



BPCE

EUR 750,000,000 9.250 per cent Undated Deeply Subordinated Notes

<http://www.oblible.com> Issue price: 100 per cent

The EUR 750,000,000 9.250 per cent Undated Deeply Subordinated Notes (the “Notes”) of BPCE S.A. (the “**Issuer**”) will be issued outside the Republic of France on 22 October 2009 (the “**Issue Date**”) and will bear interest at a fixed rate of 9.250 per cent per annum (the “**Fixed Interest Rate**”) from and including the Issue Date, payable annually in arrear on 22 April in each year (an “**Interest Payment Date**”), commencing on 22 April 2010. There will be a first short coupon in respect of the first Interest Period (as defined in “Terms and Conditions of the Notes – Interest”) from and including the Issue Date up to, but excluding, 22 April 2010.

Payment of interest on the Notes will be compulsory if the Issuer pays dividends on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, in each cases to the extent categorised as Tier 1 Capital and in certain other circumstances described herein. Otherwise, the Issuer may elect, and in certain circumstances shall be required, not to pay interest falling due on the Notes. Any interest not paid shall be forfeited and no longer be due and payable by the Issuer. Interest accrued may also be reduced and forfeited if the Issuer’s total risk-based consolidated capital ratio falls below required levels and in certain other circumstances. (See “Terms and Conditions of the Notes – Interest and Interest Suspension”).

The Notes are undated and have no final maturity. The Notes may, at the option of the Issuer but subject to the prior approval of the *Secrétariat général de la Commission bancaire* (“**SGCB**”), be redeemed at par (in whole but not in part) on 22 April 2015 (the “**First Call Date**”) and on any Interest Payment Date thereafter. In addition, the Notes may, in case of certain taxation or regulatory events, be redeemed at par on any Interest Payment Date (in whole but not in part), subject to the prior approval of the SGCB. The principal amount of each Note may be written down to a minimum amount of one cent of one euro if the Issuer’s total risk-based consolidated capital ratio falls below required levels, subject to reinstatement in certain cases described herein. The Notes are subordinated to substantially all of the Issuer’s other obligations, including in respect of ordinarily subordinated debt instruments. (See “Terms and Conditions of the Notes – Status of the Notes and Subordination”).

The Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) is the competent authority in Luxembourg for the purpose of Directive n°2003/71/EC (the “**Prospectus Directive**”) and the Luxembourg law on prospectuses for securities of 10 July 2005, for the purpose of approving this Prospectus. Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange (the “**Luxembourg Stock Exchange**”) and to be traded on the regulated market of the Luxembourg Stock Exchange, which is an EU regulated market within the meaning of Directive 2004/39/EC (the “**EU regulated market of the Luxembourg Stock Exchange**”).

The Notes will be offered to (i) institutional investors by means of private placements in various jurisdictions in accordance with applicable regulations and (ii) the public in Belgium, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom for a limited period, as described herein (See “Terms and Conditions of the Offers”). In accordance with the European passport mechanism set out in the Prospectus Directive, application has been made for a certificate of approval attesting the Prospectus to be drawn up in accordance with the Prospectus Directive and to be provided by the CSSF to the relevant competent authorities in Belgium, Germany, Ireland, the Netherlands, Portugal, Spain and the United Kingdom. The Issuer may request the CSSF to provide such certificate of approval to the relevant competent authorities in other member states of the European Economic Area. The Notes will also be offered to the public in Switzerland pursuant to a separate public offering. Such offers shall not commence until all requirements necessary to any such offer to be made in accordance with all applicable laws, rules and regulations in such jurisdiction have been complied with. (See “Terms and Conditions of the Offers”).

The Notes have been assigned a rating of “A2” by Moody’s Investors Service, Inc. and “BBB-” by Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. A credit rating is not a

recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

See “Risk Factors” below for certain information relevant to an investment in the Notes.

The Notes have been accepted for clearance through Euroclear France S.A. (“Euroclear France”), Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”) and Euroclear Bank S.A./N.V. (“Euroclear”). The Notes will, on the Issue Date, be entered (*inscrites en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Notes - Form, Denomination and Title” below).

The Notes will be issued in dematerialised bearer form in the denomination of EUR 1,000 each. The Notes will, at all times, be represented in book entry form (*dématérialisé*) in the books of the Account Holders in compliance with Article L.211-3 and Article L.211-4 of the French *Code monétaire et financier*. No physical document of title will be issued in respect of the Notes.

THE NOTES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). SEE “SUBSCRIPTION AND SALE”.

JOINT BOOKRUNNERS AND LEAD MANAGERS

DEUTSCHE BANK

J.P. MORGAN

NATIXIS

Prospectus dated 20 October 2009

RESPONSIBILITY STATEMENT

The Issuer (whose registered office appears on page 71 of this document) accepts responsibility for the information contained (or incorporated by reference) in this Prospectus. The Issuer, having taken all reasonable care to ensure that such is the case, confirms that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer, Groupe BPCE SA and Groupe BPCE and the Notes and the listing of the Notes on the Official List of the Luxembourg Stock Exchange. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Managers (as defined in “Subscription and Sale” herein). This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates. Neither the delivery of this Prospectus nor any sale hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of the Issuer since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

INVESTORS SHOULD SATISFY THEMSELVES THAT THEY UNDERSTAND ALL THE RISKS ASSOCIATED WITH MAKING INVESTMENTS IN THE NOTES. PROSPECTIVE INVESTORS THAT HAVE ANY DOUBT WHATSOEVER AS TO THE RISKS INVOLVED IN INVESTING IN THE NOTES SHOULD CONSULT THEIR PROFESSIONAL ADVISORS.

This Prospectus has been prepared by the Issuer for use by the Managers in making offers and sales of the Notes outside the United States to non-U.S. Persons in reliance on Regulation S under the Securities Act.

Each purchaser of the Notes will be deemed to have represented and agreed that it understands that the Notes have not been registered under the Securities Act, and the Notes may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person, except in accordance with Regulation S under the Securities Act.

EACH PURCHASER OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE NOTES OR POSSESSES OR DISTRIBUTES THIS PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NEITHER THE ISSUER NOR THE MANAGERS SHALL HAVE ANY RESPONSIBILITY THEREFOR.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Managers or any affiliate of any of them, to subscribe for or purchase, any Notes in any jurisdiction by any person to whom it is unlawful to make such an offer or invitation in such jurisdiction. This Prospectus may only be used for the purposes for which it has been published.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about, and to observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on distribution of this Prospectus and other offering material relating to the Notes, see “Subscription and Sale”.

References herein to “EUR”, “euro” and “€” are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union of 1 January 1999.

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

CERTAIN TERMS USED IN THIS PROSPECTUS

The following terms will have the meanings set forth below when used in this Prospectus:

“**Banques Populaires**” means 20 *Banques Populaires* (made up of 18 regional banks, CASDEN Banque Populaire and Crédit Coopératif) that were part of the Groupe Banque Populaire, and which are part of the Groupe BPCE since the Combination Transactions.

“**BFBP**” means the *Banque Fédérale des Banques Populaires*, a French *société anonyme*.

“**BFBP Group**” means the BFBP and its consolidated subsidiaries and associates, prior to the completion of the Combination Transactions.

“**BPCE**” means BPCE S.A., a French *société anonyme*.

“**CNCE Group**” means the CNCE and its consolidated subsidiaries and associates, prior to the completion of the Combination Transactions.

“**Caisses d’Epargne**” means the 17 *Caisses d’Epargne et de Prévoyance* that were part of the Groupe Caisse d’Epargne, and which are part of the Groupe BPCE since the Combination Transactions.

“**CNCE**” means the *Caisse Nationale des Caisses d’Epargne et de Prévoyance*, a French *société anonyme*.

“**Combination Transactions**” means the contribution by CNCE and BFBP of certain assets and businesses, and certain related transactions, all of which took place on 31 July 2009, all as further described in the BPCE Registration Document (defined under “Documents Incorporated by Reference”).

“**Groupe Banque Populaire**” means the consolidated group formed by the BFBP Group, the Banques Populaires and certain affiliated entities, in each case prior to the Combination Transactions.

“**Groupe BPCE**” means the Groupe BPCE SA, the Banques Populaires, the Caisses d’Epargne and certain affiliated entities, after the completion of the Combination Transactions.

“**Groupe BPCE SA**” means BPCE and its consolidated subsidiaries and associates, following the completion of the Combination Transactions.

“**Groupe Caisse d’Epargne**” means the consolidated group formed by the CNCE Group, the Caisses d’Epargne and certain affiliated entities, in each case prior to the Combination Transactions.

References to the Issuer are to BPCE S.A.

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SUMMARY

This summary must be read as an introduction to this Prospectus. Any decision by any investor to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each EEA Member State, no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in an EEA Member State, the plaintiff may, under the national legislation of the EEA Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Introduction: The Combination Transactions

On 24 June 2009, the *Caisse Nationale des Caisses d'Epargne et de Prévoyance* (“CNCE”) and the *Banque Fédérale des Banques Populaires* (“BFBP”), the lead banks of two French mutual banking groups, signed a contribution agreement, pursuant to which they agreed to contribute certain businesses and related assets and liabilities to BPCE (the contributions and certain related transactions are referred to in this Prospectus as the “Combination Transactions”). The Combination Transactions closed on 31 July 2009. Prior to the Combination Transactions, BPCE had no significant activities, assets or liabilities.

BPCE

BPCE is the central body of the Groupe BPCE, the second largest banking group in France (excluding the French Postal Bank) in terms of 2008 retail net banking income (based on pro forma figures) and number of branches as of 31 December 2008. The Groupe BPCE had €1,073.3 billion of pro forma consolidated assets and €42.3 billion of pro forma consolidated shareholders equity (€39.6 billion group share), in each case as of 30 June 2009. The Groupe BPCE had €16.5 billion of pro forma consolidated net banking income for the year ended 31 December 2008, and €9.7 billion of pro forma consolidated net banking income for the six months ended 30 June 2009.

As the central body (*organe central*) of Groupe BPCE, BPCE’s role (defined by French Law no. 2009-715 dated 18 June 2009) is to coordinate policies and exercise certain supervisory functions with respect to the regional banks and other affiliated entities, and to ensure the liquidity and solvency of the entire group. BPCE has established a financial solidarity mechanism, supported by a dedicated guarantee fund which will reach an amount of €920 million by the end of 2009, under which each network bank and each affiliated French credit institution in the group (including BPCE) benefits from an undertaking from all of the network banks and BPCE to provide financial support as needed. As a result, BPCE’s credit is effectively supported by the financial strength of the entire group.

The Groupe BPCE

The Groupe BPCE is a mutual banking group that includes primarily the following (in addition to BPCE as central body):

- Two French retail banking networks: the Caisse d’Epargne network, which includes 17 regional banks known as the “Caisses d’Epargne et de Prévoyance” (or the “Caisses d’Epargne”) and the Banque Populaire Network, which includes 20 banks known as the “Banques Populaires” (18 regional banks, CASDEN Banque Populaire and Crédit Coopératif). Taken together, the two retail bank groups constitute one of the strongest banking networks in France, with over €11 billion in combined 2008 net banking income from retail banking (a 24% market share, number 2 in France); over 26 million banking customers, or over 37 million including customers that have only “Livret A” passbook savings accounts (number 1 in France including all of these customers); and 8,171 branches and agencies (a 29% market share, number two in France as of 31 December 2008).
- Natixis, which is the corporate and investment banking, asset management and financial services arm of the Groupe BPCE. The Natixis group has five core business lines: corporate

and investment banking, asset management, private equity and private banking, services, and receivables management. Natixis also owns 20 per cent non-voting interests in the regional banks in the Banque Populaire and Caisse d'Épargne networks. Natixis is listed on Euronext Paris. BPCE holds approximately 71.6% of the share capital of Natixis (excluding treasury shares), and the remainder continues to be held by the public.

- Specialized Affiliates of BPCE, including affiliates with activities in insurance (GCE Assurances and an interest in CNP Assurances), international retail banking (Financière Océor and several BFBP affiliates) and French retail banking (Société Marseillaise de Crédit and BCP).

The Groupe BPCE also includes a number of specialized affiliates that were not contributed to BPCE in the Combination Transactions, including Crédit Foncier de France (a leading real estate and public housing lender), Banque Palatine (which provides banking services tailored to managers of small businesses), and a number of entities that are active in the real estate field, such as Nexity, a leading real estate developer (40% interest, with the remainder held by its management and the public), and Foncia, a leading real estate brokerage and property management group. In the medium term, these affiliates are expected to be either transferred to BPCE or sold.

The Groupe BPCE SA

BPCE holds a 71.6% interest in Natixis (excluding treasury shares), and the interests in the specialized affiliates of BPCE described above. It does not hold any direct financial interest in the regional banks, although it holds an indirect interest through Natixis, which holds 20% non-voting equity interests in each of the regional banks.

The Groupe BPCE SA (meaning BPCE and its consolidated subsidiaries and associates) had pro forma consolidated net banking income of €4.1 billion in 2008 and €2.764 billion in the first half of 2009, pro forma consolidated assets of €624.8 billion as of 30 June 2009 and pro forma consolidated shareholders equity €25.8 billion (€21.6 billion group share) as of 30 June 2009.

All of BPCE's ordinary shares are held by the regional banks – half by the Caisses d'Épargne and half by the Banques Populaires (the regional banks are in turn owned directly or indirectly by over 7 million cooperative shareholders, primarily customers). In addition, 30% of the share capital of BPCE is held in the form of non-voting preference shares issued to the *Société de Prise de Participation de l'Etat* ("SPPE"), a company that is wholly-owned by the French State. The SPPE subscribed to BPCE warrants that may be exercised five years after their issuance (if they remain outstanding) for new ordinary BPCE shares representing a maximum voting interest of 20%. The preference shares and the warrants will be redeemable by BPCE at any time after one year following their issuance.

BPCE has a two-tier governance structure, with a supervisory board with 18 members that are elected by the voting shareholders, and a management board that is appointed by the supervisory board. Under a protocol signed by CNCE, BFBP and the French State on 24 June 2009 (the "**BPCE Protocol**"), the French State nominated four members of the supervisory board (two of whom must be independent). The remaining members were nominated by the regional banks, with equal numbers nominated by the banks in each network.

Capital Adequacy Ratios

The pro forma Tier 1 capital ratio of the Groupe BPCE as of 30 June 2009 (based on Basel II / CRD Standards) was 8.6%. This figure is based on certain assumptions described on page 438 of the BPCE Registration Document. The Groupe BPCE SA's estimated pro forma Tier 1 ratio as of the same date was 9.3%.

Risk Factors Relating to the Issuer

Prior to making an investment decision, prospective investors should read this Prospectus and consider carefully the matters discussed under "Risk Factors" below. There are certain factors that may affect the Issuer's ability to fulfill its obligations under the Notes. In particular, prospective investors should consider the following risk factors related to the Issuer:

- Risks that BPCE and the Groupe BPCE may not achieve the expected synergies from the Combination Transactions;
- Risks that integration process may be difficult and could disrupt operations or could prove to be more costly than anticipated;
- Risks relating to the guarantee in favor of Natixis provided by BPCE;
- Risks inherent to banking activities including credit risks, market, liquidity and financing risks, operational risks and insurance risks;
- Risks relating to adverse global economic and market conditions;
- Risks that legislative action and other measures taken by governments and regulators in France or globally may not stabilize the financial system;
- Risks that BPCE may be required to contribute funds to the entities that are part of the financial solidarity mechanism that encounter financial difficulties, including some entities in which BPCE holds no economic interest;
- Risks related to the impact of the reform of the distribution of the “Livret A” passbook savings account on the revenues and net income of the Caisses d’Epargne;
- A substantial increase in new provisions or losses greater than the level of previously recorded provisions could adversely affect BPCE’s results of operations and financial condition; and
- Other factors described under “Risk Factors”.

