in securitised paper (*Fonds Communs de Créances*) attributed an AAA rating by the agencies,
- loans to local government, of which a number enjoy a public rating,
- and credit transactions of minor unit value, most frequently associated with specific guarantees.

At December 31, 2001, the operations in question represented Euro 0.6 billion on the books of the CNCE and Euro 8.3 billion for the CFF. The CNCE share corresponds to transactions not included in the transfer of its Finance Division to the CDC Ixis Group.

The distribution of the nominal amount of off-balance sheet items per rating category is presented in the following table:

<i>Internal rating</i>	<i>2000</i>	<i>2001</i>
AAA, AA+	19%	28%
AA, AA–	34%	25%
A+, A, A–	45%	44%
BBB+, BBB, BBB–	0%	—
Not rated by the Rating Committee	2%	3%
Total	100%	100%

Thus, counterparties rated at least AA– on the internal scale represent 53% of the off-balance sheet items. This overall position is unchanged from 2000 but the proportion of higher ratings is higher in 2001.

5.4 Risks related to capital market activities

5.4.1 Procedures for monitoring capital market risks

The Capital Market Risk Department monitors market risks on an everyday basis in order to ensure adherence to the stop-loss limits. It adopts risk-testing scenarios similar to market conditions and within the framework of stress tests. It centralises and consolidates the capital market risks of the Finance Division. This monitoring activity gives rise to daily reports addressed to the relevant managers in the Finance Division and General Management.

The Capital Market Risk Department verifies, prior to launching any new type of business activity or transaction, that the capital market risks have been properly identified and that an appropriate reporting system has been planned.

It reviews at regular intervals the requests for stop-loss limits of the entire Finance Division within the framework of the global authorisations granted by the Management Board on the recommendation of the CNCE ALM Department. It ensures that the activities are fully covered by an efficient risk management system.

5.4.2 Market risk measurement methods

The risk measurement method is defined in liaison with the Group Risk Control and the Group Management Control Departments and subsequently validated by the Capital Market Risks Committee.

A dynamic measurement system using position indicators makes it possible to identify the principal risk factors. In close liaison with the ALM department, the entire system was redesigned in order to provide, for each portfolio or group of portfolios, stop-loss limits on the following risks: interest-rate/option risk, share/option risk, foreign exchange risk, risk of loss (stop loss).

Risks on portfolios of options are gauged using matrices based on scenarios of unfavourable variations in the underlying securities and volatility.

These measurements are completed, firstly, by a series of flattening and sloping scenarios in the yield curve and, secondly, by stress scenarios: inversion of short rates/long rates and bond market crash.

Overall, the measurements of interest-rate risks are completed by a Value-at-Risk approach based on the Riskmetrics method. The VaR indicator is an estimate of the maximum potential loss of a portfolio for a protection level of 99% and for a time horizon of 10 days. The calculation is based on data provided by JP Morgan related to volatilities and past correlations with zero coupon rates. This measurement is also completed with “worst case scenarios” with a scenario measuring the impact of rate correlation divergence and a scenario based on a sharp increase in volatility.

5.4.3 Market risk exposure of the Finance Division at December 31, 2001

The exposure of the Finance Division at December 31, 2001 is not very significant in view of the fact that the Division was transferred to the CDC IXIS Group. The quantified analysis below consequently concerns the situation at the end of November 2001.

At November 30, 2001, the overall mark-to-market sensitivity of the Finance Division was –Euro 47 million, for a 1% upward shift in the interest-rate curve. The Division’s sensitivity was –Euro 29 million at December 31, 2000.

The 99% 10-day VaR stood at Euro 40 million at November 30, 2001 compared with Euro 43 million at December 31, 2000.

At November 30, 2001, the measurements of risk per activity were as follows:

- proprietary trading activities and investments: sensitivity and VaR were –Euro 14 million and Euro 24 million respectively, against –Euro 20 and Euro 39 million at December 31, 2000. In anticipation of the transfer of this activity to the CDC IXIS Group, these positions were reduced during the 4th quarter of the year,
- capital market activities on behalf of the Group: sensitivity and VaR were –Euro 10 million and Euro 47 million respectively, against Euro 3 and Euro 1 million at December 31, 2000. This change is a result of the inclusion of the long refinancing activity,
- lending and financing activities: sensitivity and VaR were –Euro 23 million and Euro 13 million respectively, against –Euro 13 and 2 million at December 31, 2000.

These figures reflect the greater volumes handled by the activity and the change in market parameters.

By way of information, the mark-to-market sensitivity calculated at December 31, 2001 for a 1% upward shift in the interest-rate curve, was –Euro 20 million for the interest-rate activity and Euro 18 million for the equities activity, with a variation of + 10%.

6 Changes in capital funds

	1999	2000	2001
	<i>(in millions of euros)</i>		
Total capital	2,873	2,718	3,545
of which Tier 1 (core) capital	2,265	2,335	3,595
Capital funds requirements	1,251	1,575	1,998
Loan loss risks	1,112	1,316	1,679
Trading risks	139	259	319
International capital adequacy ratio	230%	173%	177%

CNCE Group consolidated data.

Capital fund requirements continued to increase in 2001, rising to Euro 2 billion at December 31, 2001 against Euro 1.6 billion at the end of 2000, equal to an increase of Euro 423 million (+ 27%). This increase is chiefly derived from credit risks rising at the same time as growth in lending activities.

Total capital is the sum of Tier-1 (core) equity, Tier-2 capital and other statutory deductions (holdings in non-consolidated financial companies or those accounted for by the equity method). These funds have increased by Euro 827 million, notably following the new equity issues related to the creation of Compagnie Financière Eulia.

The consolidated capital adequacy ratio of the CNCE amounted to 177% at December 31, 2001, well in excess of the statutory ratio of 100%.

The capital adequacy ratio of the CNCE amounted to 198% at December 31, 2001 against 261% in 2000 for total capital of Euro 504 million in 2001 and Euro 1,324 million in 2000. The creation of Compagnie Financière Eulia once again explains the significant variation both in terms of total capital and capital funds requirements.

7 Outlook for the year 2002

In view of the recent creation of Eulia, the CNCE will have to reinforce its organisational structures in 2002 to further enhance the efficient execution of its various responsibilities as network head, bank and holding company.

2002 will represent an important test for the CNCE when it must fully convince its stakeholders that its objectives in 2003 will be attained. The Management Board of the Caisse Nationale will do everything in its power to ensure that every member of the Group is in a position to succeed in his or her responsibilities.

Thus, for each of the Divisions under its responsibility, the Management Board has defined the strategic areas to be reinforced in 2002 for the success of the Group as a whole:

- growth in our net banking income, driven by greater commercial efficiency, larger market share and the preservation indeed, improvement of our margins,
- management of human resources focused on the development and consolidation of our professional skills,
- industrialisation of our computerised activities and banking services,
- enhanced security for individuals, property and our business activities,
- search for partnerships and alliances at a European and international level,
- pursuit of our acquisitions-driven growth policy,
- reinforcement of our institutional communications.

In conclusion, the Management Board of the CNCE is determined, more than ever before, to complete its drive to provide the Group with the resources it needs to monitor, analyse and appraise the performance of its activities as a whole, as well as in each of its major functions (sales, finance, human resources and information systems).