The Notes

Description:	EUR 750,000,000 9.250 per cent Undated Deeply Subordinated Notes, the proceeds of which will constitute Tier 1 Capital, subject to the limits on the portion of the Issuer's Tier 1 Capital that may consist of hybrid securities in accordance with Applicable Banking Regulations as interpreted by the <i>Secrétariat général de la Commission bancaire</i> (the “SGCB”). The initial principal amount of the Notes could exceed those limits at the time the Notes are issued.
Joint Bookrunners and Joint-Lead Managers:	Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd. and Natixis.
Principal Amount:	EUR 750,000,000.
Issue Price:	100 per cent.
Fiscal Agent, Principal Paying Agent and Calculation Agent:	Deutsche Bank AG, London Branch
Luxembourg Paying Agent:	Deutsche Bank Luxembourg S.A.
Denomination:	EUR 1,000.
Maturity:	The Notes are undated perpetual obligations in respect of which there is no fixed redemption or maturity date.
Status of the Notes:	<p>The Notes are deeply subordinated notes (constituting <i>obligations</i> under French law) issued pursuant to the provisions of Article L.228-97 of the French <i>Code de commerce</i>.</p> <p>The principal and interest on the Notes (which constitute <i>obligations</i> under French law) are direct, unconditional, unsecured, undated and deeply subordinated obligations of the Issuer and rank, and will rank <i>pari passu</i> among themselves <i>pari passu</i> with all other present and future deeply subordinated notes of the Issuer but shall be subordinated to the present and future <i>prêts participatifs</i> granted to the Issuer and present and future <i>titres participatifs</i>, ordinarily subordinated notes and unsubordinated notes issued by the Issuer. In the event of liquidation, the Notes shall rank in priority to any payments to holders of any classes of shares and of any other equity securities issued by the Issuer.</p> <p>See “Terms and Conditions of the Notes – Definitions” for definitions of the terms used in the preceding paragraph.</p>
Regulatory Treatment:	The proceeds of the issue of the Notes will be treated, for regulatory purposes, as consolidated <i>fonds propres de base</i> for the Issuer. <i>Fonds propres de base</i> (“ Tier 1 Capital ”) shall have the meaning given to that term in Article 2 of <i>Règlement</i> no. 90-02, dated 23 February 1990, as amended, of the <i>Comité de la Réglementation Bancaire et Financière</i> (the “ CRBF Regulation ”) or otherwise recognised as <i>fonds propres de base</i> by SGCB. The CRBF Regulation should be read in conjunction with the press release of the Bank for International Settlements dated 27 October 1998 concerning instruments eligible for inclusion in Tier 1 Capital (the “ BIS Press Release ”).

Interest:

Interest on the Notes will be payable from and including 22 October 2009 (the “**Issue Date**”) at a rate of 9.250 per cent per annum annually in arrear on 22 April in each year (each, an “**Interest Payment Date**”), commencing on 22 April 2010. There will be a first short coupon in respect of the first Interest Period from and including the Issue Date up to, but excluding, 22 April 2010.

Payments of Interest:

Payment of interest on any Interest Payment Date will be compulsory if such Interest Payment Date constitutes a Compulsory Interest Payment Date.

“**Compulsory Interest Payment Date**” means each Interest Payment Date as to which at any time during a period of one-year prior to such Interest Payment Date:

- the Issuer has declared or paid a dividend (whether in cash, shares or any other form but excluding a dividend paid in newly issued shares), or more generally made a payment of any nature, on any class of share capital or on other equity securities issued by the Issuer, or on other deeply subordinated notes or any other securities that rank *pari passu* with the Notes, in each such case to the extent such instrument is categorized as Tier 1 Capital, unless such payment on other deeply subordinated notes or any other securities that rank *pari passu* with the Notes was required to be made as a result of a dividend or other payment having been made on any class of share capital or on other equity securities issued by the Issuer; or
- the Issuer has redeemed, either by cancellation or by means of *amortissement* (as defined in Article L.225-198 of the French *Code de commerce*), repurchased or otherwise acquired any shares, whatever classes of shares, if any, they belong to, or any other equity securities issued by the Issuer, by any means,

provided, however, that if a Supervisory Event has occurred during the Interest Period immediately preceding such Interest Payment Date, such Interest Payment Date shall only be a Compulsory Interest Payment Date if such Supervisory Event had occurred prior to the relevant event described in the sub-paragraphs above.

On any other Interest Payment Date (i.e., on any Optional Interest Payment Date), the Issuer may, at its option, elect not to pay interest in respect of the Notes accrued to that date. Any interest not paid on such date shall be forfeited and no longer be due and payable by the Issuer.

In the event that a Supervisory Event occurs during the Interest Period immediately preceding an Optional Interest Payment Date, the amount of A Interest (as defined below), if any, in respect of each Note shall automatically be suspended, and no interest on the Notes shall accrue and be payable by the Issuer with respect to the remaining period in such Interest Period or any other Interest Period during the period starting on the date of the Supervisory Event and ending on the date of the End of Supervisory Event. The amount of A Interest may be reduced to absorb losses as described below.

Such A Interest may be paid on the next succeeding Optional Interest Payment Date occurring as from the date of the End of Supervisory Event.

“**A Interest**” is only applicable with respect to an Interest Period whose Interest Payment Date is an Optional Interest Payment Date and means, with respect to the period from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of the occurrence of a Supervisory Event, the amount of interest accrued on the Notes during such period.

Supervisory Event: Supervisory Event means the first date on which either of the following events occurs: (i) the risk-based consolidated capital ratio of the Issuer and its consolidated subsidiaries, calculated in accordance with the Applicable Banking Regulations, falls below the minimum percentage required in accordance with Applicable Banking Regulations, or (ii) the notification by the SGCB to the Issuer, that the SGCB has determined, in its sole discretion, that the foregoing clause (i) of this definition would apply in the near term.

End of Supervisory Event: End of Supervisory Event means, following a Supervisory Event, the first date on which either of the following events occurs: (i) if the Supervisory Event occurred pursuant to clause (i) of the definition of Supervisory Event, the total risk-based consolidated capital ratio of the Issuer and its consolidated subsidiaries, calculated in accordance with the Applicable Banking Regulations, complies with the minimum percentage required in accordance with Applicable Banking Regulations, or (ii) if the Supervisory Event occurred pursuant to clause (ii) of the definition of Supervisory Event, the notification by the SGCB to the Issuer, that it has determined, in its sole discretion, in view of the financial condition of the Issuer, that the circumstances which resulted in the Supervisory Event have ended.

Loss Absorption: The amount of A Interest, if any, and thereafter, if necessary, the Principal Amount of the Notes may be reduced following a Supervisory Event (unless the Issuer first completes a capital increase or certain other transactions). The amount by which A Interest and, as the case may be, the then Principal Amount are reduced, will be equal to the amount of the insufficiency of the share capital increase or any other proposed measures aiming at an increase of the Tier 1 Capital to remedy the Supervisory Event.
For the avoidance of doubt, the first remedy to the Supervisory Event shall be a share capital increase. See “Terms and Conditions of the Notes – Loss Absorption and Return to Financial Health”.

Return to Financial Health: Return to Financial Health means a positive Consolidated Net Income recorded for at least two consecutive financial years reported following the End of Supervisory Event. The Principal Amount of the Notes shall be reinstated following a Return to Financial Health, to the extent any such reinstatement does not trigger the occurrence of a Supervisory Event.

Whether or not a Return to Financial Health has occurred, the Issuer shall increase the Principal Amount of the Notes up to the Original Principal Amount in certain circumstances, including payment of dividends on share capital, redemption of the Notes or liquidation of the Issuer.

Early Redemption: The Notes may be redeemed (in whole but not in part) on the First Call Date (22 April 2015) and on any Interest Payment Date thereafter, at the option of the Issuer. Any such redemption will be at the Original Principal Amount plus accrued and unpaid interest.

The Issuer will also have the right, and in certain circumstances the obligation, to redeem the Notes at par on any Interest Payment Date (in whole but not in part) in case of imposition of withholding tax, in case of loss of deductibility for corporate income tax purposes and for regulatory reasons (i.e. loss of Tier 1 Capital status of the Notes). Any such redemption will be at a price equal to the Original Principal Amount plus accrued and unpaid interest.

Any early redemption is subject to the prior approval of the SGCB.

Risk Factors relating to the Notes:

There are risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes and risk factors which are material for the purpose of assessing the risks associated with the Notes, including the following (each of which is described in more detail under "Risk Factors"):

- (a) The Notes are deeply subordinated obligations and will be subordinated to all the Issuer's existing and future indebtedness (except other deeply subordinated obligations);
- (b) The principal amount of the Notes may be reduced to absorb losses of the Issuer;
- (c) There are certain restrictions on payments under the Notes;
- (d) There is no limitation on issuing or guaranteeing debt;
- (e) The Notes are undated securities;
- (f) The Notes may be redeemed under certain circumstances (including for taxation, regulatory and other reasons); and
- (g) There is no prior market for the Notes.

Taxation:

The Notes will, upon issue, benefit from an exemption from deduction for withholding tax as provided in "Terms and Conditions of the Notes". If French law shall require any such deduction, the Issuer shall, to the extent permitted by law and subject to certain exceptions, pay additional amounts.

Negative Pledge:

There is no negative pledge in respect of the Notes.

Event of Default:

There will be an event of default in the event of the judicial liquidation (*liquidation judiciaire*) or liquidation for any other reason of the Issuer, in which case the rights of the Noteholders will be to the Original Principal Amount of the Notes plus accrued and unpaid interest.

Representation of Noteholders:

The Noteholders will be grouped automatically for the defense of their respective common interests in a *masse* governed by the provisions of the French *Code de commerce* subject to certain exceptions and provisions (the "**Masse**"). The Masse will be a separate legal entity, and will be acting in part through one representative (the "**Representative**") and in part through a general assembly of the Noteholders.

Form of Notes:

The Notes will, upon issue, be entered in the books of Euroclear France, which shall credit the accounts of the Account Holders, including Euroclear and the depositary bank for Clearstream, Luxembourg.

The Notes will be issued in bearer dematerialised form (*au porteur*) and will, at all times, be represented in book entry form in compliance with Article L.211-3 and Article L.211-4 of the French *Code monétaire et financier*. No physical document of title will be issued in respect of the Notes.

Listing and Admission to Trading:

Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the EU regulated market of the Luxembourg Stock Exchange. Such listing is expected to occur on the Issue Date.

Selling Restrictions:

There are restrictions on the sale of the Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”.

Rating:

The Notes have been assigned a rating of “A2” by Moody’s Investors Service, Inc. and “BBB-” by Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Governing Law:

French law.

Public Offer

The Notes will be offered by certain banks, financial intermediaries and other authorised entities with the approval of the Issuer to the public in certain jurisdictions in the European Economic Area, including Belgium, Germany, Ireland, Luxembourg, the Netherlands, Spain, Portugal and the United Kingdom, as well as in Switzerland, during a period expected to commence on or about 9.00 a.m. CET on 22 October 2009 and ending no later than 5.00 p.m. CET on 26 October 2009. Such offers shall not commence until all requirements necessary to any such offer to be made in accordance with all applicable laws, rules and regulations in such jurisdiction have been complied with. (See “Terms and Conditions of the Offers”).

RISK FACTORS

Prior to making an investment decision, prospective investors should consider carefully all of the information set out and incorporated by reference in this Prospectus, including in particular the following risk factors. This section is not intended to be exhaustive and prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus. Terms defined in “Terms and Conditions of the Notes” below shall have the same meaning where used below. Certain documents incorporated by reference in this Prospectus also contain useful information pertaining to the risk factors relating to the Issuer and its operations. See “Documents Incorporated by Reference”.

Risks Related to the Issuer

Risks Relating to the Combination Transactions

BPCE and the Groupe BPCE may not achieve the expected synergies from the Combination Transactions.

The group intends to seek significant synergies from the Combination Transactions, which it hopes will result in lower aggregate costs, more efficient operations and better opportunities for business development. If the Groupe BPCE does not achieve the expected synergies from the Combination Transactions, the actual benefits will be lower than anticipated, and the results of operations and financial condition of the Groupe BPCE SA and the Groupe BPCE will be adversely affected.

The ability of the group to realize anticipated synergies will depend on a number of factors, many of which are beyond the control of BPCE and the entities in the Groupe BPCE. The group may fail to achieve expected synergies for any number of reasons, including difficulties encountered in the integration process, disruptions caused by the unique structure of the new Group or the materialization of risks relating to ordinary banking activities. Any of these factors, among others, could result in the actual level of business development and/or cost synergies being lower than anticipated.

The integration process may be difficult and could disrupt operations or could prove to be more costly than anticipated.

While the Caisses d’Epargne and the Banques Populaires continue to operate autonomously with separate brands and product development strategies, they are integrating a number of functions (such as performing market studies and certain information technology functions). Realization of the anticipated benefits from the Combination Transactions depends in part upon whether the operations of the Caisses d’Epargne Group and the Banques Populaires Group in these areas can be integrated in an efficient and effective manner. Integrating the operations of a combined business, even in limited areas, is a complex and lengthy process. Successful integration requires, among other things, the satisfactory coordination of business efforts, the retention of key management personnel and professionals, effective hiring and training policies and the alignment of information and software systems. Difficulties may be encountered in combining operations that could result in higher integration costs and lower savings or revenues than expected. Moreover, the integration of the operations of the Groupe Caisse d’Epargne with those of the Groupe Banque Populaire in the targeted areas could interfere with the activities of one or more of their businesses and divert management’s attention from other aspects of their operations, which could have an adverse effect on their operations and results.

The results of operations and financial condition presented in the unaudited pro forma financial information may not be indicative of the future performance of the Groupe BPCE SA or Groupe BPCE.

BPCE’s unaudited pro forma financial information incorporated by reference in this Prospectus, and that of the Groupe BPCE, has been prepared as if the Combination Transactions had occurred as of dates that are earlier than the date on which the Combination Transactions actually took place. The unaudited pro forma financial information for the two groups was prepared on the basis of a number of assumptions, and do not reflect the results of operations or financial condition which the Groupe BPCE SA or the Groupe BPCE would have had if the Combination Transactions had actually taken place on the earlier dates described therein. In addition, there can be no assurance that the results indicated by the pro forma financial information are representative of the future results or performance of the Groupe BPCE SA or the Groupe BPCE.

Risks Relating to the Structure of the Groupe BPCE SA and the Groupe BPCE

BPCE may be required to contribute funds to the entities that are part of the financial solidarity mechanism if they encounter financial difficulties, including some entities in which BPCE holds no economic interest.

As the central body of the Groupe BPCE, BPCE guarantees the liquidity and solvency of each of the regional banks (the Caisses d'Epargne and the Banques Populaires), as well as the other members of the affiliated group that are credit institutions subject to regulation in France. The affiliated group includes BPCE affiliates such as Natixis, Financière Océor and Société Marseillaise de Crédit, as well as other credit institutions in which BPCE holds no interest, such as Crédit Foncier de France and Banque Palatine. While each of the regional banks and the other members of the affiliated group is required to provide similar support to BPCE, there can be no assurance that the benefits of the financial solidarity mechanism for BPCE will outweigh its costs.

To assist BPCE in assuming its central body liabilities and to ensure mutual support within the Groupe BPCE, a guarantee fund has been established to cover liquidity and solvency risks, which will reach an amount of €920 million by the end of 2009. The regional banks and the entities in the affiliated group will be required to make additional contributions to the guarantee fund from their future profits. While the guarantee fund will provide a substantial source of resources to fund the financial solidarity mechanism, there can be no assurance that it will be sufficient for this purpose. If the guarantee fund turns out to be insufficient, BPCE will be required to make up the shortfall.

BPCE does not have voting rights in shareholders meetings of the Caisses d'Epargne and the Banques Populaires

BPCE's financial strength is derived in significant part from the regional retail banks, both as a result of the support undertakings in the financial solidarity mechanism, and as a result of BPCE's non-voting equity interest in the regional retail banks (through Natixis, which holds 20% non-voting equity interests in the regional retail banks). While BPCE has significant powers to monitor and supervise the regional retail banks in its capacity as central body of the Groupe BPCE, it does not have any voting power in respect of decisions that require the consent of shareholders of the regional banks.

In the event of a disagreement between the Banques Populaires, the Caisses d'Epargne and/or the French State, the business or operations of the Groupe BPCE SA could be subject to significant disruptions.

A protocol signed by CNCE, BFBP and the French State on 24 June 2009 (the “**BPCE Protocol**”), established a mechanism for the appointment of members of the supervisory board and of the management board of BPCE, as well as the implementation of various corporate governance measures. Of the 18 members of the BPCE Supervisory Board, seven have been nominated by the Caisses d'Epargne, seven have been nominated by the Banques Populaires, and four have been nominated by the French State (including two independent members). In addition, the BPCE Protocol provides (and the bylaws of BPCE will provide) that certain decisions deemed essential require the approval of 15 out of 18 members of the supervisory board (meaning a favorable vote from at least one representative of each of the Caisses d'Epargne, the Banques Populaires and the French State). These “Essential Decisions” include the nomination and removal of the Chairman and other members of the Management Board and the decision to name one (or two) Management Board members as Chief Executive Officer; any purchase of equity interests, other investments or divestitures involving an amount greater than €1 billion; any increase in BPCE's authorized capital with a waiver of preferential subscription rights; any merger, contribution or spin-off transactions to which BPCE is a party; any proposal to BPCE's shareholders to modify BPCE's bylaws, corporate governance or the rights of holders of preference shares; and any other decision involving a significant change to the Supervisory Board's functions that would affect the rights of holders of BPCE's preference shares. The BPCE Protocol does not (and BPCE's bylaws will not) contain a mechanism for definitively resolving any disagreement. In the event of deadlock, the management board may be unable to obtain supervisory board approval to proceed with planned actions. The business of the Groupe BPCE SA or the Groupe BPCE may therefore be subject to significant disruptions in the event that the Banques Populaires, the Caisses d'Epargne and/or the French State are unable to resolve any differences concerning the relevant group's development.

BPCE is subject to certain risks as a result of the guarantee in favor of Natixis provided by BPCE.

One of BPCE's initial goals after its creation was to take all necessary measures to financially bolster Natixis and to provide it with the resources it needs to develop its businesses, implement its new strategic plan and once again create value for its shareholders.

On 25 August 2009, BPCE and Natixis signed a draft agreement to put in place a guarantee to protect Natixis from the risk of future losses and the volatility of results linked to the GAPC portfolio (Workout Portfolio Management), a portfolio of sensitive and non-strategic assets to be wound down, thus facilitating Natixis' development and return to a profit in the near future.

With the exception of a few specific items not requiring any particular protection (chiefly assets guaranteed by U.S. agencies), all the GAPC portfolios (loans and receivables on the one hand, instruments at fair value through profit and loss – trading portfolio on the other) are covered by the protection mechanism for an aggregate nominal value of €38 billion and a net book value of €31 billion at 30 June 2009. The analysis of the assets will be conducted line-by-line on the basis of macro-economic assumptions. At 30 June 2009 these portfolios have been covered by provisions that are higher than any final loss expected from these assets under a stress scenario comparable to that used by U.S. agencies. Moreover, any expected loss under a “hyper-stress” scenario would not impact the solvency of Groupe BPCE.

BPCE guarantees, in exchange for appropriate compensation, 85% of the assets in these portfolios, with Natixis retaining 15% of the exposure, thereby aligning the interests of both Natixis and BPCE in connection with the future management of the assets covered by this guarantee.

The guarantee mechanism will be subject to the approval of the shareholders' meetings of Natixis and BPCE in compliance with the French rules governing the related-party agreements. As of the date of this Prospectus, the agreements relating to this guarantee have not yet been signed.

The guarantee mechanism includes the adoption of a total return swap combined with a purchase option mechanism for the assets carried as instruments at fair value through profit and loss, for which BPCE will receive a premium of approximately €480 million, and the adoption of a financial guarantee on the nominal value of assets carried as loans and receivables, thereby protecting Natixis against losses in excess of the provisions booked with respect to this portfolio.

The establishment of the guarantee has no immediate impact on the results of BPCE and Natixis. Future results of BPCE could be affected by the volatility of the mark-to-market value of the guaranteed portfolios, although the risk of final losses is limited, since the premium paid by Natixis to BPCE for providing the guarantee corresponds to the provisions recorded as of 30 June 2009 on those portfolios.

There is, however, a risk that these estimates and analyses may change and lead to future writedowns, due to factors that have not been anticipated or accurately estimated in the statistical models or due to market movements. Any other future risks covered by the guarantee will be recorded in the accounts of Groupe BPCE. Such additional risks will not be shared between Group BPCE and the minority shareholders of Natixis.

Risks Relating to the Activities of BPCE

BPCE is subject to several categories of risks inherent in banking activities.

There are four main categories of risks inherent in BPCE's activities (including those of the Groupe BPCE SA and the Groupe BPCE), which are summarized below. The risk factors that follow elaborate on or give specific examples of these different types of risks (including the impact of the current financial crisis), and describe certain additional risks faced by BPCE.

- *Credit Risk.* Credit risk is the risk of financial loss relating to the failure of a counterparty to honor its contractual obligations. The counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. Credit risk arises in lending activities and also in various other activities where BPCE is exposed to the risk of counterparty default, such as its trading, capital markets, derivatives and settlement activities.

Credit risk also arises in connection with the factoring businesses of BPCE, although the risk relates to the credit of the counterparty's customers, rather than the counterparty itself.

- *Market and Liquidity Risk.* Market risk is the risk to earnings that arises primarily from adverse movements of market parameters. These parameters include, but are not limited to, foreign exchange rates, bond prices and interest rates, securities and commodities prices, derivatives prices and prices of all other assets such as real estate.

Liquidity is also an important component of market risk. In instances of little or no liquidity, a market instrument or transferable asset may not be negotiable at its estimated value (as is the case for some categories of assets in the current market environment). A lack of liquidity can arise due to diminished access to capital markets, unforeseen cash or capital requirements or legal restrictions.

Market risk arises in trading portfolios and in non-trading portfolios. In non-trading portfolios, it encompasses:

- the risk associated with asset and liability management, which is the risk to earnings arising from asset and liability mismatches in the banking book or in the insurance business. This risk is driven primarily by interest rate risk;
 - the risk associated with investment activities, which is directly connected to changes in the value of invested assets within securities portfolios, which can be recorded either in the income statement or directly in shareholders equity; and
 - the risk associated with certain other activities, such as real estate, which is indirectly affected by changes in the value of negotiable assets held in the normal course of business.
- *Operational Risk.* Operational risk is the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Internal processes include, but are not limited to, human resources and information systems, risk management and internal controls (including fraud prevention). External events include floods, fires, windstorms, earthquakes or terrorist attacks.
 - *Insurance Risk.* Insurance risk is the risk to earnings due to mismatches between expected and actual claims. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behavior, changes in public health, pandemics, accidents and catastrophic events (such as earthquakes, windstorms, industrial disasters, or acts of terrorism or war).

The current situation in international financial markets, with its impact on the global economic situation, has already heightened, and is likely to continue to heighten, some or all of the risks inherent in the activities of BPCE.

Financial market conditions, in particular in the primary and secondary debt market, and deteriorating economic conditions could have a material adverse impact on BPCE's earnings and financial condition.

The activities, earnings and financial condition of the predecessors entities in the Groupe BPCE SA and the Groupe BPCE (particularly Natixis and, to a lesser extent, CNCE) have been affected, and those of the Groupe BPCE SA and the Groupe BPCE could in the future be affected, by the significant and unprecedented disruptions currently being experienced in the financial markets, in particular in the primary and secondary debt markets, and by deteriorating overall economic conditions. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have reduced or ceased providing funding to borrowers, including to other financial institutions. This market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility, steep declines in stock market indices and widespread reduction of business activity generally. The resulting economic pressure on consumers and lack of confidence in the financial markets has adversely affected the results of operations and financial condition of financial institutions globally, including those in the Groupe Caisse d'Epargne and the Groupe Banque Populaire. The primary impacts of the current financial market conditions on BPCE are the following:

- Current conditions in the debt markets include reduced liquidity and increased credit risk premiums. These conditions, which increase the cost and reduce the availability of debt funding, may continue or worsen in the future. BPCE's cost of debt and that of Natixis is also dependent on their maintaining high investment-grade credit ratings. Since BPCE and Natixis are, to a large extent,

dependent on the availability of debt funding to finance their operations, disruptions in the debt markets or a reduction in their credit ratings could have an adverse impact on their earnings and financial condition, particularly in the short-term. In addition, Natixis and BPCE have depended, and BPCE may in the future depend, on the international debt markets to maintain their capital ratios (through the issuance of subordinated debt and hybrid capital securities), and disruptions in these markets may render the issuance of these securities costly or, in an extreme case, might make it impossible to issue such securities on reasonable terms, thereby affecting the capital ratios of BPCE and Natixis and their ability to expand their businesses.

- The secondary debt markets are also currently experiencing significant disruptions resulting from reduced investor demand for loans and debt-backed securities (known as collateralized debt obligations or CDOs) and increased investor yield requirements for those loans and securities. Beginning in mid-2007 and continuing through 2008, higher interest rates, falling property prices and a significant increase in the number of subprime mortgages originated in 2005 through the beginning of 2007 contributed to dramatic increases in mortgage delinquencies and defaults in the United States. These conditions have resulted in the disappearance of trading markets for many CDOs and other complex assets, resulting in significant uncertainty regarding asset values and substantial write downs on the books of global financial institutions. These conditions have also affected other markets as financial institutions have sold other assets to meet liquidity or capital requirements.
- As a result, financial service institutions have been weakened, and investor confidence has eroded, which has affected the sources of liquidity available to financial institutions. The erosion of confidence and the resulting liquidity crisis was exacerbated by the failure of Lehman Brothers, which filed for bankruptcy protection in September 2008.
- The reduction in the availability of credit has had a significant impact on the overall level of economic activity, particularly in the United States and Europe, an impact that could continue despite efforts by central banks and economic policy makers to implement measures designed to stimulate the economy and the banking sector. The decline in asset values has led to reduced consumer activity and lower investment, placing further strain on the global economy, leading to a substantial increase in unemployment and a global recession. As a consequence, the risk of default by borrowers has increased, and the creditworthiness of companies and individuals seeking new financing has decreased.

These conditions have affected and may continue to affect the activities of the Groupe BPCE SA and the Groupe BPCE in a number of ways, including reducing the availability of securitization and syndication markets to finance new loan production, reducing opportunities for the capital markets divisions of Natixis to earn commissions from structuring new securitization transactions, reducing performance-based fees in the asset management businesses of Natixis, reducing earnings from distribution of life insurance and mutual fund products, and essentially halting leveraged buy-out (“LBO”) market activity. The economic outlook has also had a significant negative effect on stock market index levels and, consequently, on the value of securities held by entities in the Groupe BPCE SA and the Groupe BPCE in their trading book, as well as the outlook for Natixis to earn commissions from equity brokerage and capital markets activities and performance-related fees from asset management activities.

The corporate and investment banking business of Natixis has recorded significant write downs and provisions on assets particularly affected by the financial crisis, such as CDOs and assets guaranteed by monoline insurers. Natixis continues to hold significant assets that are affected by the financial crisis. In addition, in 2008 CNCE suffered an extraordinary trading loss from a position in complex equity derivatives, which was discovered as part of CNCE’s compliance monitoring process. The loss from unwinding this position was significantly affected by the extraordinary volatility in the markets at the time. See the management report in the GCE 2008 Annual Report for further details.

There can be no assurance that the write downs and provisions recorded by Natixis (or other entities in the Groupe BPCE SA or the Groupe BPCE) will be sufficient to cover the entire loss in value of assets held by it (or them), or that it (or they) will not suffer additional losses in the future, particularly if market conditions remain disrupted or deteriorate.

Natixis may not be able to wind down its operations that are impacted by the financial crisis efficiently

Natixis has announced its intention to phase down certain activities that are affected by the financial crisis, particularly corporate and investment banking activities that involve incurring proprietary risks, including exposure to structured product risks in France and internationally. The phase-down may include the sale of assets affected by the crisis to the extent market conditions permit. Natixis may find itself unable to phase down these activities as quickly or efficiently as it hopes, either because there are no buyers willing to pay a reasonable price for the relevant assets or activities, or because there is no liquid market for the relevant assets, or because the ongoing obligations of Natixis make a sale or phase-down impracticable. If Natixis is unable to wind down these business as planned, then it will not achieve (or will only partially achieve) its objective of reducing its exposure to market volatility and diversifying its revenue and income base. This could have a material adverse effect on the results of operations and financial condition of the Groupe BPCE SA.

There can be no assurance that legislative action and other measures taken by governments and regulators in France or globally will fully and promptly stabilize the financial system.

In response to the financial crisis, governments and regulators in France, Europe, the United States and other jurisdictions have enacted legislation and taken measures to help stabilize the financial system and increase the flow of credit to the economy. These measures have included the purchase or guarantee of distressed or illiquid assets; recapitalization through the purchase of securities issued by financial institutions (including ordinary shares, preferred shares, or other hybrid or quasi-equity instruments); government guarantees of debt issued by financial institutions; and government-sponsored mergers and acquisitions of and divestments by financial institutions.

There can be no assurance as to the actual impact that these measures and related actions will have on the financial markets generally and on BPCE, the Groupe BPCE SA or the Groupe BPCE specifically, including the levels of volatility and limited credit availability that has recently characterized the financial markets. The failure of these measures and related actions to help stabilize the financial markets and a continuation or worsening of current financial market conditions could lead to further decreases in investor and consumer confidence, further market volatility and decline, further economic disruption and, as a result, could have an adverse effect on BPCE's results of operations and financial condition (and that of the Groupe BPCE SA and the Groupe BPCE).

BPCE and its corporate and investment banking subsidiary, Natixis, must maintain high credit ratings, or their business and profitability could be adversely affected.

Credit ratings are important to the liquidity of BPCE and its affiliates that are active in financial markets (principally the corporate and investment banking subsidiary, Natixis). A downgrade in credit ratings could adversely affect the liquidity and competitive position of BPCE or Natixis, increase borrowing costs, limit access to the capital markets or trigger obligations under certain bilateral provisions in some trading, derivatives and collateralized financing contracts. BPCE's cost of obtaining long-term unsecured funding, and that of Natixis, is directly related to their respective credit spreads (the amount in excess of the interest rate of government securities of the same maturity that is paid to debt investors), which in turn depend in large part on their credit ratings. Increases in credit spreads can significantly increase BPCE's or Natixis' cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of creditworthiness. In addition, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to BPCE's or Natixis' debt obligations, which is influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of BPCE and Natixis.

The net banking income of the Caisses d'Epargne may be affected by changes to the rules governing the Livret A (a regulated savings account formerly distributed only by the Caisses d'Epargne and La Banque Postale).

The French government has modified the rules applicable to the Livret A, a regulated savings account developed by the French government to finance publicly subsidized housing. Since 1 January 2009, all authorized French financial institutions may offer the Livret A to their customers. Until then, only the Caisses d'Epargne and the Banque Postale (a subsidiary of the Groupe La Poste) were authorized to distribute the

Livret A. This modification was made following a decision by the European Commission in May 2007, according to which the previous regime was declared incompatible with community competition law.

The Livret A offers depositors a fixed interest rate that is not subject to tax. The deposits collected by the banks are transferred to the Caisse des Dépôts et Consignations, which centralizes the funds and uses them to finance social housing. The financial institutions distributing the Livret A receive a commission at a rate that is fixed by the government. In 2008, the Groupe Caisse d'Epargne recorded €740 million in net banking income for its distribution of the Livret A.

The reform has led to a reduction in the market share of the Caisses d'Epargne for Livret A deposits, which is likely to continue, and which could affect the total amount of commissions that they receive. The reform also includes a reduction in commission rates from 1.0% to 0.6% (subject, for the Caisses d'Epargne, to an additional commission received during a transition period, set at 0.3% in 2009 and 2010 and 0.1% in 2011). The commission will also only be based on the funds transferred to the Caisse des Dépôts et Consignations, which, when the reform is complete, will represent about 70% of the funds collected from Livret A depositors and not 100% as was the case before the reform.

The reform of the distribution system could have an adverse effect on the net banking income of the Caisses d'Epargne, which would in turn affect the share in the income of the Caisses d'Epargne that BPCE records in respect of its indirect equity interest (20% share of income from associates through Natixis, before deducting minority interests).

A substantial increase in new provisions or losses greater than the level of previously recorded provisions could adversely affect BPCE's results of operations and financial condition.

In connection with its lending activities, the entities in the Groupe BPCE periodically establish provisions for loan losses, which are recorded in their income statement under cost of risk. Their overall level of provisions is based upon their assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. For further information on provisioning policies and its treatment of doubtful loans of the entities in the Groupe BPCE, see the discussions of risk management in the GCE 2008 Annual Report and the GBP 2008 Annual Report. Although the entities in the group endeavor to establish an appropriate level of provisions, the group's lending businesses may have to increase their provisions for loan losses in the future as a result of increases in non-performing assets, deteriorating economic conditions leading to increases in defaults and bankruptcies, or for other reasons. Any significant increase in provisions for loan losses or a significant change in the group's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the provisions allocated with respect thereto, would have an adverse effect on BPCE's results of operations and financial condition.

The ability of the entities in the Groupe BPCE to attract and retain qualified employees is critical to the success of the group's business and failure to do so may materially affect its performance.

The employees of the entities in the Groupe BPCE are the group's most important resource. In many areas of the financial services industry, competition for qualified personnel is intense. BPCE's results depend on the ability of the group to attract new employees and to retain and motivate its existing employees. Changes in the business environment may cause the group to move employees from one business to another or to reduce the number of employees in certain of its businesses; this may cause temporary disruptions as employees adapt to new roles and may reduce the group's ability to take advantage of improvements in the business environment. This may impact the group's ability to take advantage of business opportunities or potential efficiencies.

Future events may be different than those reflected in the management assumptions and estimates used in the preparation of the financial statements of the entities in the Groupe BPCE, which may cause unexpected losses in the future.