CNCEP CONSOLIDATED FINANCIAL STATEMENT

**Consolidated balance sheet of the Caisse Nationale des Caisses d'Epargne Group
at December 31, 2001, 2000 and 1999**

Assets

	2001	2001 (restated)	2000	1999
		(in millions of euros)		
Cash, money market and interbank items	71,186	65,501	57,092	46,706
Customer items	24,879	34,317	31,093	29,397
Lease financing	799	177	159	148
Bonds, shares and other fixed- and variable- income securities	22,877	9,699	7,776	7,757
Investments by insurance companies	396	255	243	
Investments in unconsolidated subsidiaries and affiliates accounted for by the equity method, other long-term investments	2,400	1,876	1,683	1,690
Tangible and intangible assets	960	273	310	286
Goodwill	282	92	103	71
Accruals, other accounts receivable and other assets	9,028	6,320	4,947	3,856
Total assets	132,807	118,510	103,406	89,911

Off-balance sheet commitments

	<i>2001</i>	<i>2001 (restated)</i>	<i>2000</i>	<i>1999</i>
	_____	_____	_____	_____
		<i>(in millions of euros)</i>		
Commitments given:				
Financing commitments	11,260	8,249	6,997	6,195
Guarantee commitments	5,885	2,718	1,886	1,145
Commitments made on securities	221			12
Commitments given by the insurance business . .	5,305		366	

Liabilities, capital funds and reserves

	2001	2001 (restated)	2000	1999
		<i>(in millions of euros)</i>		
Money market and interbank items	42,906	44,933	40,354	33,436
Customer items	5,174	1,160	1,133	1,038
Debts represented by a security	61,476	59,516	51,005	44,892
Technical reserves of insurance companies. . . .	287	248	229	
Accruals, other accounts payable and other liabilities	16,557	7,732	5,779	5,851
Negative goodwill	23	32	37	38
Allowances for general risks and commitments .	357	359	485	482
Subordinated debt	1,610	1,806	1,798	1,774
Reserve for General Banking Risks (RGBR) . . .	114	115	90	15
Minority interests	104	121	124	110
Consolidated capital funds and reserves	4,199	2,488	2,372	2,275
<i>Capital</i>	2,905	1,801	1,801	1,801
<i>Share premium</i>	623	427	427	427
<i>Consolidated reserves and retained earnings</i> .	467	56	13	17
<i>Net income for the year</i>	204	204	131	30
Total liabilities, capital funds and reserves . . .	132,807	118,510	103,406	89,911

Off-balance sheet commitments

	2001	2001 (restated)	2000	1999
		<i>(in millions of euros)</i>		
Commitments received:				
Financing commitments	2,404	4,740	5,497	5,285
Guarantee commitments	3,728	3,892	3,701	3,146
Commitments received on securities	505		5	37
Commitments received from the insurance business.	7			

Consolidated profit and loss account for 2001 and 2000

	2001	2000
	<i>(in millions of euros)</i>	
Interest and similar income	8,508	7,419
Interest and similar expense	–8,113	–7,116
Income from shares and other variable-income securities	45	44
Net commission and fee income	201	185
Gains (or losses) on financial transactions	46	11
Gains (or losses) on investment portfolio transactions and similar items	–45	22
Other net operating income	93	58
Gross margin on insurance business	2	3
Net banking income	737	626
General operating expense	–579	–496
Depreciation and amortization of tangible and intangible assets	–35	–22
Gross operating income	123	108
Risk-related costs	–2	16
Operating income	121	124
Share in net income of companies accounted for by the equity method	55	44
Gains (or losses) on fixed assets	17	95
Net ordinary income before tax	193	263
Extraordinary items	49	–36
Tax on profits	4	–4
Amortization of goodwill	–6	–5
Allocations to/releases from the Reserve for General Banking Risks	–25	–76
Minority interests	–11	–11
Consolidated net income	204	131
Earnings per share	1.73	1.11

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2001**

Dear Sir, Madam,

In accordance with the terms of our appointment, we have audited the accompanying consolidated financial statements of the Caisse Nationale des Caisses d'Epargne et de Prévoyance Group, prepared in euros, for the year ended December 31, 2001.

The consolidated financial statements are the responsibility of the Management Board of the CNCEP. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the professional standards applied in France. These standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion presented below.

In our opinion, the consolidated financial statements, prepared in accordance with accounting principles generally accepted in France, give a true and fair view of the assets & liabilities, of the consolidated financial position and consolidated income of the economic entity comprised of the companies that together form the CNCE Group.

Without changing our opinion, we draw your attention to the point presented in note 4 of the notes to the consolidated financial statements which presents the alliance between the Caisse d'Epargne Group and the Caisse des dépôts Group and describes its impact on the comparability of the consolidated accounts.

We have also verified the information contained in the Group Management Report in accordance with the professional standards applied in France. We have no comments to make as to the fairness and conformity with the consolidated financial statements of the information included in this Report.

Paris and Paris La Défense, May 15, 2002

The Statutory Auditors

Coopers & Lybrand Audit
Member of PricewaterhouseCoopers

Yves Nicolas

KPMG Audit
Department of KPMG S.A.

Philippe Saint-Pierre
Partner

Rémy Tabuteau
Partner

Balance sheet of the Caisse Nationale des Caisses d'Epargne at December 31, 2001 and 2000

	2001	2001 <i>(before contribution)</i>	2000
	<i>(in millions of euros)</i>		
Cash on hand, amounts due from central banks and post office banks	4,644	4,644	1,399
Treasury bills and similar securities		44	96
Loans and advances to financial institutions	42,732	55,042	52,162
Demand accounts	2,036	2,475	2,838
Term accounts	40,696	52,567	49,324
Loans and advances to customers	61	6,406	4,283
Commercial loans			
Loan accounts	25	6,370	4,255
Current accounts in debt	36	36	28
Bonds and other fixed-income securities	416	5,081	4,139
Shares and other variable-income securities	461	611	652
Investments, securities portfolio	26	414	486
Investments in associated companies	3,701	3,076	1,110
Intangible fixed assets	7	8	8
Tangible fixed assets	27	27	14
Other assets	94	166	41
Accruals and other accounts receivable	2,128	2,575	1,728
Total assets	54,297	78,094	66,118

	<i>2001</i>	<i>2001 (before contribution)</i>	<i>2000</i>
	_____	_____	_____
	<i>(in millions of euros)</i>		
Commitments given:	1,307	7,268	4,992
Financing commitments.	871	5,044	3,680
Commitments to financial institutions.	670	2,461	1,586
Commitments to customers	201	2,583	2,094
Guarantees given.	436	2,224	1,312
Commitments to financial institutions.	260	488	389
Commitments to customers	176	1,736	923
Securities commitments.			
Other commitments given			

Liabilities, capital funds and reserves

	2001	2001 (before contribution)	2000
	<i>(in millions of euros)</i>		
Amounts due to financial institutions	15,731	39,073	35,961
Demand accounts	4,745	3,737	5,309
Term accounts.	10,986	35,336	30,652
Customer deposits	265	275	176
Other accounts	265	275	176
Demand accounts	88	88	43
Term accounts.	177	187	133
Debts represented by a security	31,438	31,438	24,588
Interbank and other negotiable debt instruments	9,711	9,711	7,143
Bonds	21,727	21,727	17,405
Other liabilities	51	135	295
Accruals and other accounts payable	2,122	2,474	1,664
Provisions for liabilities and charges.	124	133	197
Subordinated debt	844	844	844
Reserve for General Banking Risks	48	48	56
Capital funds and reserves	3,674	3,674	2,337
Capital	2,905	2,905	1,801
Share premium	622	622	427
Reserves	9	9	3
Retained earnings	1	1	1
Net profit/(loss) for the year	137	137	105
Total liabilities, capital funds and reserves	54,297	78,094	66,118

Off-balance sheet commitments

	2001	2001 (before contribution)	2000
	<i>(in millions of euros)</i>		
Commitments received:	1,307	6,612	6,696
Financing commitments.	1,307	3,317	3,428
Commitments from financial institutions	1,307	3,317	3,428
Guarantees received		3,295	3,263
Commitments from financial institutions		3,295	3,263
Securities commitments.			5
Other commitments received			5

Profit and loss account for 2001 and 2000

Profit and loss account presented in publishable form

	2001	2000
	<i>(in millions of euros)</i>	
Interest and similar income	4,772	4,079
Interest and similar expense	−4,661	−4,019
Income from shares and other variable-income securities	81	79
Commissions (income)	94	80
Commissions (expense)	−16	−13
Gains (or losses) on transactions involving trading-account securities	48	67
Gains (or losses) on transactions involving securities held for sale and similar items	−46	20
Other operating income	17	15
Other operating expense	−19	−15
Net banking income	270	293
General operating expense	−165	−124
Depreciation and amortisation of tangible and intangible assets	−9	−7
Gross operating income	96	162
Risk-related costs	19	−22
Operating income	115	140
Gains (or losses) on fixed assets	11	49
Net ordinary income before tax	126	189
Extraordinary items	−1	−16
Tax on profits	4	−26
Allocations to/releases from the Reserve for General Banking Risks	8	−42
Net profit for the year	137	105

**AUDITORS' GENERAL REPORT ON THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

Dear Sir, Madam,

In accordance with the mission entrusted to us by your Annual General Meeting, we hereby present our report on the financial year ended December 31, 2001 concerning:

- the audit of the individual financial statements of the Caisse Nationale des Caisses d'Epargne et de Prévoyance, a *Société anonyme* (corporation) governed by a Management Board and a Steering & Supervisory Board, as appended to this report,
- the specific verifications and information provided for by French law.

The individual financial statements are the responsibility of the Management Board of the Caisse Nationale des Caisses d'Epargne et de Prévoyance. Our responsibility is to express an opinion on these individual financial statements based on our audit.

1. Opinion on the individual financial statements

We conducted our audit in accordance with the professional standards applied in France. These standards require that we plan and perform our audit to obtain reasonable assurance about whether the individual financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the individual financial statements, drawn up in accordance with the accounting rules and principles applicable in France, present fairly the results of operations of the past financial year as well as the financial position and assets of the company at the end of that year.

Without calling into question the above opinion, we draw your attention to the points presented in notes I and II of the notes to the individual financial statements which present the alliance between the Caisse d'Epargne Group and the Caisse des dépôts Group, and specify that the balance sheet contains a column "2000 (before contribution)" to allow an appreciation of the impact of the contributions made in favour of CDC IXIS effective December 31, 2001 on the accounts of the Caisse Nationale des Caisses d'Epargne et de Prévoyance.

2. Specific verifications and information

We have also proceeded, in accordance with the professional standards applicable in France, with specific verifications provided for by French law.

We have no comments to make as to the fairness and conformity with the individual financial statements of the information included in the Management Report of the Management Board and in the documents sent to shareholders regarding the financial position and the annual accounts.

In accordance with French law, we also ascertained that the different information related to the acquisition of equity interests and controlling interests was included for your benefit in the management report.

Paris-La Défense and Paris, May 15, 2002

KPMG Audit
Department of KPMG S.A.

Rémy Tabuteau
Partner

Philippe Saint Pierre
Partner

Coopers & Lybrand Audit
Member of PricewaterhouseCoopers

Yves Nicolas
Partner

DESCRIPTION OF THE CAISSE D'EPARGNE GROUP

Overview

Together, the different Caisses d'Epargne form a financial network around a central institution, CNEP. The Caisse d'Epargne Group is made up of a varied body of subsidiaries contributing to the proper management and sales performance of the Caisses d'Epargne's network.

The cooperative shareholders and the local savings companies

Every customer of an individual Caisse d'Epargne – whether a private individual or a legal entity – may hold shares in a local savings company and thereby become a “cooperative shareholder”.

The local savings companies hold all the shares representing the capital of the Caisses d'Epargne. At 31 December 2001, the Group boasted more than 2.1 million cooperative shareholders, including 3,850 local and regional authorities.

The aim of the local savings companies is to facilitate the broadest possible ownership of the capital of the Caisses d'Epargne.

To ensure a truly local relationship with the cooperative shareholders, there are at least seven local savings companies for each individual Caisse d'Epargne. Each savings company holds an Annual General Meeting of its cooperative shareholders. Each of them takes part in the decisions on the basis of one vote per shareholder, irrespective of the number of shares held. The cooperative shareholders elect a Board of Directors which appoints a chairman who is responsible, in particular, for representing the local savings company at the annual general meeting of the relevant Caisse d'Epargne. The dividend received by the cooperative shareholders is determined by such annual general meeting of the Caisse d'Epargne.

The Caisses d'Epargne

The Caisses d'Epargne are cooperative banks; their mission is to pursue their business activities while remaining symbols of financial security and openness to all categories of customers. While exercising full responsibility for its management within the Group, each Caisse d'Epargne offers an extensive range of financial products and services to its customers.

The capital of each Caisse d'Epargne is divided into shares which are held in their entirety by the local savings companies. Each Caisse d'Epargne is administered by a Management Board (*directoire*) of between 2 and 5 members, approved by CNEP, and supervised by a 18-member Steering & Supervisory Board (*conseil d'orientation et de surveillance*).

The Fédération Nationale des Caisses d'Epargne (“FNCE”)

The FNCE is the representative authority of the Caisses d'Epargne and their shareholders. As an association governed by the provisions of the French law of 1901, its general meeting is made of the 34 Caisses d'Epargne, each represented by the chairman and one member of their Supervisory Board and by the chairman of their respective Management Boards.

The FNCE carries on five main assignments :

- It contributes to the strategic orientations of the Caisse d'Epargne Group ;
- It leads the federal life of the Group ;
- It defends the interests of the shareholders and the public image of the Caisses d'Epargne and the Group ;
- It conceives and puts into practice the policy of animation towards the shareholders, organises training courses for representatives of the shareholders and the managers of the Group ;
- It directs and develops the missions of public interest and the projects of local and social economy.

Caisse Nationale des Caisses d'Epargne et de Prévoyance

CNEP is a limited liability company governed by a Management Board (*directoire*) and a Supervisory Board (*conseil de surveillance*). Sixty per cent. of its capital is owned by the Caisses d'Epargne and the remaining thirty five per cent. are held by the *Caisse des Dépôts et Consignations*.

As the head of the Caisses d'Epargne network, CNCEP ensures the cohesion of the network as a whole, its efficient operation, and the respect of the management standards adopted to guarantee the liquid assets and solvency of the Caisses d'Epargne it represents among the monetary, banking and financial authorities. It defines the products and services to be offered to the Group's clientele and coordinates the commercial policy of the network.

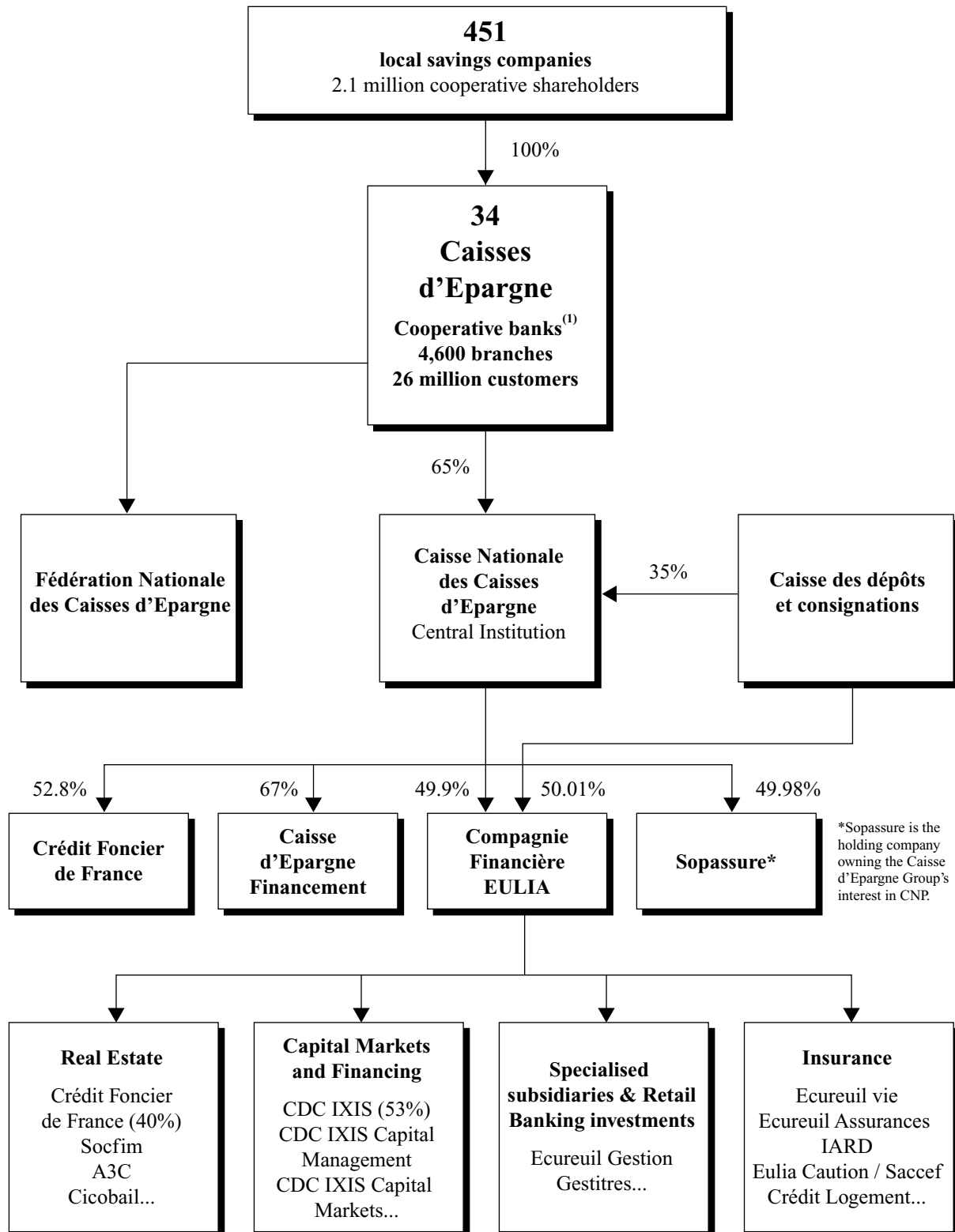
It defines the human resources policy, organises and coordinates the pooling of the Group's means to increase efficiency. In its capacity as a bank, it arranges for the optimisation of the Group's short-, medium- and long-term financing together with the banking services such as means of payment for the account of the Group. CNCEP negotiates and concludes the agreements and acquires strategic equity interests on behalf of the Group.