Pursuant to IFRS rules and interpretations in effect as of the present date, the entities in the Groupe BPCE SA and the Groupe BPCE are required to use certain estimates in preparing their financial statements, including accounting estimates to determine loan loss reserves, reserves related to future litigation, and the fair value of certain assets and liabilities, among other items. Should the estimated values for such items prove substantially inaccurate, particularly because of significant and unexpected market movements, or if the

methods by which such values were determined are revised in future IFRS rules or interpretations, the Groupe BPCE SA and the Groupe BPCE may experience unexpected losses.

The Groupe BPCE SA, particularly Natixis, may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

As part of its trading and investment activities, Natixis maintains positions in the fixed income, currency, commodity and equity markets, as well as in unlisted securities, real estate and other asset classes (the same will be true of other Groupe BPCE SA entities, although to a lesser extent). These positions can be adversely affected by volatility in financial and other markets, that is, the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Volatility can also lead to losses relating to a broad range of other trading and hedging products Natixis uses, including swaps, futures, options and structured products, if they prove to be insufficient or excessive in relation to Natixis' expectations.

To the extent that Natixis owns assets, or has net long positions, in any of those markets, a downturn in those markets can result in losses due to a decline in the value of its net long positions. Conversely, to the extent that Natixis has sold assets that it does not own, or has net short positions, in any of those markets, an upturn in those markets can expose it to losses as it attempts to cover its net short positions by acquiring assets in a rising market. Natixis may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to earn net revenues based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that Natixis did not anticipate or against which it is not hedged, Natixis might realize a loss on those paired positions. Such losses, if significant, could adversely affect Natixis' results of operations and financial condition, and therefore those of the Groupe BPCE SA.

The Groupe BPCE SA and the Groupe BPCE may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

Market downturns, such as the current one, are likely to lead to a decline in the volume of transactions that group entities (particularly Natixis) execute for their customers and as a market maker, and, therefore, to a decline in net banking income from these activities. In addition, because the fees that group entities (particularly Natixis) charge for managing their customers' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its customers' portfolios or increases the amount of withdrawals would reduce the revenues such entities receive from the distribution of mutual funds and other financial savings products (for the Caisses d'Epargne and Banques Populaires), or from asset management and private banking businesses (for Natixis).

Significant interest rate changes could adversely affect BPCE's net banking income or profitability.

The amount of net interest income earned by the Groupe BPCE SA and the Groupe BPCE during any given period significantly affects its overall net banking income and profitability for that period. In addition, significant changes in credit spreads, such as the widening of spreads experienced recently, can impact the results of operations of the groups. Interest rates are highly sensitive to many factors beyond the control of group entities. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in net interest income from lending activities. In addition, increases in the interest rates at which short-term funding is available and maturity mismatches may adversely affect the profitability of the groups. Increasing or high interest rates and/or widening credit spreads, especially if such changes occur rapidly, may create a less favorable environment for certain banking businesses.

Changes in exchange rates can significantly affect BPCE's results.

The entities in the Groupe BPCE SA (particularly Natixis) conduct a significant portion of their business overseas, in particular in the United States, and their net banking income and results of operations can be affected by exchange rate fluctuations. While the group incurs expenses in currencies other than the euro, the impact of these expenses only partially compensates for the impact of exchange rate fluctuations on net banking income. Natixis is particularly vulnerable to fluctuations in the exchange rate between the United States dollar and the euro, as a significant portion of its net banking income and results of operations is earned in the United States. In the context of its risk management policies, BPCE and its affiliates enter into transactions to hedge its

exposure to exchange rate risk. However, these transactions may not be fully effective to offset the effects of unfavorable exchange rates on operating income; they may even, in certain hypothetical situations, amplify these effects.

An interruption in or a breach of the information systems of entities in the Groupe BPCE, or those of third parties, may result in lost business and other losses.

As with most other banking groups, the Groupe BPCE SA and the Groupe BPCE rely heavily on communications and information systems to conduct their business, as their activities require them to process a large number of increasingly complex transactions. Any failure or interruption or breach in security of these systems could result in failures or interruptions in customer relationship management, general ledger, deposit, trading and/or loan organization systems. If the information systems failed, even for a short period of time, the affected group entities would be unable to serve some customers' needs in a timely manner and could thus lose their business. Likewise, a temporary shutdown of information systems, despite back-up recovery systems and contingency plans, could result in considerable information retrieval and verification costs, and even a decline in proprietary businesses if, for instance, such a shutdown occurs during the implementation of hedging policies. The inability of the group's systems to accommodate an increasing volume of transactions could also constrain its ability to expand its businesses. The groups also face the risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses, depositories or other financial intermediaries or outside vendors they use to execute or facilitate its securities transactions. As their interconnectivity with customers grows, group entities may also increasingly face the risk of operational failure with respect to its customers' systems.

Unforeseen events can interrupt BPCE's operations and cause substantial losses and additional costs.

Unforeseen events like severe natural disasters, pandemics, terrorist attacks or other states of emergency can lead to an abrupt interruption of operations of entities in the Groupe BPCE SA and the Groupe BPCE, and, to the extent not partially or entirely covered by insurance, can cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events may additionally disrupt the group's infrastructure, or that of third parties with which it conducts business, and can also lead to additional costs (such as relocation costs of employees affected) and increase costs (such as insurance premiums). Such events may also make insurance coverage for certain risks unavailable and thus increase the group's global risk.

The Groupe BPCE SA may be vulnerable to political, macroeconomic and financial environments or circumstances specific to the countries where it does business.

Certain entities in the Groupe BPCE SA (including Natixis) are subject to country risk, which is the risk that economic, financial, political or social conditions in a foreign country will affect its financial interests. Natixis does business throughout the world, including in developing regions of the world commonly known as emerging markets. In the past, many emerging market countries have experienced severe economic and financial disruptions, including devaluations of their currencies and capital and currency exchange controls, as well as low or negative economic growth. The group's businesses and revenues derived from operations and trading outside the European Union and the United States, although limited, are subject to risk of loss from various unfavorable political, economic and legal developments, including currency fluctuations, social instability, changes in governmental policies or policies of central banks, expropriation, nationalization, confiscation of assets and changes in legislation relating to local ownership.

BPCE is subject to extensive supervisory and regulatory regimes in France and in the many countries around the world in which the group operates; regulatory actions and changes in these regulatory regimes could adversely affect the group's business and results.

A variety of supervisory and regulatory regimes apply to entities in the Groupe BPCE SA and the Groupe BPCE in each of the jurisdictions in which they operate. Non-compliance could lead to significant intervention by regulatory authorities and fines, public reprimand, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate. The financial services industry has experienced increased scrutiny from a variety of regulators in recent years, as well as an increase in the penalties and fines sought by regulatory authorities, a trend that may be accelerated in the current financial context. The businesses and earnings of group entities can be materially adversely affected by the policies and

actions of various regulatory authorities of France, other European Union or foreign governments and international agencies. Such constraints could limit the ability of group entities to expand its business or to pursue certain activities. The nature and impact of future changes in such policies and regulatory action are unpredictable and are beyond the group's control. Such changes could include, but are not limited to, the following:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which group entities operate;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework, such as the modifications that were recently made to implement the Basel II requirements;
- changes in rules and procedures relating to internal controls;
- changes in the competitive environment and pricing practices;
- changes in the financial reporting environment;
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership; and
- any adverse change in the political, military or diplomatic environments creating social instability or an uncertain legal situation capable of affecting the demand for the products and services offered by the group.

Tax laws and their interpretation in France and in the countries in which BPCE does business may significantly affect BPCE's results.

As a multinational banking group involved in complex and large-scale cross-border transactions, the Groupe BPCE SA (particularly Natixis) is subject to tax legislation in a number of countries. The Groupe BPCE SA structures its business globally in order to optimize its effective tax rate. Modifications to the tax regime by the competent authorities in those countries may have a significant effect on the results of the Groupe BPCE SA. The group manages its business so as to create value from the synergies and commercial capacities of its different entities. It also endeavors to structure the financial products sold to its clients in a tax-efficient manner. The structures of intragroup transactions and of the financial products sold by group entities are based on the group's own interpretations of applicable tax laws and regulations, generally relying on opinions received from independent tax counsel, and, to the extent necessary, on rulings or specific guidance from competent tax authorities. There can be no assurance that the tax authorities will not seek to challenge such interpretations, in which case group entities could become subject to tax claims.

A failure of or inadequacy in BPCE's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

The risk management techniques and strategies of the Groupe BPCE SA and the Groupe BPCE may not effectively limit its risk exposure in all economic market environments or against all types of risk, including risks that the group fails to identify or anticipate. The group's risk management techniques and strategies may also not effectively limit its risk exposure in all market patterns. These techniques and strategies may not be effective against certain risks, particularly those that the group has not previously identified or anticipated. Some of the group's qualitative tools and metrics for managing risk are based upon its use of observed historical market behavior. The group's risk managers apply statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the group did not anticipate or correctly evaluate in its statistical models or from unexpected and unprecedented market movements. This would limit the group's ability to manage its risks. The group's losses could therefore be significantly greater than the historical measures indicate. In addition, the group's quantified modeling does not take all risks into account. The group's qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. In addition, while no material issue has been identified to date, the risk management systems are subject to the risk of operational failure, including fraud. See "Risk Management" and the related sections of the GCE

2008 Annual Report and the GBP 2008 Annual Report for a more detailed discussion of the policies, procedures and methods that group entities use to identify, monitor and manage its risks.

BPCE's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that the group uses to hedge its exposure to various types of risk in its businesses is not effective, the group may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the group holds a long position in an asset, it may hedge that position by taking a short position in an asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the group may only be partially hedged, or these strategies may not be fully effective in mitigating the group's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments, such as the ones currently experienced in international financial markets since the second half of 2007, may also affect the group's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in reported earnings.

BPCE may have difficulty in identifying, executing and integrating an external growth policy in its acquisitions or joint ventures.

BPCE's development strategy may include external growth transactions in the medium term, particularly in the European retail banking sector. Even though BPCE expects to review the companies it will acquire or joint ventures into which it will enter, it is generally not feasible for these reviews to be comprehensive in all respects. As a result, BPCE may have to assume unanticipated liabilities, an acquisition or joint venture may not perform as well as expected, the synergies expected may not be realized in whole or in part, or the transaction may give rise to costs that are higher than foreseen. In addition, it might have difficulty integrating any entity with which it combines its operations. Failure to complete announced business combinations or failure to integrate acquired businesses or joint ventures successfully into the businesses of BPCE could materially adversely affect the group's profitability. It could also lead to departures of key employees, or lead to increased costs and reduced profitability if BPCE felt compelled to offer them financial incentives to remain. In the case of joint ventures, BPCE is subject to additional risks and uncertainties in that it may be dependent on, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under its control. In addition, conflicts or disagreements between BPCE and its joint venture partners may negatively impact the benefits intended to be achieved by the joint venture.

Intense competition, both in BPCE's home market of France, where it has the largest single concentration of its businesses, as well as internationally, could adversely affect the group's net banking income and profitability.

Competition is intense in all of the primary business areas of the Groupe BPCE in France and in the other countries in which the group conducts business. The group competes on the basis of a number of factors, including transaction execution, its products and services, innovation, reputation and price. If the group is unable to continue to respond to the competitive environment in France or in its other major markets with attractive product and service offerings that are profitable, it may lose market share in important areas of its business or incur losses on some or all of its activities. In addition, downturns in the global economy or in the economy of the group's major markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the group and its competitors.

BPCE's profitability and business prospects could be adversely affected by reputational and legal risk.

Various issues may give rise to reputational risk and cause harm to group entities and their business prospects. These issues include inappropriately dealing with potential conflicts of interest, legal and regulatory requirements, competition issues, ethical issues, money laundering laws, information security policies and sales and trading practices (including practices relating to disclosures to customers). Failure to address these issues appropriately could also give rise to additional legal risk, which could increase the number of litigation claims and the amount of damages asserted against group entities, or subject group entities to regulatory sanctions.

Risks Related to the Notes

Independent Review and Advice

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. A prospective investor may not rely on BPCE or the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

The Notes are deeply subordinated obligations.

BPCE's obligations under the Notes are deeply subordinated obligations of BPCE, which are the most junior ranking debt instruments of BPCE, ranking *pari passu* among themselves and with all other present and future deeply subordinated obligations of BPCE, but subordinated to the present and future *prêts participatifs* granted to BPCE and present and future *titres participatifs*, ordinarily subordinated notes and unsubordinated notes issued by BPCE. In the event of liquidation, BPCE's obligations under the Notes shall rank in priority only to any classes of shares of BPCE and any other equity securities issued by BPCE.

In the event of judicial liquidation (*liquidation judiciaire*) of BPCE, the Noteholders may recover proportionately less than the holders of more senior indebtedness of BPCE. In the event that BPCE has insufficient assets to satisfy all of its claims in liquidation of BPCE, the holders of the Notes may receive less than the original principal amount of the Notes and may incur a loss of their entire investment.

Write-down mechanism following Supervisory Event

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Tier 1 Capital for the Issuer, subject to the limits on the portion of the Issuer's Tier 1 Capital that may consist of hybrid securities in accordance with Applicable Banking Regulations and the interpretations of the SGCB. Such eligibility depends upon a number of conditions being satisfied and which are reflected in the terms and conditions of the Notes. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, in certain circumstances and/or upon the occurrence of certain events, payments of interest under the Notes may be restricted and, in certain cases, forfeited and the amount of A Interest and the Principal Amount of the Notes may be reduced.

Restrictions on Payment

For so long as the compulsory interest provisions do not apply, the Issuer may elect, and in certain circumstances shall be required, not to pay interest falling due on the Notes on any Interest Payment Date. Any interest not so paid on any such Interest Payment Date shall be forfeited and shall therefore no longer be due and payable by the Issuer, save as otherwise provided. (See "Terms and Conditions of the Notes – Interest and Interest Suspension").

In addition, in certain circumstances, payment of interest will be suspended automatically upon the occurrence of a Supervisory Event. (See "Terms and Conditions of the Notes – Interest and Interest Suspension").

The A Interest and the Principal Amount of the Notes may be reduced, as required, on one or more occasions following a Supervisory Event. (See "Terms and Conditions of the Notes – Loss Absorption and Return to Financial Health").

Eligibility as Tier 1 Capital depends upon a number of conditions being satisfied and under certain circumstances, payments of interest under the Notes may be restricted.

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Tier 1 Capital for BPCE, subject to the limits on the portion of BPCE's Tier 1 capital that may consist of hybrid securities in accordance with Applicable Banking Regulations and the interpretations of the SGCB.

Such eligibility depends upon a number of conditions being satisfied, which are reflected in the terms and conditions of the Notes. In particular, Noteholders could suffer suspension of interest and reduction of interest and principal under certain circumstances, and interest payments may be forfeited under certain circumstances, as discussed further below.

One of the conditions to Tier 1 eligibility relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of BPCE. Accordingly, if BPCE's financial condition were to deteriorate so that a Supervisory Event occurred (meaning that BPCE's consolidated capital adequacy ratios fall below required minimum levels or the SGCB believes such an event is likely to occur), the Noteholders could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal. If BPCE were liquidated (whether voluntarily or involuntarily), Noteholders could suffer the loss of their entire investment.

In addition, for so long as the compulsory interest provisions do not apply, BPCE may elect, and in certain circumstances will be required, not to pay interest falling due on the Notes on any Interest Payment Date. Any interest not so paid on any such Interest Payment Date will be forfeited and shall therefore no longer be due and payable by BPCE, unless otherwise provided.

Noteholders have no right to require redemption of the Notes.

The Notes are undated securities, with no specified maturity date. BPCE is under no obligation to redeem the Notes at any time (except as provided in "Terms and Conditions of the Notes – Redemption and Purchase"). The Noteholders have no right to require redemption of the Notes, except if a judgment is issued for the insolvent judicial liquidation (*liquidation judiciaire*) of BPCE or if BPCE is liquidated for any other reason.

Fixed Rate

The Notes bearing interest at a fixed rate, investment in such Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

There are no events of default under the Notes.

The Notes do not provide for events of default allowing acceleration of the Notes, except in the event of a liquidation of BPCE. Accordingly, if BPCE fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment or principal of, or interest on, the Notes will be the institution of proceedings to enforce such payment.

The Notes do not restrict BPCE's ability to incur additional indebtedness, to guarantee indebtedness or to pledge its assets.

There is no restriction on the amount of debt that BPCE may issue or guarantee. BPCE and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank senior in priority of payment to the Notes. If BPCE's financial condition were to deteriorate, the holders of the Notes could suffer direct and materially adverse consequences, including suspension of interest, the reduction of the principal amount of the Notes and, if BPCE were liquidated (whether voluntarily or involuntarily), loss by holders of the Notes of their entire investment. In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that BPCE may pledge its assets to secure other obligations without granting similar security in respect of the Notes.

There can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.