Guarantee system

In accordance with the law of June 25, 1999, CNCEP, as central body, organised the solidarity and guarantee system of the Caisse d'Epargne Group to guarantee the liquidity and the solvability of each component. The area of this guarantee system covers the entities of the Caisse d'Epargne network and also, in accordance with the provisions of article L.511-31 of the Code, all the affiliates of the Group.

This system is based on all the capital funds of the affiliates and designed to prevent default, this complements to the principally curative objective of the market guarantee systems to which the Group contributes. Resources are made available through a Group's mutual guarantee and solidarity fund (*Fonds de Garantie et de Solidarité du Groupe*) recorded in the accounts of CNCEP, and which allocated a total of Euro 250 million. In the event that this amount is not sufficient, CNCEP can use a rapid decision-making process to draw on the additional necessary resources.

The Caisse d'Epargne Group as at 31st December 2001



(1) With the exception of Caisse d'Epargne de Nouvelle-Calédonie

CONSOLIDATED FINANCIAL STATEMENT OF THE CAISSE D'EPARGNE GROUP

Consolidated balance sheet at December 31, 2001, 2000 and 1999

Assets

	2001	2001 <i>restated</i>	2000	1999
		<i>(in millions of euros)</i>		
Cash, money market and interbank items	156,369	102,722	92,721	87,627
Customer items	108,737	118,210	109,841	101,284
Lease financing	1,944	2,665	2,602	1,963
Bonds, shares and other fixed- and variable- income securities	53,125	40,021	39,326	39,855
Investments by insurance companies	451	573	511	—
Investments in unconsolidated subsidiaries and affiliates accounted for by the equity method, other long-term investments	3,106	3,924	3,196	2,987
Tangible and intangible assets	2,974	2,336	2,475	2,496
Goodwill	271	70	76	46
Accruals, other accounts receivable and other assets	18,080	15,375	13,139	12,493
Total assets	345,057	285,896	263,887	248,751

Off-balance sheet commitments

	2001	2001 <i>restated</i>	2000	1999
		<i>(in millions of euros)</i>		
Commitments given:				
Financing commitments	23,129	17,640	18,388	15,750
Guarantee commitments	10,626	4,805	6,212	2,857
Commitments made on securities	228	7	17	35
Commitments given by the insurance business . .	1,080	2,164	366	—

Liabilities, capital funds and reserves

	2001	2001 <i>restated</i>	2000	1999
		<i>(in millions of euros)</i>		
Money market and interbank items	75,170	30,859	25,092	18,680
Customer items	166,289	162,277	156,271	157,857
Debts represented by a security	63,779	61,811	54,350	49,037
Technical reserves of insurance companies.	317	492	416	—
Accruals, other accounts payable and other liabilities	22,492	13,650	11,773	8,636
Negative goodwill	87	91	169	77
Provisions for liabilities and charges	3,135	3,177	3,260	2,926
Subordinated debt	1,636	1,822	1,809	1,785
Reserve for General Banking Risks (RGBR) . . .	1,952	1,966	1,781	1,643
Minority interests	1,734	1,124	1,076	978
Consolidated capital funds and reserves (excluding RGBR).	8,466	8,627	7,890	7,132
Capital	2,878	2,878	2,878	2,878
Share premium	2	2	2	2
Consolidated reserves and retained earnings .	4,796	4,957	4,323	3,671
Net income for the year	790	790	687	581
Total liabilities, capital funds and reserves . . .	345,057	285,896	263,887	248,751

Off-balance sheet commitments

	2001	2001 <i>restated</i>	2000	1999
		<i>(in millions of euros)</i>		
Commitments received:				
Financing commitments	3,677	3,208	4,346	2,021
Guarantee commitments	6,540	4,331	2,870	2,480
Commitments received on securities	531	57	89	90
Commitments received from the insurance business.	12	19	10	—

Consolidated profit and loss account for 2001 and 2000

	2001	2000
	<i>(in millions of euros)</i>	
Interest and similar income	16,407	14,778
Interest and similar expense	–12,597	–11,362
Income from shares and other variable-income securities	153	158
Net commission and fee income	1,524	1,411
Gains (or losses) on financial transactions	55	17
Gains (or losses) on investment portfolio transactions and similar items	–6	343
Other net operating income	171	119
Gross margin on insurance business	53	50
Net banking income	5,760	5,514
General operating expense	–4,041	–4,111
Depreciation and amortization of tangible and intangible assets	–343	–311
Gross operating income	1,376	1,092
Risk – related costs	–391	–166
Operating income	985	926
Share in net income of companies accounted for by the equity method	200	114
Gains (or losses) on fixed assets	41	48
Net ordinary income before tax	1,226	1,088
Extraordinary items	37	–59
Tax on profits	–236	–312
Amortization of goodwill	34	172
Allocations to/releases from the Reserve for General Banking Risks	–185	–138
Minority interests	–86	–64
Consolidated net income	790	687

SEMI-ANNUAL INDIVIDUAL FINANCIAL STATEMENTS OF CNCEP

Balance sheet as at June 30, 2002, December 31, 2001 and June 30, 2001

Assets

	30/06/2002	2001	30/06/2001
	<i>(in millions of euros)</i>		
Cash on hand, accounts due from central banks and post office banks	2,506	4,644	3,294
Treasury bills and similar securities			215
Loans and advances to financial institutions	41,827	42,732	53,163
Demand Accounts	5,052	2,036	1,746
Term Accounts	36,775	40,696	51,417
Loans and advances to customers	252	61	4,619
Commercial Loans			
Loan Accounts	146	25	4,563
Current Accounts in debt	106	36	56
Bonds and other fixed-income securities	451	416	4,492
Shares and other variable-income securities	463	461	767
Investments, securities portfolio	34	26	488
Investments in associated companies	3,704	3,701	1,123
Intangible fixed assets	6	7	13
Tangible fixed assets	30	27	23
Other assets	96	94	66
Accruals and other accounts receivable	2,933	2,128	2,832
Total assets	52,302	54,297	71,095

Off-balance sheet commitments

	30/06/2002	2001	30/06/2001
	<i>(in millions of euros)</i>		
Commitments given	1,259	1,307	4,892
Financial commitments	990	871	3,692
Commitments to financial institutions	802	670	1,451
Commitments to customers	188	201	2,241
Guarantees given	269	436	1,015
Commitments to financial institutions	233	260	457
Commitments to customers	36	176	558
Securities commitments			185
Other commitments given			185

These financial statements have been translated from the French version which has been approved by the *Directoire* of the Issuer

Liabilities, capital funds and reserves

	30/06/2002	2001	30/06/2001
	<i>(in millions of euros)</i>		
Amounts due to financial institutions	12,619	15,731	33,455
Demand Accounts	5,509	4,745	3,338
Term Accounts	7,110	10,986	30,117
Customer deposits	235	265	206
Other accounts	235	265	206
Demand Accounts	105	88	97
Term Accounts	130	177	109
Debts evidenced by a security	30,951	31,438	30,667
“Bons de Caisse”			
Interbank and other negotiable debt instruments	8,619	9,711	9,491
Bonds	22,332	21,727	21,176
Other debts evidenced by a security			
Other liabilities	479	51	739
Accruals and other accounts payable	3,373	2,122	2,620
Provisions for liabilities and charges	102	124	187
Subordinated debt	866	844	866
Reserve for general banking risks	48	48	56
Capital funds and reserves	3,629	3,674	2,299
Capital	2,905	2,905	1,801
Share premium	622	622	427
Reserves	71	9	9
Re-evaluation reserves			
Regulated provisions			
Investment subsidies		1	1
Net profit/(loss) for the year	31	137	61
Total liabilities, capital funds	52,302	54,297	71,095

Off-balance sheet commitments and reserves

	30/06/2002	2001	30/06/2001
	<i>(in millions of euros)</i>		
Commitments received	141	1,307	7,139
Financing commitments	90	1,307	3,171
Commitments from financial institutions	90	1,307	3,171
Guarantees received			3,291
Commitments from financial institutions			3,291
Securities commitments	51		677
Other commitments received	51		677

These financial statements have been translated from the French version which has been approved by the *Directoire* of the Issuer

Profit and Loss Account

Profit and loss account presented in publishable form

	30/06/2002	2001	30/06/2001
	<i>(in millions of euros)</i>		
Interest and similar income	969	4,772	2,352
Interest and similar expense	-941	-4,661	-2,307
Income from shares and other variable-income securities	19	81	70
Commissions (income)	43	94	49
Commissions (expense)	-4	-16	-11
Gains (or losses) on transactions involving trading-account securities	-3	48	19
Gains (or losses) on transactions involving securities	-7	-46	-11
Other operating income	13	17	8
Other operating expense	-15	-19	-9
Net banking income	74	270	160
General operating expense	-74	-165	-81
Depreciation and amortisation of tangible and intangible assets	-5	-9	-4
Gross operating income	-5	96	75
Net additions to allowances for credit risks and country risks	-1	19	-7
Operating income	-6	115	68
Gains (or losses) on fixed assets		11	
Net ordinary income before tax	-6	126	68
Extraordinary items	29	-1	-2
Tax on profits	8	4	-5
Allocations to/releases from the Reserve for General Banking Risks		8	
Net profit	31	137	61

These financial statements have been translated from the French version which has been approved by the *Directoire* of the Issuer

RAPPORT SUR L'EXAMEN LIMITE DES COMPTES SEMESTRIELS
Période du 1^{er} janvier 2002 au 30 juin 2002

Aux actionnaires
**Caisse Nationale des Caisses
d'Epargne et de Prévoyance**
77, boulevard Saint-Jacques
75014 Paris

Mesdames, Messieurs,

A la suite de la demande qui nous a été faite et en notre qualité de commissaires aux comptes de la Caisse Nationale des Caisses d'Epargne et de Prévoyance, nous avons effectué un examen limité des comptes intermédiaires, établis en euros, de la Caisse Nationale des Caisses d'Epargne et de Prévoyance relatifs à la période du 1^{er} janvier au 30 juin 2002 tels qu'ils sont joints au présent rapport.

Ces comptes intermédiaires ont été établis sous la responsabilité du Directoire de la Caisse Nationale des Caisses d'Epargne et de Prévoyance. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

Nous avons effectué cet examen selon les normes professionnelles applicables en France ; ces normes requièrent la mise en œuvre de diligences limitées conduisant à une assurance, moins élevée que celle résultant d'un audit, que les comptes intermédiaires ne comportent pas d'anomalies significatives. Un examen de cette nature ne comprend pas tous les contrôles propres à un audit, mais se limite à mettre en œuvre des procédures analytiques et à obtenir des dirigeants et de toute personne compétente les informations que nous avons estimées nécessaires.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la régularité et la sincérité des comptes intermédiaires, établis conformément aux règles et principes comptables applicables en France, et l'image fidèle qu'ils donnent du résultat des opérations du semestre ainsi que de la situation financière et du patrimoine de la société à la fin de ce semestre.

Sans remettre en cause la conclusion exprimée ci-dessus, nous attirons votre attention sur les notes suivantes :

- note 1 de l'annexe qui précise que la comparabilité des résultats est assurée dans les comptes consolidés du groupe CNPE
- note 2 de l'annexe qui expose un changement de méthode comptable lié à la première application du règlement CRC n°2000-06 sur les passifs du 7 décembre 2000 et ses conséquences sur le compte de résultat et les capitaux propres à l'ouverture.

A Paris La Défense et Paris, le 17 septembre 2002

Coopers & Lybrand Audit
Membre de PricewaterhouseCoopers
32, rue Guersant
75017 Paris

KPMG Audit
Département de KPMG SA
1, cours Valmy
92923 Paris La Défense Cedex

Yves Nicolas

Anik Chaumartin

Rémy Tabuteau

Philippe Saint-Pierre

Caisse Nationale des Caisses d'Epargne et de Prévoyance

Statutory Auditors' review report on the half year financial statements for the period from January 1 to June 30, 2002 (free translation of the French original)

As requested and in our capacity as statutory auditors of Caisse Nationale des Caisses d'Epargne et de Prévoyance, we conducted a review of the accompanying half year financial statements, presented in euros, of Caisse Nationale des Caisses d'Epargne et de Prévoyance for the period from January 1 to June 30, 2002.

These half year financial statements are the responsibility of the Management Board (*Directoire*) of Caisse Nationale des Caisses d'Epargne et de Prévoyance. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with professional standards in France ; these standards require that we plan and perform limited review procedures to obtain moderate assurance, lesser than that which would result from an audit, as to whether the half year financial statements are free from material misstatement. A review excluded certain audit procedures, and is limited to performing analytical procedures and to obtaining information which we considered necessary from company's management and other appropriate sources.

Based on our limited review, nothing has come to our attention that causes us to believe that the half year financial statements, prepared in accordance with the accounting principles generally accepted in France, do not present fairly, in all material respects, the company's financial position and its assets and liabilities as of June 30, 2002, and of the results of its operations for the six-months period then ended.

Without challenging the above opinion, we draw your attention on the following notes :

- note 1 of the annex which clarifies that the comparability of the results is made in the consolidated financial statements of CNCE Group,
- note 2 which shows a change of accounting method resulting from the regulation CRC n° 2000-06 about the liabilities of December 7, 2000 and its consequences on the profit and loss account and the capital funds at the beginning period.

On Paris La Défense and Paris, September 17, 2002

SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF CNCEP

Consolidated Balance Sheet

Assets

	<u>30/06/2002</u>	<u>31/12/2001</u>
	<i>(in millions of euros)</i>	
Cash, money market and interbank loans	69,370	71,186
Loans to customers	26,305	24,879
Lease financing	897	799
Bonds, shares and other fixed and variable income securities	26,017	22,877
Investments by insurance companies	412	396
Investments in unconsolidated subsidiaries and affiliates accounted for by the equity method, other long-term investments	2,323	2,400
Tangible and intangible assets	988	960
Goodwill accruals	274	282
Other accounts and other assets	10,215	9,028
Total assets	<u>136,801</u>	<u>132,807</u>

Off-balance sheet commitments

	<u>30/06/2002</u>	<u>31/12/2001</u>
	<i>(in millions of euros)</i>	
Commitments given		
Financing commitments	11,222	11,260
Guarantee commitments	15,350	5,885
Securities commitments	1,241	221
Commitments given by the insurance companies		5,305

These financial statements have been translated from the French version which has been approved by the *Directoire* of the Issuer

Consolidated Balance Sheet

Liabilities, Capital funds and reserves

	30/06/2002	31/12/2001
	<i>(in millions of euros)</i>	
Money market and interbank borrowings	44,031	42,906
Customer deposits	6,418	5,174
Debt represented by a security	60,629	61,476
Technical reserves of insurance companies	319	287
Accruals, other accounts payable and other liabilities	19,007	16,557
Negative goodwill.	23	23
Allowance for general risks and commitments	355	357
Subordinated liabilities	1,590	1,610
Provisions for general banking risks (RGBR).	128	114
Minority interests	108	104
Consolidated capital funds and reserves (RGBR)	4,193	4,199
Subscribed Capital.	2,905	2,905
Share Premium account	623	623
Consolidated reserves and retained earnings	500	467
Net income for the financial year (+/-).	165	204
Total liabilities, capital funds and reserves	136,801	132,807

Off-balance sheet commitments

	30/06/2002	31/12/2001
	<i>(in millions of euros)</i>	
Commitments received		
Financing commitments	2,166	2,404
Guarantee commitments	4,702	3,728
Securities commitments	1,370	505
Commitments received from the insurance companies	13	7

These financial statements have been translated from the French version which has been approved by the *Directoire* of the Issuer