The Notes are undated obligations in respect of which there is no fixed redemption date. Nevertheless, the Notes may be redeemed at the option of BPCE, in whole but not in part, on the First Call Date and on any Interest Payment Date thereafter and on any Interest Payment Date for certain tax or regulatory reasons. See "Terms and Conditions of the Notes – Redemption and Purchase". In certain circumstances for taxation reasons (see "Terms and Conditions of the Notes – Redemption and Purchase"), BPCE will be required to redeem the Notes in whole (but not in part). In each case, early redemption of the Notes is subject to the prior approval of

the SGCB. There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.

Redemption for regulatory reasons

The Issuer may redeem the Notes in whole (but not in part) if, as a result of any change in French law, or any change in the official application or interpretation thereof, the proceeds of the Notes cease to be eligible as Tier 1 Capital for the Issuer. Any redemption of the Notes will be subject to Condition 6.2 of the Notes (Redemption and Purchase) subject to the prior approval of the SGCB.

Redemption for taxation reasons

The Issuer may, and in certain circumstances shall be required to, redeem the Notes in whole (but not in part) if (i) interest payment under the Notes was but is no longer tax deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes as a result of a change in French tax law or interpretation of such law becoming effective after the issue date of the Notes or (ii) the Issuer becomes obliged to pay additional amounts in respect of French withholding tax as a result of a change in French tax law or official application or interpretation of such law becoming effective after the issue date of the Notes or (iii) the Issuer is prevented by French law from making payment to the Noteholders of the full amounts then due and payable (including any additional amounts which would be payable pursuant to Condition 8 (Taxation) but for the operation of such French law). Any redemption of the Notes will be subject to Condition 6.2 of the Notes (Redemption and Purchase), subject to the prior approval of the SGCB.

In each of the above cases, there can be no assurance that, at the relevant time, investors will be able to reinvest the amounts received upon redemption at a rate that will provide the same returns as their investment in the Notes.

Currency risk

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes.

Any decline in the credit ratings of the Issuer or changes in rating methodologies may affect the market value of the Notes.

The credit ratings of the Issuer are an assessment of its ability to pay its obligations, including those on the offered Notes. Consequently, actual or anticipated declines in the credit ratings of the Issuer may affect the market value of the Notes. The Issuer expects that two credit rating agencies will assign credit ratings to the Notes on issue. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, the rating agencies may change their methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

Moody's (one of the credit rating agencies expected to assign a rating to the Notes) released a consultation paper entitled "Moody's Proposed Changes to Bank Subordinated Capital Ratings" dated 16 June 2009, in which the rating agency requested market feedback on potential changes to its bank hybrid rating methodology. Should Moody's implement this revised methodology as proposed, the ratings assigned or expected to be assigned to the Notes could potentially be negatively affected.

Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of BPCE and a number of additional factors, including market interest and yield rates.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are listed. The price at which a holder of Notes will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

There can be no assurance that any market will develop for the Notes.

There is currently no existing market for the Notes, and there can be no assurance that any market will develop for the Notes or that Noteholders will be able to sell their Notes in the secondary market. There is no obligation to make a market in the Notes. While application shall be made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange, there can be no assurance that an active market will develop for the Notes.

In addition, BPCE is a new issuer and has no other debt securities that trade in the secondary market (although it will assume the obligations of CNCE and BFBP under their outstanding debt securities). The interest rate on the Notes was determined on the basis of discussions between BPCE and the Managers, but this determination was made in a context of greater uncertainty than a similar determination in respect of a seasoned issuer. Accordingly, the interest rates on the Notes may not reflect the yields at which the Notes will trade in the secondary market, if a secondary trading market develops for the Notes.

No voting rights

The Notes do not give the Noteholders the right to vote at meetings of the shareholders of the Issuer.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial notes such as the Notes. The tax impact on an individual noteholder may differ from the situation described for Noteholders generally. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

French Insolvency Law

Under French insolvency law as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) during a preservation procedure (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests. The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law. The Assembly deliberates on the draft safeguard (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly. For the avoidance of doubt, the provisions relating to the Masse described in this Prospectus will not be applicable in these circumstances.

Change of law

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

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents, which have been previously published or are published simultaneously with this Prospectus and that have been filed with the Luxembourg competent authority for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, and shall be incorporated in, and form part of, this Prospectus (together, the “**Documents Incorporated by Reference**”):

- (a) the English translation of the Groupe Caisse d’Epargne 2008 registration document (*document de référence*) (the “**GCE 2008 Annual Report**”), a French version of which was filed with the *Autorité des marchés financiers* (“**AMF**”) under registration N° D.09-0212, dated 8 April 2009;
- (b) the English translation of the Groupe Banque Populaire 2008 registration document (*document de référence*) (the “**GBP 2008 Annual Report**”), a French version of which was filed with the AMF under registration N° D.09-0315, dated 27 April 2009;
- (c) the English translation of the BPCE 2009-01 registration document (*document de référence 2009-01*) (the “**BPCE Registration Document**”), which contains (i) the unaudited financial statements of each of Groupe Banque Populaire and Groupe Caisse d’Epargne for the six-month period ended 30 June 2009 and (ii) the unaudited pro forma financial information of Groupe BPCE and Groupe BPCE SA for the six-month period ended 30 June 2009, a French version of which was filed with the AMF under registration number N°R.09-076, dated 28 September 2009;
- (d) the information contained under the heading “Unaudited Pro Forma Financial Information” appearing on pages 33 to 48 of the Issuer’s Exchange Offering Memorandum (the “**EOM Pro Forma Information**”), which contains (i) the pro forma financial information (unaudited) for Groupe BPCE as at 31 December 2008 and (ii) the pro forma financial information (unaudited) for Groupe BPCE SA as at 31 December 2008, dated and approved by the CSSF on 3 July 2009; and
- (e) the information contained under the heading “**Statutory Financial Statements of BPCE**” appearing on pages F-1 to F-6 of the Issuer’s Exchange Offering Memorandum (the “**EOM Statutory Financial Statements**”), which contains the annual financial statements for BPCE (formerly known as GCE NAO) for the years ended 31 December 2007 and 2008, dated and approved by the CSSF on 3 July 2009.

Notwithstanding the foregoing,

(A) the following statements shall not be deemed incorporated herein:

- the statement by Mr. François Pérol, President of the Management Board of the Groupe Caisse d’Epargne, on page 510 of the GCE 2008 Annual Report referring to the *lettre de fin de travaux* of the statutory auditors;
- the statement by Mr. Philippe Dupont, President of the Groupe Banque Populaire, on page 598 of the GBP 2008 Annual Report referring to the *lettre de fin de travaux* of the statutory auditors; and
- the statements by Mr. François Pérol, *Président* of the *Directoire* of the Issuer, on page 506 of the BPCE Registration Document;
- the Statutory Auditors’ reports on the unaudited pro forma financial information for Groupe BPCE and Groupe BPCE SA, each dated 28 September 2009, on pages 468 to 469 and 483 to 484, respectively, of the BPCE Registration Document; and
- the Statutory Auditors’ reports on the unaudited pro forma financial information for Groupe BPCE and Groupe BPCE SA, each dated 2 July 2009, on pages 40-41 and 47-48, respectively, of the Issuer’s Exchange Offering Memorandum.

(B) any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Documents Incorporated by Reference are available on the websites of the Issuer (www.bpce.fr) and of the Luxembourg Stock Exchange (www.bourse.lu). The Documents Incorporated by Reference will also be available free of charge to the public at the specified office of the Fiscal Agent.

Below are tables that reference the topics from the Documents Incorporated by Reference which are incorporated by reference in this Prospectus.

GBP 2008 Annual Report

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PRESENTATION	Pages 5 to 13 of the GBP 2008 Annual Report
2008 Key Figures	Pages 6 to 7 of the GBP 2008 Annual Report
The Group's history	Pages 8 to 9 of the GBP 2008 Annual Report
Key events of 2008	Pages 10 to 11 of the GBP 2008 Annual Report
Banque Populaire Group organization chart at 31 December 2008	Page 12 of the GBP 2008 Annual Report
The Group worldwide	Page 13 of the GBP 2008 Annual Report
GROUP STRUCTURE	Pages 15 to 57 of the GBP 2008 Annual Report
Member-stakeholders	Pages 16 to 18 of the GBP 2008 Annual Report
Banque Populaire banks	Pages 19 to 25 of the GBP 2008 Annual Report
Banque Fédérale des Banques Populaires	Pages 26 to 56 of the GBP 2008 Annual Report
Internal financing mechanisms	Page 57 of the GBP 2008 Annual Report
INFORMATION RELATING TO BANQUE FÉDÉRALE DES BANQUE POPULAIRES	Pages 58 to 104 of the GBP 2008 Annual Report of the GBP 2008 Annual Report
Information about the Company	Pages 60 to 61 of the GBP 2008 Annual Report
Information about the share capital	Page 62 of the GBP 2008 Annual Report
Shareholding structure	Pages 63 to 64 of the GBP 2008 Annual Report
Trading market for securities	Pages 65 to 66 of the GBP 2008 Annual Report
Trading market for shares	Page 67 of the GBP 2008 Annual Report
Company financial statements	Pages 68 to 104 of the GBP 2008 Annual Report
CORPORATE GOVERNANCE	Pages 107 to 137 of the GBP 2008 Annual Report
Board of Directors of Banque Fédérale des Banques Populaires (BFBP)	Pages 108 to 126 of the GBP 2008 Annual Report
Chairman's report on the conditions in which the work of the Board of Directors is prepared and organized	Pages 127 to 133 of the GBP 2008 Annual Report

Information Incorporated by Reference	Page Reference
Executive body at 31 December 2008	Page 134 of the GBP 2008 Annual Report
Corporate governance rules for the Banque Populaire banks	Pages 135 to 137 of the GBP 2008 Annual Report
THE GROUP'S BUSINESSES	Pages 139 to 151 of the GBP 2008 Annual Report
Personal customers	Pages 140 to 141 of the GBP 2008 Annual Report
Private banking and Real estate activities	Pages 142 to 145 of the GBP 2008 Annual Report
Small businesses	Pages 145 to 148 of the GBP 2008 Annual Report
Corporate and institutional clients	Pages 148 to 150 of the GBP 2008 Annual Report
A new communications strategy	Pages 150 to 151 of the GBP 2008 Annual Report
CHAIRMAN'S REPORT ON INTERNAL CONTROL PROCEDURES	Pages 153 to 173 of the GBP 2008 Annual Report
General Organization	Pages 154 to 162 of the GBP 2008 Annual Report
Risk monitoring and control procedures	Pages 162 to 170 of the GBP 2008 Annual Report
Internal control of financial reporting and disclosure	Pages 170 to 173 of the GBP 2008 Annual Report
STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF BANQUE FÉDÉRALE DES BANQUES POPULAIRES	Pages 175 to 176 of the GBP 2008 Annual Report
2008 FINANCIAL REPORTS	Pages 179 to 554 of the GBP 2008 Annual Report
Banque Fédérale des Banques Populaires financial report	Pages 180 to 228 of the GBP 2008 Annual Report
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Banque Fédérale des Banques Populaires notes to the consolidated financial statements	Pages 237 to 351 of the GBP 2008 Annual Report
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SUSTAINABLE DEVELOPMENT	Pages 557 to 585 of the GBP 2008 Annual Report
The Banque Populaire Group's commitment	Pages 558 to 560 of the GBP 2008 Annual Report
Human resources	Pages 561 to 565 of the GBP 2008 Annual Report

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Patronage and sponsorship	Pages 566 to 567 of the GBP 2008 Annual Report
Reporting required under France's NRE act – workforce information	Pages 568 to 576 of the GBP 2008 Annual Report
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Statutory auditors' special report on related-party agreements	Pages 592 to 594 of the GBP 2008 Annual Report
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GCE 2008 Annual Report

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THE GROUP IN 2008	Pages 3 to 30 of the GCE 2008 Annual Report
Messages from the Chairman	Pages 4 to 5 of the GCE 2008 Annual Report
Foreword	Pages 6 to 7 of the GCE 2008 Annual Report
Profile and history of the Group	Page 8 of the GCE 2008 Annual Report
Organization of the Group at December 31, 2008	Page 9 of the GCE 2008 Annual Report
2008 key figures	Pages 10 to 11 of the GCE 2008 Annual Report
Groupe Caisse d'Epargne's operating divisions	Pages 12 to 26 of the GCE 2008 Annual Report
Outlook	Pages 27 to 28 of the GCE 2008 Annual Report
Investments	Pages 29 to 30 of the GCE 2008 Annual Report
CORPORATE GOVERNANCE	Pages 31 to 99 of the GCE 2008 Annual Report
Chairman's report on the work of the Supervisory Board and on the internal control procedures for the year ended	Pages 32 to 69 of the GCE 2008 Annual Report

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Human resources information	Pages 102 to 108 of the GCE 2008 Annual Report
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Scope of application of the third pillar of Basel II	Pages 141 to 142 of the GCE 2008 Annual Report
Capital management and regulatory capital requirements	Pages 142 to 147 of the GCE 2008 Annual Report
Credit and counterparty risk management	Pages 147 to 154 of the GCE 2008 Annual Report
Risk reduction techniques	Pages 154 to 156 of the GCE 2008 Annual Report
Securitization	Pages 157 to 159 of the GCE 2008 Annual Report
FSF Reporting	Pages 159 to 177 of the GCE 2008 Annual Report
Market risk	Pages 177 to 181 of the GCE 2008 Annual Report
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Balance sheet and equity	Pages 218 to 221 of the GCE 2008 Annual Report
Subsequent event and outlook for 2009	Page 222 of the GCE 2008 Annual Report
Appendices	Pages 223 to 224 of the GCE 2008 Annual Report

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FINANCIAL REPORT	Pages 226 to 486 of the GCE 2008 Annual Report
Financial results of Groupe Caisse d'Epargne	Pages 228 to 328 of the GCE 2008 Annual Report
Aggregate financial information of the Caisses d'Epargne	Pages 329 to 341 of the GCE 2008 Annual Report
Financial results of the Caisse Nationale des Caisses d'Epargne group	Pages 342 to 437 of the GCE 2008 Annual Report
Financial statements of the Caisse Nationale des Caisses d'Epargne	Pages 439 to 486 of the GCE 2008 Annual Report
INFORMATION RELATING TO THE ISSUER	Pages 487 to 509 of the GCE 2008 Annual Report
Information relating to the company	Pages 488 to 499 of the GCE 2008 Annual Report
Statutory Auditors' Special Report on regulated agreements and commitments with third parties	Pages 500 to 509 of the GCE 2008 Annual Report

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BPCE Registration Document

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Chapter I: PRESENTATION OF THE GROUP	Pages 2 to 59 of the BPCE Registration Document
Message from the Chairman of the Management Board of BPCE	Pages 2 to 3 of the BPCE Registration Document
Key figures	Pages 4 to 5 of the BPCE Registration Document
The Group's history	Pages 6 to 7 of the BPCE Registration Document
Significant events in the first half of 2009: establishment of BPCE and Groupe BPCE	Pages 8 to 59 of the BPCE Registration Document
Chapter II: CORPORATE GOVERNANCE	Pages 60 to 92 of the BPCE Registration Document
Introduction	Page 60 of the BPCE Registration Document
Supervisory Board	Pages 60 to 67 of the BPCE Registration Document
Management Board	Pages 68 to 71 of the BPCE Registration Document
Senior management bodies	Pages 71 to 72 of the BPCE Registration Document
Principal committees	Pages 72 to 76 of the BPCE Registration Document
Offices and appointments of Supervisory Board Members	Pages 77 to 92 of the BPCE Registration Document
Chapter III: RISK MANAGEMENT	Pages 93 to 121 of the BPCE Registration Document
Internal control	Pages 93 to 95 of the BPCE Registration Document
Risk factors	Pages 96 to 108 of the BPCE Registration Document
Operation by business sector	Pages 109 to 110 of the BPCE Registration Document
Compliance	Pages 111 to 115 of the BPCE Registration Document
Other permanent control functions	Pages 116 to 118 of the BPCE Registration Document
Periodic control by Groupe BPCE Internal Audit	Pages 119 to 121 of the BPCE Registration Document

Chapter IV: INTERIM FINANCIAL REPORTS	Pages 122 to 484 of the BPCE Registration Document
Groupe Banque Populaire interim financial report as of June 30, 2009	Pages 123 to 302 of the BPCE Registration Document
Groupe Caisse d’Epargne interim financial report as of June 30, 2009	Pages 304 to 430 of the BPCE Registration Document
Pro forma data of the Groupe BPCE	Pages 431 to 467 and 470 to 482 of the BPCE Registration Document
Chapter V: GENERAL INFORMATION	Pages 485 to 505 of the BPCE Registration Document
General information	Pages 485 to 488 of the BPCE Registration Document
Share capital	Pages 489 to 495 of the BPCE Registration Document
Legal and arbitration proceedings	Pages 496 to 500 of the BPCE Registration Document
Major contracts	Page 500 of the BPCE Registration Document
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EOM Pro Forma Information

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Unaudited Pro Forma Financial Information	Pages 33 to 40 and 41 to 47 of the Exchange Offering Memorandum

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

EOM Statutory Financial Statements

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Statutory Financial Statements of BPCE	Pages F-1 to F-6 of the Exchange Offering Memorandum

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

RECENT DEVELOPMENTS

On 12 October 2009, BPCE published a press release relating to its deeply subordinated notes and preferred shares issues subscribed by the *Société de Prise de Participation de l'Etat*, and described in the summary of this Prospectus and in the BPCE Registration Document. The purpose of the press release was to confirm that these issuances were approved by the European Commission under European rules relating to state aid, and that no restructuring plan or other onerous conditions were imposed in connection with such approval.