Consolidated profit and loss account

	<i>First six-month period</i>		<i>Year</i>
	<i>2002</i>	<i>2001</i>	<i>2001</i>
	<i>(in millions of euros)</i>		
Interest and similar income	3,190	4,200	8,508
Interest and similar charges	-3,119	-4,005	-8,113
Income from variable-income securities	56	37	45
Net commission and other income	192	68	201
Gains or losses on financial transactions	210	2	46
Gains or losses on investment portfolio transactions and similar items	10	-12	-45
Other net operating income	52	77	93
Gross margin on insurance business	20	1	2
Net banking income	611	368	737
General operating charges	-455	-273	-579
Depreciation and amortisation of tangible and intangible assets	-24	-16	-35
Gross operating income	132	79	123
Net additions to allowances for credit risks and country risks	-1	2	-2
Operating income	131	81	121
Share in net income of companies accounted for by the equity method	58	23	55
Gains or losses on fixed assets	2	-2	17
Net ordinary income before tax	191	102	193
Extraordinary items	32	-3	49
Tax on income	-32		4
Amortisation of goodwill	-9	-3	-6
Allocations to/releases from the Provisions for General Banking Risks	-15		-25
Minority Interests	-2	-8	-11
Consolidated net income	165	88	204

These financial statements have been translated from the French version which has been approved by the *Directoire* of the Issuer

RAPPORT DES COMMISSAIRES AUX COMPTES SUR L'EXAMEN LIMITE DES COMPTES SEMESTRIELS CONSOLIDES

Période du 1^{er} janvier au 30 juin 2002

Aux Actionnaires

**Caisse Nationale des Caisses
d'Epargne et de Prévoyance**

77, boulevard Saint-Jacques
75014 Paris

Mesdames, Messieurs,

A la suite de la demande qui nous a été faite et en notre qualité de commissaires aux comptes de la Caisse Nationale des Caisses d'Epargne et de Prévoyance, nous avons effectué un examen limité des comptes intermédiaires consolidés, établis en euros, de la Caisse Nationale des Caisses d'Epargne et de Prévoyance relatifs à la période du 1^{er} janvier au 30 juin 2002 tels qu'ils sont joints au présent rapport.

Ces comptes ont été établis sous la responsabilité du Directoire de la Caisse Nationale des Caisses d'Epargne et de Prévoyance. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

Nous avons effectué cet examen selon les normes de la profession applicables en France : ces normes requièrent la mise en œuvre de diligences limitées conduisant à une assurance, moins élevée que celle résultant d'un audit, que les comptes intermédiaires consolidés ne comportent pas d'anomalies significatives. Un examen de cette nature ne comprend pas tous les contrôles propres à un audit, mais se limite à mettre en œuvre des procédures analytiques et à obtenir des dirigeants et de toute personne compétente les informations que nous avons estimées nécessaires.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la régularité et la sincérité des comptes intermédiaires consolidés, établis conformément aux principes comptables généralement admis en France, et l'image fidèle qu'ils donnent du patrimoine, de la situation financière ainsi du résultat de l'ensemble constitué par les entreprises comprises dans la consolidation à la fin du semestre.

Sans remettre en cause la conclusion exprimée ci-dessus, nous attirons votre attention sur les notes suivantes :

- note 3 de l'annexe qui expose l'incidence sur les comptes semestriels consolidés du changement de réglementation comptable résultant de l'application, à compter du 1^{er} janvier 2002, du règlement CRC 2000-06 relatif aux passifs,
- note 4 de l'annexe qui présente l'alliance entre le Groupe Caisse Nationale des Caisses d'Epargne et le Groupe Caisse des Dépôts et ses effets sur la comparabilité des comptes.

A Paris et à Paris La Défense, le 17 septembre 2002

Coopers & Lybrand Audit
Membre de PricewaterhouseCoopers
32, rue Guersant
75017 Paris
Yves Nicolas Anik Chaumartin

KPMG Audit
Département de KPMG SA
1, cours Valmy
92923 Paris La Défense Cedex
Rémy Tabuteau Philippe Saint-Pierre

Caisse Nationale des Caisses d'Epargne et de Prévoyance

Statutory Auditors' review report on the half year consolidated financial statements For the period from January 1 to June 30, 2002 (free translation of the French version)

As requested and in our capacity as statutory auditors of Caisse Nationale des Caisses d'Epargne et de Prévoyance, we conducted a review of the accompanying half year consolidated financial statements, presented in euros, of Caisse Nationale des Caisses d'Epargne et de Prévoyance for the six-months period ended June 30, 2002.

These half year consolidated financial statements are the responsibility of the Management Board (*Directoire*) of Caisse Nationale des Caisses d'Epargne et de Prévoyance. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with professional standards in France ; these standards require that we plan and perform limited review procedures to obtain moderate assurance, lesser than that which would result from an audit, as to whether the half year consolidated financial statements are free from material misstatement. A review excluded certain audit procedures, and is limited to performing analytical procedures and to obtaining information which we considered necessary from company's management and other appropriate sources.

Based on our limited review, nothing has come to our attention that causes us to believe that the half year consolidated financial statements, prepared in accordance with the accounting principles generally accepted in France, do not present fairly, in all material respects, the financial position and the assets and liabilities of the CNCE Group as of June 30, 2002 and of the results of its operations for the six-months period then ended.

Without challenging the above opinion, we draw your attention on the following notes :

- note 3 of the annex which shows the consequence for the consolidated financial statements of the change in the accounting regulation resulting from the application from January 1, 2002 regulation CRC n° 2000-06 about the liabilities,
- note 4 of the annex describing the alliance between the Caisse Nationale des Caisses d'Epargne et de Prévoyance Group and the Caisse des Dépôts Group and its consequences on the comparability of the financial statements.

On Paris La Défense and Paris, September 17, 2002

**SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
OF THE CAISSE D'EPARGNE GROUP**

Consolidated Balance Sheet

Assets

	<u>30/06/2002</u>	<u>31/12/2001</u>
	<i>(in millions of euros)</i>	
Cash, money market and interbank loans	155,245	156,369
Loans to customers	111,326	108,737
Lease financing	2,040	1,944
Bonds, shares and other fixed – and variable – income securities	55,121	53,125
Investments by insurance companies	467	451
Investments in unconsolidated subsidiaries and affiliates accounted for by the equity method, other long-term investments	3,062	3,106
Tangible and intangible assets	2,959	2,974
Goodwill accruals	266	271
Other accounts and other assets	19,580	18,080
Total assets	<u>350,066</u>	<u>345,057</u>

Off balance sheet commitments

	<u>30/06/2002</u>	<u>31/12/2001</u>
	<i>(in millions of euros)</i>	
Commitments given:		
Financing commitments	23,949	23,129
Guarantee commitments	13,745	10,626
Securities commitments	1,319	228
Commitments given by the insurance companies	998	1,080

These financial statements have been translated from the French version which has been approved by the *Directoire* of the Issuer

Liabilities

	30/06/2002	31/12/2001
	<i>(in millions of euros)</i>	
Capital funds and reserves		
Money market and interbank borrowings	77,892	75,170
Customer deposits	167,695	166,289
Debt represented by a security	62,411	63,779
Technical reserves of insurance companies	352	317
Accruals, other accounts payable and other liabilities	24,337	22,492
Negative goodwill	76	87
Allowances for general risks and commitments	3,122	3,135
Subordinated liabilities	1,618	1,636
Provisions for general banking risks (RGBR)	1,982	1,952
Minority interests	1,750	1,734
Consolidated capital funds and reserves (RGBR)	8,831	8,466
Subscribed Capital	2,878	2,878
Share Premium account	2	2
Consolidated reserves and retained earnings	5,461	4,796
Net income for the financial year (+/-)	490	790
Total liabilities, capital funds and reserves	350,066	345,057

Off balance sheet commitments

	30/06/2002	31/12/2001
	<i>(in millions of euros)</i>	
Commitments received:		
Financing commitments	2,896	3,677
Guarantee commitments	7,415	6,540
Securities commitments	1,482	531
Commitments received from the insurance companies	17	12

These financial statements have been translated from the French version which has been approved by the *Directoire* of the Issuer

Consolidated profit and loss account

	<i>First six-month period</i>		<i>Year</i>
	<i>2002</i>	<i>2001</i>	<i>2001</i>
	<i>(in millions of euros)</i>		
Interest and similar income	8,360	8,121	16,407
Interest and similar charges	-6,476	-6,265	-12,597
Income from variable-income securities	138	98	153
Net commission and other income	977	721	1,524
Gains or losses on financial transactions	210	26	55
Gains or losses on investment portfolio transactions and similar items	-12	80	-6
Other net operating income	50	92	171
Gross margin on insurance business	22	25	53
Net banking income	3,269	2,898	5,760
General operating charges	-2,230	-2,012	-4,041
Depreciation and amortisation of tangible and intangible assets	-151	-149	-343
Gross operating income	888	737	1,376
Net additions to allowances for credit risks and country risks	-147	-133	-391
Operating income	741	604	985
Share in net income of companies accounted for by the equity method	63	77	200
Gains or losses on fixed assets	-6	3	41
Net ordinary income before tax	798	684	1,226
Extraordinary items	-4	-4	37
Tax on income	-220	-190	-236
Amortisation of goodwill	4	2	34
Allocations to / releases from the Provisions for General Banking Risks	-31	-78	-185
Minority Interests	-57	-39	-86
Consolidated net income	490	375	790

These financial statements have been translated from the French version which has been approved by the *Directoire* of the Issuer

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 13 September 2000 as amended by a first supplemental dealer agreement dated 31 October 2001 and a second supplemental dealer agreement dated 4 November 2002 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

France

Each of the Dealers and the Issuer has represented and agreed that, in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, any Notes by way of a public offering in France (an *appel public à l'épargne*, as defined in Article L.411-1 of the Code).

If necessary these selling restrictions will be supplemented in the relevant Pricing Supplement.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Materialised Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (i) in relation to any Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of a period of six months from the issue date of such Notes, will not offer or sell any such Notes

to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);

- (ii) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and
- (iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, “**resident of Japan**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer nor any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche is set out below:

Pricing Supplement

[LOGO, if document is printed]

CAISSE NATIONALE DES CAISSES D'ÉPARGNE ET DE PRÉVOYANCE

Euro 10,000,000,000
Euro Medium Term Note Programme
for the issue of Notes

Due from one month from the date of original issue

SERIES NO: [●]
TRANCHE NO: [●]
[Brief Description and Amount of Notes]

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

The date of this Pricing Supplement is [●]

This Pricing Supplement, under which the Notes described herein (the “Notes”) are issued, is supplemental to, and should be read in conjunction with, the Offering Circular (the “Offering Circular”) dated 4 November 2002 issued in relation to the Euro 10,000,000,000 Euro Medium Term Note Programme of the Issuer. Terms defined in the Offering Circular have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Offering Circular. The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular, contains all information that is material in the context of the issue of the Notes.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of the Notes.

[Except as disclosed in this document, there/There]* has been no significant change in the financial or trading position of the Issuer since [date of last audited accounts or interim accounts (if later)] and on material adverse change in the financial position or prospects of the Issuer and its consolidated subsidiaries and affiliates (*filiales consolidées et participations consolidées*) taken as a whole since [date of last published annual accounts].¹

The Offering Circular, together with this Pricing Supplement, contains all information relating to the assets and liabilities, financial position, profits and losses of the Issuer which is material in the context of the issue and offering of the Notes and nothing has happened which would require the Offering Circular to be [further] supplemented or to be updated in the context of the issue and offering of the Notes.²

Signed:

Authorised Officer

[In connection with this issue, [name of the Stabilising Manager] (the “Stabilising Agent”) or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.]³ [Any such transaction will be carried out in accordance with applicable laws and regulations.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1 N.B. If any such change is disclosed in the Pricing Supplement, it will require approval by the Stock Exchange(s). consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular rather than in a Pricing Supplement.

2 An issue of Notes must be authorised by a resolution of the shareholders of the Issuer; the shareholders may delegate their powers to the *Directoire* of the Issuer which may in turn subdelegate its power to its Chairman or another member of the *Directoire*.

3 Delete if there is no Stabilising Agent.

1	Issuer:	Caisse Nationale des Caisses d'Epargne et de Prévoyance
2	(i) Series Number:	[●]
	(ii) [Tranche Number:	[●]
	(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]	
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	(i) Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (in the case of fungible issues only, if applicable)]
	(ii) [Net proceeds:	[●] (Required only for listed issues)]
6	Specified Denomination(s) ¹ :	[●] (one denomination only for Dematerialised Notes)
7	(i) Issue Date:	[●]
	(ii) [Interest Commencement Date (if different from the Issue Date):	[●]]
8	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year]
9	Interest Basis:	[●] per cent. Fixed Rate] [specify reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (specify)] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]
11	Change of Interest or Redemption/Payment Basis:	[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
12	Options:	[Issuer Call] [(further particulars specified below)] [Other Option specify details of provisions]

¹ Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must (a) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

- 13 Status: [Unsubordinated/Subordinated] Notes
[Specify details of any provision for Subordinated Notes in particular whether dated or undated whether interest deferral provisions apply and whether any additional events of default should apply]
- 14 Listing: [Luxembourg/Other (specify)/None]
- 15 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16 Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per [●] in nominal amount
- (iv) Broken Amounts: [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]
- (v) Day Count Fraction (Condition 5(a)): [●]
(Day count fraction should be Actual/Actual-ISMA basis for all fixed rate issues other than those denominated in U.S. Dollars, unless otherwise agreed)
- (vi) Determination Date(s) (Condition 5(a)): [Insert day(s) and month(s) on which interest is normally paid (if more than one, then insert such dates in the alternative)] in each year¹
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 17 Floating Rate Provisions [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate for Notes denominated in Euro)
- (i) Specified Period(s)/Specified Interest Payment Dates: [●]
- (ii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iii) Additional Business Centre(s) (Condition 6(a)): [●]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]

¹ Only to be completed for an issue denominated in Euro where Day Count Fraction is Actual/Actual-ISMA

- (v) Interest Period Date(s): [Not Applicable/*specify dates*]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (vii) Screen Rate Determination (Condition 5(c)(iii)(B)):
- Relevant Time: [●]
 - Interest Determination Date: [☒] *[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]*
 - Primary Source for Floating Rate: *[Specify relevant screen page or “Reference Banks”]*
 - Reference Banks (if Primary Source is “Reference Banks”): *[Specify four]*
 - Relevant Financial Centre: *[The financial centre most closely connected to the Benchmark – specify if not London]*
 - Benchmark: *[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]*
 - Representative Amount: *[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]*
 - Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]*
 - Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period]*
- (viii) ISDA Determination (Condition 5(c)(iii)(A)):
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - ISDA Definitions: (if different from those set out in the Conditions) [●]
- (ix) Margin(s): [\pm][●] per cent. per annum
- (x) Minimum Rate of Interest: [●] per cent. per annum
- (xi) Maximum Rate of Interest: [●] per cent. per annum
- (xii) Day Count Fraction (Condition 5(a)): [●]
- (xiii) Rate Multiplier: [●]

	(xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18	Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield (Condition 6(e)(i)):	[●] per cent. per annum
	(ii) Day Count Fraction (Condition 5(a)):	[●]
	(iii) Any other formula/basis of determining amount payable:	[●]
19	Index Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Index/Formula:	[Give or annex details]
	(ii) Calculation Agent responsible for calculating the interest due:	[●]
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[●]
	(iv) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(v) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
	(vi) Additional Business Centre(s) (Condition 5(a)):	[●]
	(vii) Minimum Rate of Interest:	[●] per cent. per annum
	(viii) Maximum Rate of Interest:	[●] per cent. per annum
	(ix) Day Count Fraction (Condition 5(a)):	[●]
20	Dual Currency Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]
	(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[●]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(iv) Person at whose option Specified Currency(ies) is/are payable:	[●]
	(v) Day Count Fraction (Condition 5(a)):	[●]