Specifically, in the press release, BPCE confirmed that:

- it has received, through the French Ministry of Economy, Industry and Employment, all necessary consents from the European Commission (final approval received on 8 May 2009) regarding the temporary regulatory capital injection by the French State as part of the plan of the French Government to support the economy, which was implemented in 2008 for all the major French banks,
- the approval from the European Commission has no condition attached in terms of restructuring plan, exercise of call options or payment of coupons on deeply subordinated Tier 1 notes issued by BPCE,
- there is no procedure or investigation conducted by the European Commission in terms of state aid regarding Groupe BPCE.

TERMS AND CONDITIONS OF THE OFFERS

The Notes may be offered by certain banks, financial intermediaries and other authorised entities, with the approval of the Issuer to the public in the following jurisdictions in the European Economic Area: Belgium, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom, as well as in Switzerland (the “Offers”), in accordance with the following terms and conditions:

Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: EUR 750,000,000

The time period, including any possible amendments, during which the offer will be open and description of the application process:

Start of the offer period:

In respect of any jurisdiction, not earlier than the date on which all requirements necessary to enable any such offer in any such jurisdiction to be made in accordance with all applicable laws, rules and regulations in such jurisdiction, which, at the date hereof, is expected to be on or about 22 October 2009, at 9.00 a.m. Central European Time (“CET”), with respect to Belgium, Germany, Ireland, Luxembourg, the Netherlands, Spain, Portugal, Switzerland and the United Kingdom.

End of the offer period:

On 26 October 2009, at 5.00 p.m. CET (the “Offer Period Termination Date”).

Investors will be notified by the relevant Manager (as defined in “Subscription and Sale” below) or any placers of their allocations of Notes and the settlement arrangements in respect thereof as soon as practicable after the end of the offer period.

A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:

Not applicable.

Details of the minimum and/or maximum amount of application, (whether in number of Notes or aggregate amount to invest):

Not applicable.

Method and time limits for paying up the securities and for delivery of the Notes:

The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Manager or any placers of their allocations of Notes and the settlement arrangements in respect thereof.

A full description of the manner and date in which results of the offer are to be made public:

Not applicable.

The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised:

Not applicable.

The various categories of potential investors to which the Notes are offered:

Upon approval of this Prospectus for use in connection with public offers, such offers may be made in Belgium, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom to any person. Until such time in such countries (other than Switzerland), and at all times in other EEA countries, offers will only be made by the Managers pursuant to an exemption under the Prospectus Directive as implemented in such countries. A public offer may be made in Switzerland to any person commencing on or about 22 October 2009 at 9.00 a.m. CET.

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:

Investors will be notified by the relevant Manager or placer of their allocations of Notes.

An indication of the expected price at which the Notes will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser:

The Notes will be issued at an issue price of 100 per cent of their nominal amount. Any investor intending to acquire any Notes from a bank, financial intermediary or other entity (other than a Manager in its capacity as such) will do so in accordance with any terms and other arrangements in place between the seller and such investor, including as to price, allocations and settlement arrangements. The Issuer will not be a party to such arrangements with investors, and, accordingly, investors must obtain such information from the relevant seller.

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or to the offeror, of the placers in the various countries where the offer takes place:

The offer will be made by licensed banks, financial intermediaries and other entities duly authorised in the relevant jurisdictions.

Name and address of any paying agents in each country:

The names and addresses of the paying agents with respect to the Notes are on pages 46 and 71 of this Prospectus.

Payments in respect of principal and interest on the Notes will be made by or on behalf of the Issuer through Euroclear France to the Account Holders (including Euroclear and the depositary bank for Clearstream, Luxembourg) for the benefit of the Noteholders.

Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission:

The Managers, pursuant to a Subscription Agreement, have agreed to procure subscription, failing which, to subscribe and pay for the Notes at a price equal to 100 per cent of their nominal amount. The Subscription Agreement provides that the Issuer will pay the Managers a combined management and underwriting commission of 1 per cent and a selling commission of 0.5 per cent, in each case, of the nominal amount of the Notes. See “Subscription and Sale” below.

The addresses of the Managers are set out at the end of this Prospectus.

When the underwriting agreement has been or will be reached:

The Subscription Agreement is dated 20 October 2009. See “Subscription and Sale”.

For the avoidance of doubt, this Prospectus may not be used in any country for the purposes of any public offer of the Notes other than as described above and, in such cases, only until the Offer Period Termination Date, unless otherwise authorised by the Issuer.

TERMS AND CONDITIONS OF THE NOTES

The issue outside the Republic of France of the Euro (“EUR”) 750,000,000 9.250 per cent Undated Deeply Subordinated Notes (the “Notes”) was decided on 19 October 2009 by Roland Charbonnel, Officer of BPCE (the “**Issuer**”), acting pursuant to a resolution of the Management Board (*directoire*) of the Issuer dated 31 July 2009. The Notes are issued with the benefit of a fiscal agency agreement (the “**Fiscal Agency Agreement**”) dated on 22 October 2009 between the Issuer, Deutsche Bank, London Branch as fiscal agent and principal paying agent (the “**Fiscal Agent**”, which expression shall, where the context so admits, include any successor for the time being of the Fiscal Agent), as calculation agent (the “**Calculation Agent**”, which expression shall, where the context so admits, include any successor for the time being of the Calculation Agent) and Deutsche Bank Luxembourg S.A. as Luxembourg paying agent (the “**Paying Agent**”, which expression shall, where the context so admits, include any successor for the time being of the Paying Agent). Reference below to the Agents shall be to the Fiscal Agent, the Paying Agent and/or the Calculation Agent, as the case may be. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Agents. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

1 DEFINITIONS

For the purposes of these Conditions:

“**A Interest**” has the meaning set forth in Condition 4.3 (*Interest Payable*).

“**Actual/Actual – ICMA**” means,

- (A) If the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in such 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; or
- (B) If the Calculation Period is longer than one Determination Period, the sum of:
 - (1) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins 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
 - (2) the number of days in such Calculation Period falling in the next Determination 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

where: “**Determination Period**” means the period from (and including) the first Interest Payment Date to (but excluding) the next 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 until (and excluding) the last Interest Payment Date, except that the first Determination Period, in respect of the first Interest Period, shall be the period from and including 22 April 2009 to, but excluding 22 April 2010.

“**Accrued Interest**” means interest accrued on the Notes since the most recent Interest Payment Date in respect of the Principal Amount.

“**Applicable Banking Regulations**” means, at any time, the capital adequacy regulations then in effect of the regulatory authority in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction) having authority to adopt capital adequacy regulations with respect to the Issuer.

“**Calculation Period**” means any period of time (from and including the first day of such period to but excluding the last) in respect of the calculation of an amount of interest on any Note.

“Compulsory Interest Payment Date” means each Interest Payment Date prior to which the Issuer has, at any time during a period of one-year prior to such Interest Payment Date:

- (i) declared or paid a dividend (whether in cash, shares or any other form), or more generally made a payment of any nature, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, in each case to the extent categorised as Tier 1 Capital, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or
- (ii) redeemed, either by cancellation or by means of *amortissement* (as defined in Article L.225-198 of the French *Code de commerce*), repurchased or otherwise acquired any shares, whatever classes of shares, if any, they belong to, or any other equity securities issued by the Issuer, by any means,

provided, however, that if a Supervisory Event occurred during the Interest Period immediately preceding such Interest Payment Date, such Interest Payment Date shall only be a Compulsory Interest Payment Date if such Supervisory Event occurred prior to the relevant event described in the two subparagraphs above.

“Consolidated Net Income” means the consolidated net income (excluding minority interests) of the Issuer as calculated and set out in the consolidated accounts of the Issuer (whether audited annual or unaudited, but having been subject to a “limited review”, semi-annual).

“End of Supervisory Event” means, following a Supervisory Event (as defined below), the first date of either of the following events: (i) the total risk-based consolidated capital ratio of the Issuer and its consolidated subsidiaries and affiliates, calculated in accordance with the Applicable Banking Regulations, complies with the minimum percentage required in accordance with Applicable Banking Regulations, or, (ii) if the Supervisory Event occurred pursuant to clause (ii) of the definition of Supervisory Event below, the notification by the SGCB, in its sole discretion, to the Issuer, that it has determined, in view of the financial condition of the Issuer, that the circumstances which resulted in the Supervisory Event have ended.

“Euro-zone” means the region comprised of member states of the European Union which have adopted or adopt the Euro in accordance with the Treaty establishing the European Community, as amended.

“financial year” means a twelve-month financial period ending on 31 December.

“First Call Date” means 22 April 2015.

“Fixed Interest Rate” has the meaning set forth in Condition 4 (*Interest and Interest Suspension*).

“Interest Amount” means the amount of interest, if any, payable in respect of the Notes in accordance with Condition 4.2 (*Fixed Interest Rate*).

“Interest Payment Date” has the meaning set forth in Condition 4 (*Interest and Interest Suspension*).

“Interest Period” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) a Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date until (and excluding) the last Interest Payment Date.

“Interim Period” means a six-month financial period ending on 30 June or 31 December.

“Issue Date” has the meaning set forth in Condition 4.1 (*General*).

“**Loss Absorption**” has the meaning set forth in Condition 5.1 (*Loss Absorption*).

“**Noteholders**” means the holders of the Notes.

“**Optional Interest Payment Date**” means any Interest Payment Date other than a Compulsory Interest Payment Date.

“**Original Principal Amount**” means the nominal amount of each Note on the Issue Date, not taking into account any reduction of the Principal Amount of the Notes or any Reinstatement pursuant to Condition 5 (*Loss Absorption and Return to Financial Health*).

“**Principal Amount**” means at any time the principal amount of the Notes, calculated on the basis of the Original Principal Amount of the Notes as the same may have been reduced under Condition 5.1 (*Loss Absorption*) and/or reinstated under Condition 5.2 (*Return to Financial Health*).

“**Reinstatement**” has the meaning set forth in Condition 5.2 (*Return to Financial Health*).

“**Replacement Supervisory Authority**” means any other authority having supervisory authority with respect to the Issuer, it being specified that any reference to the SGCB shall be construed as including any Replacement Supervisory Authority.

“**Return to Financial Health**” has the meaning set forth in Condition 5.2 (*Return to Financial Health*).

“**SGCB**” means the *Secrétariat général de la Commission bancaire* which reference shall, where applicable, include any other authority having supervisory authority with respect to the Issuer.

“**Supervisory Event**” means the first date of either of the following events: (i) the total risk-based consolidated capital ratio of the Issuer and its consolidated subsidiaries and affiliates, calculated in accordance with the Applicable Banking Regulations, falls below the minimum percentage required in accordance with Applicable Banking Regulations, or (ii) the notification by the SGCB, in its sole discretion, to the Issuer, that it has determined, in view of the financial condition of the Issuer, that the foregoing clause (i) would apply in the near term.

“**TARGET2 Business Day**” means a day on which the TARGET2 System is operating.

“**TARGET2 System**” means the Trans European Automated Real Time Gross Settlement Express Transfer System or any successor thereto.

“**Tier 1 Capital**” has the meaning set forth in Condition 3 (*Status of the Notes and subordination*).

2 FORM, DENOMINATIONS AND TITLE

The Notes are issued in dematerialised bearer form (*au porteur*) in denominations of EUR 1,000. Title to the Notes will be evidenced in accordance with Article L.211-3 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France S.A. (“**Euroclear France**”) which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holder**” shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”). The Notes have been accepted for clearance through Euroclear France under the ISIN Code FR0010814558.

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

3 STATUS OF THE NOTES AND SUBORDINATION

The Notes are deeply subordinated notes (constituting *obligations* under French law) issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*.

The proceeds of the issue of the Notes will be treated for regulatory purposes as consolidated funds propres de base for the Issuer. *Fonds propres de base* (“**Tier 1 Capital**”) shall have the meaning given to it in Article 2 of *Règlement* n° 90-02 dated 23 February 1990, as amended, of the *Comité de la Réglementation Bancaire et Financière* (the “**CRBF Regulation**”), or otherwise recognised as *fonds propres de base* by the SGCB, or any Replacement Supervisory Authority. The CRBF Regulation should be read in conjunction with the press release of the Bank for International Settlements dated 27 October 1998 concerning instruments eligible for inclusion in Tier 1 Capital (the “**BIS Press Release**”). The French language version of the BIS Press Release is attached to the report published annually by the SGCB entitled “*Modalités de calcul du ratio international de solvabilité*”.

The principal and interest on the Notes (which constitute *obligations* under French Law) constitute direct, unconditional, unsecured, undated and deeply subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future deeply subordinated notes of the Issuer but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs*, ordinarily subordinated notes and unsubordinated notes issued by the Issuer. In the event of liquidation, the Notes shall rank in priority to any payments to holders of any classes of shares and of any other equity securities issued by the Issuer.

If the Original Principal Amount has been reduced in the context of one or more loss absorption(s) pursuant to Condition 5.1 (*Loss Absorption*), the rights of the Noteholders are calculated on the basis of the Original Principal Amount, to the extent that all other creditors of the Issuer (including unsubordinated creditors of the Issuer, holders of ordinarily subordinated notes issued by the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer) have been or will be fully reimbursed, as ascertained by the liquidator.

If any judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or in the event of the liquidation of the Issuer for any other reason, the rights of the Noteholders will be calculated on the basis of the Original Principal Amount of the Notes together with Accrued Interest and any other outstanding payments under the Notes.

There is no negative pledge in respect of the Notes.

4 INTEREST AND INTEREST SUSPENSION

4.1 General

The Notes bear interest on their Principal Amount from (and including) 22 October 2009 (the “**Issue Date**”) at 9.250 per cent. per annum (the “**Fixed Interest Rate**”) payable annually in arrear on 22 April of each year (each an “**Interest Payment Date**”) commencing on 22 April 2010. There will be a first short coupon in respect of the first Interest Period from and including the Issue Date up to, but excluding, 22 April 2010.

For the avoidance of doubt, Interest Amounts will not be adjusted if an Interest Payment Date is not a TARGET2 Business Day.

Interest will cease to accrue on the Notes on the due date for redemption thereof unless, upon such due date, payment of principal is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event, interest will continue to accrue at the relevant rate as specified in the preceding paragraph (as well after as before judgment) on the Original Principal Amount of the Notes until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholder.

4.2 Fixed Interest Rate

- 4.2.1 The amount of interest (the “**Interest Amount**”) payable on each Interest Payment Date will be the product of the then Principal Amount of such Note and the Fixed Interest Rate, multiplied by the Actual/Actual – ICMA day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).
- 4.2.2 If interest is required to be calculated in respect of an Interest Period where the then Principal Amount of a Note is less than its Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Fixed Interest Rate to the then Principal Amount of such Note and multiplying such product by the Actual/Actual – ICMA day count fraction for each relevant portion of the Interest Period (and, for the avoidance of doubt, the relevant Determination Period shall be proportioned accordingly), adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Calculation Agent will cause such Interest Amount to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and will cause the publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after its calculation but in no event later than the fourth TARGET2 Business Day thereafter.

4.3 Interest Payable

4.3.1 On Optional Interest Payment Dates

- (i) Payment of Interest on Optional Interest Payment Dates. The Issuer may pay interest on any Optional Interest Payment Date. The Issuer may elect not to pay interest on any Optional Interest Payment Date in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure. Interest with respect to any Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period, in accordance with Condition 4.2.

Save as otherwise provided, any interest not paid on an Optional Interest Payment Date shall be forfeited and shall therefore no longer be due and payable by the Issuer.