PROVISIONS RELATING TO REDEMPTION

21	Call Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●]
	(iii) If redeemable in part:	[●]
	(c) Minimum nominal amount to be redeemed:	[●]
	(d) Maximum nominal amount to be redeemed:	[●]
	(iv) Option Exercise Date(s):	[●]
	(v) Description of any other Issuer's option:	[●]
	(vi) Notice period (if other than as set out in the Conditions):	[●]
22	Put Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●]
	(iii) Option Exercise Date(s):	[●]
	(iv) Description of any other Noteholders' option:	[●]
	(v) Notice period (if other than as set out in the Conditions):	[●]
23	Final Redemption Amount	[Nominal amount/Other/See Appendix]
24	Early Redemption Amount	
	(i) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 6(f)), for illegality (Condition 6(j)) or an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]
	(ii) Redemption for taxation reasons permitted on days others than Interest Payment Dates (Condition 6(f)):	[Yes/No]
	(iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only) (Condition 7(f)):	[Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	[Dematerialised Notes/ Materialised Notes] (<i>Materialised Notes are only in bearer form</i>) [Delete as appropriate]
	(i) Form of Dematerialised Notes:	[Not Applicable/if Applicable specify whether][Bearer dematerialised form (<i>au porteur</i>)/Registered dematerialised form (<i>au nominatif</i>)]
	(ii) Registration Agent:	[Not Applicable/if Applicable give name and details] (<i>Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only</i>)
	(iii) Temporary Global Certificate:	Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the “Exchange Date”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
	(iv) Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] (<i>Only applicable to Materialised Notes</i>)
26	Additional Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	[Not Applicable/Give details] (<i>Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iii) relates</i>)
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No/Not Applicable. <i>If yes, give details</i>] (Only applicable to Materialised Notes)
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay:	[Not Applicable/give details]
29	Details relating to Instalment Notes:	[Not Applicable/give details]
	(i) Instalment Amount(s):	[●]
	(ii) Instalment Date(s):	[●]
	(iii) Minimum Instalment Amount:	[●]
	(iv) Maximum Instalment Amount:	[●]
30	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition 1(d)] [annexed to this Pricing Supplement] apply]
31	Consolidation provisions:	[Not Applicable/The provisions [in Condition 14(b)] [annexed to this Pricing Supplement] apply]
32	Masse (Condition 11):	[Applicable/Not Applicable/Condition 11 replaced by the full provisions of the French <i>Code de commerce</i> relating to the Masse] (<i>Note that: (i) in respect of any Tranche of Notes issued <u>outside</u> France, Condition 11 <u>may</u> be waived, amended or supplemented, and (ii) in</i>

respect of any Tranche of Notes issued inside France, Condition 11 must be waived in its entirety and replaced by the full provisions of the French Code de commerce relating to the Masse.

If Condition 11 (as it may be amended or supplemented) applies or if the full provisions of the French Code de commerce relating to the Masse apply, insert details of Representative and Alternative Representative and remuneration, if any).

33 Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

34 (i) If syndicated, names of Managers: [Not Applicable/give names]

(ii) Stabilising Manager (if any): [Not Applicable/give name]

(iii) Dealer's Commission: [●]

35 If non-syndicated, name of Dealer: [Not Applicable/give name]

36 Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

37 ISIN Code: [●]

38 Sicovam Number: [●]

39 Common Code: [●]

40 Depositary(ies)

(i) Euroclear France to act as Central Depositary [Yes/No]

(ii) Common Depositary for Euroclear and Clearstream, Luxembourg [Yes/No]

41 Any clearing system(s) other than Euroclear France, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

42 Delivery: Delivery [against/free of] payment

43 The Agents appointed in respect of the Notes are: [●]

GENERAL

44 The aggregate principal amount of Notes issued has been translated into Euro at the rate of [●], producing a sum of: [Not Applicable/Euro [●]] (*Only applicable for Notes not denominated in Euro*)

45 Rating [[●] by Fitch Ratings, [[●] by Moody's Investors Service, Inc] and [[●] by Standard & Poor's .]

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency

GENERAL INFORMATION

- (1) In connection with the application to list the Notes issued under the Programme on the Luxembourg Stock Exchange a legal notice relating to the issue of the Notes and copies of the statutes of the Issuer will be deposited with the Chief Registrar of the District Court in Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*) where such documents may be examined and copies obtained. The Luxembourg Stock Exchange has allocated to the Programme the number 12451 for listing purposes.
- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the establishment of the Programme. The establishment of the Euro 10 billion Euro Medium Term Note Programme was authorised by a decision of the *Directoire* of the Issuer made on 29 May 2000. Any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, require the prior authorisation of the Ordinary General Meeting of the shareholders of the Issuer or of the *Directoire* acting by delegation from the Ordinary General Meeting of the shareholders. For this purpose the *Directoire* benefits from an authority granted on 30 May 2002 by the Ordinary General Meeting of the shareholders to issue Notes to a maximum aggregate amount of Euro 15 billion for five years which authority will, unless previously cancelled, expire on 30 May 2007. The *Directoire* has delegated on 4 June 2002 to Charles Milhaud, its *Président*, Philippe Wahl, *directeur général* and member of the *Directoire* and Nicolas Mérindol, member of the *Directoire* all powers to determine the terms and conditions of the Notes. Any drawdown of Notes, to the extent that such Notes do not constitute *obligations*, fall within the general powers of the *Président* of the *Directoire* or a *directeur général* of the Issuer.
- (3) Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2001, and no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2001.
- (4) Except as disclosed in this Offering Circular, neither the Issuer nor any member of the Group is or has been involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of the issue of the Notes nor so far as the Issuer is aware is any such litigation or arbitration pending or threatened.
- (5) Each Definitive Bearer Materialised Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the Sicovam number or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.
- (7) For so long as Notes may be issued under the Programme are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent or each of the Paying Agents:
 - (i) the Agency Agreement (which includes the form of the *Lettre Comptable*, the Temporary Global Certificates, the Definitive Materialised Bearer Notes, the Coupons, the Receipts and the Talons)
 - (ii) the Dealer Agreement
 - (iii) the *statuts* of the Issuer
 - (iv) the published annual report and audited non-consolidated and consolidated accounts of the Issuer for the two financial years ended 31 December 2000 and 2001 and its published interim accounts for the period ended 30 June 2002
 - (v) each Pricing Supplement for Notes that are listed on the Luxembourg Stock Exchange or any other stock exchange
 - (vi) a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular

- (vii) a copy of the subscription agreement for Notes issued on a syndicated basis that are listed on the Luxembourg Stock Exchange or any other stock exchange and
 - (viii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Circular in respect of each issue of Notes.
- (8) For so long as Notes issued under the Programme are outstanding, the following documents will be available free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Fiscal Agent or of each of the Paying Agents:
- (i) the published annual report and audited non-consolidated and consolidated accounts of the Issuer for the two financial years ended 31 December 2000 and 2001 and its published interim accounts for the period ended 30 June 2002,
 - (ii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Circular in respect of each issue of Notes,
 - (iii) each Pricing Supplement for Notes that are listed on the Luxembourg Stock Exchange or any other stock exchange and
 - (iv) a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular.
- (9) The accounts of the Issuer are published on an annual and semi-annual basis. Copies of the latest annual report and non-consolidated and consolidated accounts of the Issuer (including any published interim consolidated accounts) (in English and French) (in each case as soon as they are published) may be obtained, and copies of the Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (10) The European Union is currently considering proposals for a new directive regarding the taxation of savings income (the “**Directive**”). Subject to a number of important conditions being met, it is proposed that Member States will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State (the “**Disclosure of Information Method**”), subject to the right of certain Member States to opt instead for a withholding system for a transitional period in relation to such payments.

Registered Office of the Issuer
Caisse Nationale des Caisses d'Epargne et de Prévoyance
5 rue Masseran
75007 Paris
France

Arranger
Deutsche Bank AG Paris branch
3, avenue de Friedland
75008 Paris
France

Dealers

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

HSBC Bank plc
Thames Exchange
10 Queen Street Place
London EC4R 1BQ
United Kingdom

CDC IXIS Capital Markets
56, rue de Lille
75007 Paris
France

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

Deutsche Bank AG London
Winchester House
1 Great Winchester Street
EC2N 2DB London
United Kingdom

Société Générale
29, Boulevard Haussmann
75009 Paris
France

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

Tokyo-Mitsubishi International plc
6 Broadgate
London EC2M 2AA
United Kingdom

UBS AG,
acting through its business group
UBS Warburg
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

**Fiscal Agent, Principal Paying Agent, Redenomination Agent, Consolidation Agent
and Calculation Agent**

Deutsche Bank AG London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Paying Agents

Paris Paying Agent

Deutsche Bank AG Paris branch

3, avenue de Friedland
75008 Paris
France

Luxembourg Paying Agent

Deutsche Bank Luxembourg S.A.

2, boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

Listing Agent

Luxembourg Listing Agent

Deutsche Bank Luxembourg S.A.

2, boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

Auditors to the Issuer

Coopers & Lybrand Audit

32, rue Guersant
75017 Paris
France

KPMG S.A.

2 bis, rue de Villiers
92300 Levallois Perret
France

Legal Advisers

To the Issuer

Landwell & Associés

32, rue Guersant
75017 Paris
France

To the Dealers

Linklaters

25, rue de Marignan
75008 Paris
France



CAISSE D'ÉPARGNE
CAISSE NATIONALE