- (ii) Occurrence of a Supervisory Event

Subject to the relevant Interest Payment Date being an Optional Interest Payment Date, in the event that a Supervisory Event has occurred during the Interest Period preceding such Optional Interest Payment Date:

- Interest with respect to the period between the preceding Interest Payment Date and the Supervisory Event shall accrue on the Principal Amount of the Notes, on the basis of the number of days elapsed between such preceding Interest Payment Date and such Supervisory Event (the “**A Interest**”). However, the payment of such A Interest shall automatically be suspended. In addition, the amount of A Interest may be reduced to absorb losses pursuant to Condition 5.1 (*Loss Absorption*). A Interest may be payable in accordance with the provisions of paragraph (iii) below.
- No Interest shall accrue nor be payable by the Issuer with respect to any Interest Period during the period starting on the date of the Supervisory Event and ending on the date of the End of Supervisory Event.

(iii) After End of Supervisory Event

Subject to the relevant Interest Payment Date being an Optional Interest Payment Date, in respect of any Interest Payment Date which occurs as from the End of Supervisory Event, interest will accrue and be calculated as follows:

- As from the date of the End of Supervisory Event until the next succeeding Interest Payment Date, interest shall accrue on the Principal Amount, on the basis of the number of days elapsed between the date of End of Supervisory Event and the next succeeding Interest Payment Date.
- Interest with respect to any succeeding Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period.

Interest calculated in accordance with the above provisions may be paid on any relevant Interest Payment Date(s) occurring as from the date of the End of Supervisory Event (included).

Any interest accrued during such period not paid by the Issuer on the relevant Interest Payment Date(s) will be forfeited.

At the option of the Issuer, any A Interest, to the extent not reduced to absorb losses pursuant to Condition 5.1 (*Loss Absorption*), may be paid on the first Interest Payment Date following the End of Supervisory Event, to the extent any such payment would not trigger the occurrence of a Supervisory Event. Any A Interest not paid by the Issuer on the first Interest Payment Date following the End of Supervisory Event will be forfeited.

4.3.2 On Compulsory Interest Payment Dates

The Issuer will pay interest on any Compulsory Interest Payment Date, notwithstanding any other provision of the Terms and Conditions.

Interest payable on any Compulsory Interest Payment Date will always be calculated on the basis of the entire relevant Interest Period.

Interest payable on any Compulsory Interest Payment Date will be calculated on the basis of the then Principal Amount, in accordance with Condition 4.2.

5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

5.1 Loss Absorption

In the event that the occurrence of the Supervisory Event requires, in the opinion of the SGCB, a strengthening of the regulatory capital of the Issuer, the management board of the Issuer will convene an extraordinary shareholders' meeting during the three months following the occurrence of the Supervisory Event in order to propose a share capital increase or any other measure to remedy the Supervisory Event.

If the share capital increase or any other proposed measures are not accepted by the extraordinary shareholders' meeting of the Issuer, or if the share capital increase adopted by such extraordinary shareholders' meeting is insufficiently subscribed to remedy the Supervisory Event in full, or if the Supervisory Event remains on the last day of the relevant Interim Period during which the Supervisory Event has occurred, the management board of the Issuer will implement within ten days following the last day of the relevant Interim Period a reduction of the amount of A Interest, and if necessary of the Principal Amount of the Notes so as to enable the Issuer to continue its activities.

A loss absorption pursuant to this Condition will firstly be implemented by a partial or full reduction in the amount of A Interest. If the total reduction of A Interest is not sufficient for the purposes of such loss absorption, a further loss absorption will be implemented by partially or fully reducing the Principal Amount.

For the avoidance of doubt, the first remedy to the Supervisory Event will be the share capital increase. Absorption of losses will first be set off against any classes of shares and of any other equity securities issued by the Issuer in relation to the measures adopted by the extraordinary shareholders' meeting of the Issuer to remedy the Supervisory Event as described above and thereafter, and to the extent it is not sufficient, then against the then A Interest and the then Principal Amount of the Notes as herein described.

Notwithstanding any other provision of the Terms and Conditions of the Notes, the nominal value of each Note shall never be reduced to an amount lower than one cent of one euro.

Such reductions will be made without prejudice to the rights of the Noteholders under Condition 5.2 (*Return to Financial Health*) below and to the rights of the Noteholders to obtain the payment of amounts due under the Notes in accordance with the provisions of the Terms and Conditions.

Accrued Interest payable on any Compulsory Interest Payment Date is not subject to reduction in accordance with this Condition 5.1 (*Loss Absorption*).

The amount by which A Interest and, as the case may be, the Principal Amount are reduced, will be equal to the amount of losses which, following a Supervisory Event, has not been set off against the shareholders funds (*capitaux propres*) of the Issuer (as set out in the consolidated accounts of the Issuer), following the implementation of the measures adopted by the extraordinary shareholders' meeting (as described above).

In the event the Issuer has other deeply subordinated notes or other securities which rank *pari passu* with the Notes outstanding, such reduction will be applied on a pro-rata basis among them.

In the event the Issuer has other deeply subordinated notes or other securities which rank *pari passu* with the Notes outstanding, which may also be subject to a loss absorption within ten days following the last day of the relevant Interim Period in accordance with their terms, the reduction implemented within ten days following the last day of the relevant Interim Period will be applied on a pro-rata basis among them.

Further, in the event the Issuer has other deeply subordinated notes or other securities which rank *pari passu* with the Notes outstanding, which may only be subject to a loss absorption within ten days following the last day of the relevant financial year during which the Supervisory Event has occurred in accordance with their terms, any reduction related to the Notes implemented within ten days following the last day of a six-month financial period ending on 30 June will not exceed the reduction that would have been made if all other deeply subordinated notes or other securities which rank *pari passu* with the Notes outstanding had been reduced on a pro-rata basis among them at that time.

It is also specified that, on the tenth calendar day following the last day of the financial year during which the Supervisory Event has occurred, the implementation of any loss absorption(s) related to the Notes pursuant to this Condition shall not result in an aggregate reduction exceeding, at such date, the prorata reduction of the other deeply subordinated notes or other security which rank *pari passu* with the Notes issued by the Issuer.

A Interest and the Principal Amount of the Notes pursuant to the above provision may be reduced on one or more occasions, as required.

No payments of principal or premium will be made to holders of shares of the Issuer, of any classes whatsoever, or of any other equity securities issued by the Issuer, before all amounts due, but unpaid, to all Noteholders under the Notes have been paid by the Issuer.

Notice of any Supervisory Event and of any End of Supervisory Event shall be given to the Noteholders in accordance with Condition 11 (*Notices*). Such notice shall be given as soon as practicable, following the occurrence of a Supervisory Event and of any End of Supervisory Event.

Notice of any reduction of A Interest or of the Principal Amount shall be given to the Noteholders in accordance with Condition 11 (*Notices*). Such notice shall be given at least seven days prior to the relevant reduction of Accrued Interest or of the Principal Amount.

5.2 Return to Financial Health

If a positive Consolidated Net Income (as defined above) is recorded for at least two consecutive fiscal years following the End of Supervisory Event (a “**Return to Financial Health**”), the Issuer shall increase the Principal Amount of the Notes up to the Original Principal Amount (a “**Reinstatement**”) to the extent any Reinstatement (either up to the Original Principal Amount or up to any other amount lower than the Original Principal Amount) does not trigger the occurrence of a Supervisory Event.

Such Reinstatement shall be made on one or more occasions in the conditions described above until the then Principal Amount of the Notes has been reinstated to the Original Principal Amount as from the Return to Financial Health (save in the event of occurrence of another Supervisory Event).

A Reinstatement shall not exceed the amount of the latest Consolidated Net Income of the Issuer.

In the event the Issuer has other deeply subordinated notes or other securities which rank *pari passu* with the Notes outstanding and which may also benefit from a reinstatement in accordance with their terms, a Reinstatement will be applied on a pro-rata basis with other reinstatements made on such other deeply subordinated notes or other securities which rank *pari passu* with the Notes.

For the avoidance of doubt, any A Interest that has been reduced pursuant to Condition 5.1 shall not be reinstated pursuant to this Condition 5.2.

However, in any event, whether or not a Return to Financial Health has occurred, the Issuer shall increase the Principal Amount of the Notes up to the Original Principal Amount prior to:

- (i) any declaration or payment of a dividend (whether in cash, shares or any other form), or more generally any payment of any nature, by the Issuer, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or
- (ii) any redemption, either by cancellation or by means of *amortissement* (as defined in Article L.225-198 of the French *Code de commerce*), repurchase or acquisition of any shares, whatever classes of shares, if any, they belong to, or of any other equity securities issued by the Issuer, by any means; or
- (iii) any optional redemption by the Issuer of (1) the Notes, in accordance with Condition 6.2(a) (*General Call Option*) or 6.2(b) (*Redemption for Taxation Reasons* or

Regulatory Reasons), or (2) any other deeply subordinated notes or other securities which rank *pari passu* with the Notes, in accordance with their terms.

No payments of principal or premium will be made to holders of shares of the Issuer, of any classes whatsoever, or of any other equity securities issued by the Issuer before all amounts due, but unpaid, to all Noteholders under the Notes have been paid by the Issuer.

Notice of any Return to Financial Health shall be given to the Noteholders in accordance with Condition 11 (*Notices*). Such notice shall be given as soon as practicable, following the occurrence of a Return to Financial Health. Notice of any Reinstatement shall be given to the Noteholders in accordance with Condition 11 (*Notices*). Such notice shall be given at least seven days prior to the relevant Reinstatement.

6 REDEMPTION AND PURCHASE

The Notes may not be redeemed otherwise than in accordance with this Condition 6 (*Redemption and Purchase*).

6.1 No Final Redemption

The Notes are undated securities in respect of which there is no fixed redemption or maturity date.

6.2 Issuer's Call Options Subject to the Approval of the SGCB

(a) General Call Option

On the First Call Date and on any Interest Payment Date thereafter, the Issuer, subject to having given not less than 30, and not more than 60, days' prior notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, may, at its option, redeem all but not some of the Notes at their Original Principal Amount, together with any amounts outstanding thereon, including Accrued Interest.

(b) Redemption for Taxation Reasons or Regulatory 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 (*Taxation*) below, the Issuer may, at its option, on any Interest Payment Date, 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 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued 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 of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 (*Taxation*) below, then the Issuer shall forthwith give notice of such fact to the Paying Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with

Condition 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes then outstanding at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest on 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.

- (iii) If, by reason of any change in French law, any change in the official application or interpretation of such law, or any other change in the tax treatment of the Notes, becoming effective after the Issue Date, interest payment under the Notes is no longer tax-deductible by the Issuer for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, on any Interest Payment Date, 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 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued 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 such payment with interest payable being tax deductible for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes.
- (iv) If, by reason of any change in French law, any change in the official application or interpretation of such law, becoming effective after the Issue Date, the proceeds of the Notes cease to qualify as Tier 1 Capital, the Issuer may, at its option, on any Interest Payment Date, 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 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest date on which the proceeds of the Notes could qualify as Tier 1 Capital.

6.3 Purchases

The Issuer may at any time purchase Notes in the open market or otherwise at any price provided that the prior approval of the SGCB shall have to be obtained.

6.4 Cancellation

All Notes which are purchased or redeemed by the Issuer pursuant to paragraphs 6.2 (*Issuer's Call Options Subject to the Approval of the SGCB*) to 6.3 (*Purchases*) of this Condition 6 (*Redemption and Purchase*) will be cancelled.

7 PAYMENTS AND CALCULATIONS

7.1 Method of Payment

Payments in respect of principal and interest on the Notes will be made in Euro by credit or transfer to a Euro denominated account (or any other account to which Euro may be credited

or transferred) specified by the payee with a bank in a country within the TARGET2 System. Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Principal Paying Agent, as the case may be, in respect of such payment.

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged by the Issuer or the Paying Agent to the Noteholders in respect of such payments.

7.2 Payments on Business Days

If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined below), payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following Business Day, unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Business Day, and the Noteholder shall only be entitled to any interest or other sums in respect of any postponed payment in accordance with Condition 4.1 (*General*).

For the purposes of this Condition, “**Business Day**” means any day (other than a Saturday or a Sunday) which is a TARGET2 Business Day and on which Euroclear France, Euroclear and Clearstream, Luxembourg are operating.

7.3 Fiscal Agent, Paying Agent and Calculation Agent

The name and specified office of the initial Fiscal Agent, the name and specified office of the other initial Paying Agent and the name and specified office of the initial Calculation Agent are as follows:

FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT

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

LUXEMBOURG PAYING AGENT

Deutsche Bank Luxembourg S.A.
2, boulevard Konrad Adenauer
L-1115 Luxembourg
The Grand-Duchy of Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent and/or appoint a substitute Fiscal Agent, Paying Agent, Calculation Agent or approve any change in the office through which the Fiscal Agent, the Calculation Agent or the Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, and (ii) so long as any Note is outstanding, a Calculation Agent having a specified office in a European city. If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Notes, the Issuer shall appoint some other leading European bank engaged in the Euro inter-bank market (acting through its principal office in the Euro-zone) to act in its place, subject to having given notice to the Noteholders in accordance with Condition 11 (*Notices*) not more than 45 nor less than 30 days prior to such

appointment. The Calculation Agent may not resign its duties without a successor having been so appointed. Any notice of a change in Fiscal Agent, Paying Agent, Calculation Agent or their specified office shall be given to Noteholders as specified in Condition 11 (*Notices*).

7.4 Certificates to be final

All certificates, communications, opinion, determinations, calculation, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of these Conditions whether by the Calculation Agent or the relevant banks in the Euro-zone interbank market (or any of them) shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agent, and all the Noteholders. No Noteholder shall (in the absence as aforesaid) be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions.

8 TAXATION

8.1 Withholding Tax Exemption

The Notes constituting *obligations* under French law and being denominated in Euro and accordingly being deemed to be issued outside France for taxation purposes, payments of interest and other revenues made by the Issuer in respect of the Notes benefit under present law (as interpreted in the *Instruction of the Direction Générale des Impôts* 5 I-11-98 dated 30 September 1998 as supplemented) from the exemption provided for in Article 131 *quater* of the French Tax Code from the withholding tax set out under Article 125 A III of the French Tax Code. Accordingly, such payments do not give the right to any tax credit from any French source.

8.2 Additional Amounts

If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is subject to such taxes, duties, assessments or other governmental charges in respect of such Note by reason of his having some present or former connection with the Republic of France other than the mere holding of such Note; or
- (b) to, or to a third party on behalf of, a Noteholder who could avoid such deduction or withholding by making a declaration of non-residence or similar claim for exemption or reduction of the applicable deduction or withholding but fails to do so; or
- (c) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or
- (d) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives; or
- (e) to, or to a third party on behalf of, a Noteholder who would be able to avoid such withholding or deduction if payments were made by another Paying Agent in a Member State of the European Union.

For this purpose, the “**Relevant Date**” in relation to any Note means whichever is the later of (A) the date on which the payment in respect of such Note first becomes due and payable, and (B) if the full amount of the moneys payable on such date in respect of such Note has not been received by the Paying Agent on or prior to such date, the date on which notice is given in accordance with Condition 11 (*Notices*) to Noteholders that such moneys have been so received.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 8 (*Taxation*).

9 EVENT OF DEFAULT

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 Notes shall become immediately due and payable, in accordance with Condition 3 (*Status of the Notes and Subordination*).

10 REPRESENTATION OF THE NOTEHOLDERS

The holders of the Notes will be grouped for the defence of their common interest in a masse (the “**Masse**”).

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of the provisions of Articles L.228-48, L.228-59, L.228-65 II, R.228-63, R.228-67 and R.228-69) subject to the following provisions.

10.1 Legal Personality

The Masse will be a separate legal entity and will be acting in part through one representative (hereinafter called “**Representative**”) and in part through a general assembly of the Noteholders.

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.

10.2 Representative

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

- (a) the Issuer, the members of its Board of Directors (*Conseil d'Administration*), 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
- (b) 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 (*Conseil d'Administration*), Executive Board (*Directoire*) or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (c) 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
- (d) 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 following person is designated as Representative of the Masse:

MURACEF
5, rue Masseran
75007 Paris
France

Represented by its *Directeur Général*

The following person is designated as Alternative Representative of the Masse:

Mr. Hervé-Bernard VALLEE
5, rue Masseran
75007 Paris
France

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the Alternative Representative and all references to the “Representative” will be deemed to be references to the “Alternative Representative”. The Alternative Representative shall have the same powers as the Representative.

In the event of death, incompatibility, resignation or revocation of the Alternative Representative, a replacement will be elected by a meeting of the general assembly of the Noteholders.

The Representative will not be entitled to any remuneration.

All interested parties will at all times have the right to obtain the name and address of the Representative and the Alternative Representative at the head office of the Issuer and at the office of the Paying Agent.

10.3 Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of the general assembly of Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders. All legal proceedings against the Noteholders or initiated by them, must be brought against the Representative or by it.

The Representative may not interfere in the management of the affairs of the Issuer.

10.4 General Assemblies of Noteholders

General assemblies of the Noteholders 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 outstanding Notes may address to the Issuer and the Representative a demand for convocation of the general assembly. If such general assembly has not been convened within two months from such demand, such Noteholders may commission one of themselves to petition a Court sitting in the jurisdiction of the Court of Appeal of Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda of any general assembly will be published as provided under Condition 11 (*Notices*).

Each Noteholder has the right to participate in general assemblies in person or by proxy. Each Note carries the right to one vote.

10.5 Powers of General Assemblies

A general assembly is empowered to deliberate on the dismissal or replacement of the Representative and the Alternative 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 as plaintiff or defendant.

A general assembly may further deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes 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 a general assembly may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares, and that no amendment to the terms and conditions of the Notes may be approved until the consent of the SGCB has been obtained in relation to such amendment.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth 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 the Noteholders attending such meeting or represented thereat. In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in general assemblies will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general assembly.

Decisions of the general assemblies must be published in accordance with the provisions set forth in Condition 11 (*Notices*).

10.6 Information to the Noteholders

Each Noteholder or representative thereof will have the right, during the 15 day period preceding the holding of each general assembly, 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 assembly, which will be available for inspection at the principal office of the Issuer, at the specified office of the Paying Agent and at any other place specified in the notice of the general assembly given in accordance with Condition 11 (*Notices*).

10.7 Expenses

The Issuer will pay all expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of general assemblies, and more generally all administrative expenses resolved upon by a general assembly of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

11 NOTICES

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Notes are cleared through such Clearing Systems and so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and for so long as the rules of such exchange so require, on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

12 PRESCRIPTION

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten years (in the case of principal) and five years (in the case of interest) from the due date for payment thereof.

13 FURTHER ISSUES

The Issuer may from time to time, subject to the prior written approval of the SGCB but without the consent of the Noteholders, issue further notes to be assimilated (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all

respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

14 GOVERNING LAW AND JURISDICTION

The Notes are governed by, and shall be construed in accordance with, the laws of the Republic of France.

In relation to any legal action or proceeding arising out of or in connection with the Notes, the Issuer irrevocably submits to the jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The Issuer intends to use the net proceeds of the issuance of the Notes to increase its regulatory capital and for general corporate purposes.

TAXATION

The information contained in this section is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Notes. It is based upon tax laws (including tax treaties) and administrative decrees in the relevant jurisdictions as in effect as of the date hereof, which are subject to change, potentially with retroactive or retrospective effect.

Prospective purchasers of the Notes are advised to consult their own advisors as to the tax consequences of an investment in the Notes.

European Union

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method or for the tax certificate procedure, withhold an amount on interest payments. The rate of such withholding is currently 20 per cent for a period of three years, starting on 1 July 2008, and 35 per cent thereafter.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive. Belgium will, however, apply the Disclosure of Information Method as from 1 January 2010.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

Luxembourg

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders or Noteholders that are Residual Entities (as defined below), there is no withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of interest paid to individual Noteholders or Noteholders that are Residual Entities (as defined below), upon repayment of the principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Savings Directive and the Luxembourg laws, dated 21 June 2005, implementing the Savings Directive, as defined above, and several agreements concluded between Luxembourg and certain dependent or

associated territories (the “**Associated Territories**”) of the European Union (“**EU**”), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State of the EU or in an Associated Territory unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same treatment applies to payments of interest and other similar income made to a residual entity (“**Residual Entity**”) within the meaning of Article 4.2 of the Savings Directive (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC), established in another Member State of the EU or in an Associated Territory. The Associated Territories are currently the following: Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat and the Netherlands Antilles.

Where withholding tax is applied, it is levied at a rate of 20 per cent increasing to 35 per cent as from 1 July 2011. The withholding tax system only applies during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

Luxembourg resident individuals

A 10 per cent withholding tax is levied on interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC or for the exchange of information regime). Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his or her private wealth.

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

France

The Savings Directive has been implemented in French law under Article 242 *ter* of the French *Code Général des Impôts* (General Tax Code) and Articles 49 I *ter* to 49 I *sexies* of Schedule III of the French *Code Général des Impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Since the Notes constitute *obligations* under French law deemed to be issued outside France, payments of interest and other revenues made by the Issuer in respect of the Notes to Noteholders who are not concurrently shareholders of the Issuer benefit under present law (as interpreted in the Ruling N° 2007/59 of the *Direction Générale des Impôts*, dated 8 January 2008 and Ruling N° 2009/23 of the *Direction Générale des Impôts*, dated 7 April 2009) from the exemption from the withholding tax set out under Article 125 A III of the French *Code Général des Impôts*, as provided for in Article 131 *quater* of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

Belgium

The following summary describes the principal Belgian tax considerations with respect to the holding of Notes. This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. In some cases, different rules can be applicable. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change. Each prospective holder

of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.

Withholding Tax and Income Tax

Individuals resident in Belgium

Individuals who are Belgian residents for tax purposes, i.e. individuals subject to the Belgian individual income tax (“*Personenbelasting*” / “*Impôt des personnes physiques*”) and who hold the Notes as a private investment, are subject to the following tax treatment in Belgium with respect to the Notes. Other tax rules apply to Belgian resident individuals holding the Notes not as a private investment but in the framework of their professional activity.

Under Belgian tax law, “interest” income includes: (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) if the Notes qualify as “fixed income securities” (in the meaning of Article 2, §1, 8° Belgian Income Tax Code), in the case of a realisation of the Notes between two interest payment dates, the interest accrued during the detention period. In general, notes are qualified as fixed income security if there is a causal link between the amount of interest income and the detention period of the notes, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the notes during their lifetime.

Payments of interest on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15 per cent withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

However, if the interest is paid outside of Belgium, i.e. without the intervention of a financial intermediary established in Belgium, the interest received on the Notes (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return of the holder of Notes and will be taxed at a flat rate of 15 per cent plus communal surcharges.

Capital gains realised upon the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one’s private estate or unless and to the extent that the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

Belgian resident corporations

Corporations that are Belgian residents for tax purposes, i.e., corporations subject to Belgian Corporate Income Tax (“*Vennootschapsbelasting*” / “*Impôt des sociétés*”) are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax at the ordinary rate of 33.99 per cent. Capital losses on the Notes are in principle tax deductible.

Payments of interest (as defined in the section “*Individuals resident in Belgium*”) on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15 per cent withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). However, the interest can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered. The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Other Belgian legal entities

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities (“*Rechtspersonenbelasting*” / “*impôt des personnes morales*”) are subject to the following tax treatment in Belgium with respect to the Notes.

Payments of interest (as defined in the section “*Individuals resident in Belgium*”) on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15 per cent withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium, i.e. without the intervention of a financial intermediary in Belgium, the legal entity itself is liable for the payment of the Belgian 15 per cent withholding tax.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined in the section “*Individuals resident in Belgium*”). Capital losses on the Notes are in principle not tax deductible.

Organisation for Financing Pensions

Belgian pension fund entities that have the form of an Organisation for Financing Pensions (“**OFP**”) are subject to Belgian Corporate Income Tax (“*Vennootschapsbelasting*” / “*Impôt des sociétés*”). OFPs are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived on the Notes and capital gains realised on the Notes will not be subject to Belgian Corporate Income Tax in the hands of OFPs.

Payments of interest (as defined in the section “*Individuals resident in Belgium*”) on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15 per cent withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Belgian non-residents

The interest income on the Notes paid to a Belgian non-resident outside of Belgium, i.e. without the intervention of a Belgian establishment of a financial intermediary, is not subject to Belgian withholding tax.

Interest income paid to a Belgian non-resident through a Belgian establishment of a financial intermediary will, in principle, be subject to a 15 per cent withholding tax, unless the Noteholder is resident in a country with which Belgium has entered into a double taxation treaty and the Noteholder delivers the requested affidavit.

Non-resident Noteholders that have not allocated the Notes to business activities in Belgium can also obtain an exemption of Belgian withholding tax on interest from the Notes if they are the owners or usufructors of the Notes and they deliver an affidavit confirming that they have not allocated the Notes to business activities in Belgium and that they are non-residents, provided that (i) the interest is paid through a Belgian credit institution, stock market company or clearing or settlement institution and that (ii) the Notes are not used by the Issuer for carrying on a business in Belgium.

Non-resident Noteholders using the Notes to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident corporations (see above). Non-resident Note holders who do not allocate the Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

Tax on stock exchange transactions

A stock exchange tax (“*Taxe sur les opérations de bourse*” / “*Taks op de beursverrichtingen*”) will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.07 per cent with a maximum amount of Euro 500 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

However, the tax referred to above will not be payable by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1 of the Code of various duties and taxes (“*Code des droits et taxes divers*” / “*Wetboek diverse rechten en taksen*”).

European Directive on taxation of savings income in the form of interest payments

The Savings Directive has been implemented in Belgium by the law of 17 May 2004. The Savings Directive entered into force on 1 July 2005. Under the Savings Directive, for a transitional period ending on 1 January 2010, Belgium imposes a source tax “woonstaatheffing” / “prélèvement pour l’Etat de résidence”, hereinafter “Source Tax”) instead of using the Disclosure of Information Method described in the above section on “Taxation”, subsection “European Union”, unless the beneficiary of the interest payments elects for the application of the Disclosure of Information Method. The rate of the Source Tax is 20% since 1 July 2008.

The transitional period will end on 1 January 2010. Interest paid on the Notes as from that date and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method. Interest paid on the Notes before that date and falling under the scope of application of the Savings Directive remain subject to the following regime.

Individuals not resident in Belgium

A Belgian paying agent will withhold a Source Tax at source at the current rate of 20 per cent on the interest payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the Associated and Dependant Territories. The Source Tax is levied pro rata to the period of holding of the Notes by the beneficial owner of the interest payments.

The Source Tax is levied in addition to the Belgian withholding tax which has been withheld.

No Source Tax will be applied if the investor provides the Belgian paying agent with a certificate drawn up in his name by the competent authority of his state of residence for tax purposes. The certificate must at least indicate: (i) name, address and tax or other identification number or, in the absence of the latter, the date and place of birth of the beneficial owner; (ii) name and address of the paying agent; and (iii) the account number of the beneficial owner, or where there is none, the identification of the security.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of Euro 2.5.

Germany

This summary applies to investors holding the Notes as private investment assets (except where explicitly stated otherwise) and is not intended to be, nor should it be construed to be, legal or tax advice. This discussion is based on tax laws and regulations of the Federal Republic of Germany (“**Germany**”), all as currently in effect (except where explicitly stated otherwise) and all subject to change at any time, possibly with retroactive effect. In particular, the discussion herein is limited to Notes that are issued and acquired after 31 December 2008. The tax treatment of Notes that were issued and acquired prior to 1 January 2009 may, subject to certain transition rules in connection with the introduction of the flat tax (*Abgeltungsteuer*) on investment income, differ significantly from the description in this summary. Prospective holders should consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Notes, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Germany.

German resident investors holding Notes as private assets

Income tax consequences

If the Notes are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Notes are taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent solidarity surcharge thereon and, if applicable to the individual investor, church tax).

The same applies to capital gains from the sale or redemption of the Notes. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Notes and the acquisition costs. Expenses directly related to the sale or redemption are taken into account in computing the taxable gain.

Where the Notes are denominated in a currency other than Euro, the acquisition costs and the proceeds from the sale or redemption are computed in Euro, each at the time of the acquisition, sale or redemption, respectively.

The flat tax is generally collected by way of withholding (see succeeding paragraph – Withholding tax) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld the investor will have to include the income received with respect to the Notes in its income tax return and the flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of an available loss carry forward or a foreign tax credit). If the investor's total income tax liability on all taxable income including the investment income determined by generally applicable graduated income tax rates is lower than 25 per cent the investor may opt to be taxed at graduated rates with respect to its investment income.

Capital losses from the Notes held as private assets are tax-recognized irrespective of the holding period of the Notes. The losses may, however, not be used to offset other income like employment or business income but may only be offset against investment income. Losses not utilized in one year may be carried forward into subsequent years but may not be carried back into preceding years.

Individual investors are entitled to a tax allowance (*Sparer-Pauschbetrag*) for investment income of 801 Euro per year (1,602 Euro for married couples filing their tax return jointly). The tax allowance is considered for purposes of the withholding tax (see succeeding paragraph – Withholding tax) if the investor files a withholding tax exemption request (*Freistellungsauftrag*) with the respective bank or financial institution where the securities deposit account to which the Notes are allocated is held. Otherwise, the deduction of related expenses for tax purposes is not possible.

Withholding tax

If the Notes are kept or administered in a domestic securities deposit account by a German credit or financial services institution (or by a German branch of a foreign credit or financial services institution), or by a German securities trading firm (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether the "Domestic Paying Agent") which pays or credits the interest, a 25 per cent withholding tax, plus a 5.5 per cent solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments. The capital gains are also subject to the 25 per cent withholding tax, plus a 5.5 per cent solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying Agent since their acquisition. If the Notes were sold or redeemed after being transferred to another securities deposit account and the actual acquisition costs of the investor were not evidenced satisfactorily to the new Domestic Paying Agent, the new Domestic Paying Agent would be required to withhold the 25 per cent withholding tax (plus a 5.5 per cent solidarity surcharge thereon) on 30 per cent of the proceeds from the sale or the redemption, as the case may be. Domestic Paying Agents are, however, required to remit the acquisition costs to the new Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

German resident investors holding Notes as business assets

Income tax consequences

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor who is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Notes are subject to personal income tax at graduated rates or corporate income tax (plus a 5.5 per cent solidarity surcharge thereon) and trade tax. The trade tax liability depends on the applicable trade tax factor of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. Losses from the disposal, redemption or, in case of investors accounting for the Notes under the accrual method, on account of permanent impairments of the Notes will be tax-recognized and may generally be offset by other income subject to certain limitations.

Withholding tax

If the Notes are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent withholding tax, plus a 5.5 per cent solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments.

No withholding, however, is generally required on capital gains derived by German resident corporate noteholders and upon application by individual noteholders holding the Notes as business assets.

Any losses incurred from the disposal or redemption of the Notes will not be taken into account for withholding tax purposes. The withholding tax does not satisfy the investor's income tax liability with respect to the Notes (*keine abgeltende Wirkung*). The income from the Notes will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

Non-German resident noteholders

Income derived from the Notes by holders who are not tax resident in Germany is in general exempt from German income taxation, and no withholding tax shall be withheld, provided however (i) the Notes are not held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, or (ii) the Notes are not presented for payment or credit at the offices of a German credit or financial services institution including a German branch of a foreign credit or financial services institution (over-the-counter transaction).

If the income derived from the Notes is subject to German taxation according to (i) to (ii) above, the income is subject to withholding tax similar to that described above under the paragraphs Withholding tax. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Inheritance tax / gift tax

The transfer of Notes to another person by way of gift or inheritance is subject to German gift or inheritance tax, respectively, if:

(i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*), had its seat or place of management in Germany at the time of the transfer of property,

(ii) except as provided under (i), the testator's or donor's Notes belong to a business asset attributable to a permanent establishment or a permanent representative in Germany,

Special regulations apply to certain German expatriates.

Investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

Other taxes

The purchase, sale or other disposal of Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Notes which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

Ireland

The following summary outlines certain aspects of Irish tax law and practice regarding the ownership and disposition of Notes. This summary deals only with Notes held beneficially as capital assets and does not address special classes of Noteholders such as dealers in securities. This summary is not exhaustive and Noteholders are advised to consult their own tax advisors with respect to the taxation consequences of their ownership or disposition. The comments are made on the assumption that the Issuer is not resident in Ireland for Irish tax purposes. The summary is based on current Irish taxation legislation and published practice of the Irish Revenue Commissioners.

Irish Withholding Tax

Under Irish tax law there is no obligation on the Issuer to operate any withholding tax on payments of interest on the Notes except where the interest has an Irish source. The interest could be considered to have an Irish source, where, for example, interest is paid out of funds maintained in Ireland or where the Notes are secured on Irish situate assets. The mere offering of the Notes to Irish investors will not cause the interest to have an Irish source.

In certain circumstances collection agents and other persons receiving interest on the Notes in Ireland on behalf of an Irish resident note holder, will be obliged to operate a withholding tax.

Taxation of interest

Unless exempted, an Irish resident or ordinarily resident Noteholder will be liable to Irish tax on the amount of the interest or other income, including potentially any premium on redemption, received from the Issuer. Individuals would suffer income tax at rates of up to 41 per cent plus potentially PRSI and additional health and income levies. Corporate investors are likely to suffer corporation tax at 25 per cent. Credit against Irish tax on the interest received may be available in respect of any foreign withholding tax deducted by the Issuer.

Taxation of capital gains

Irish resident or ordinarily resident Noteholders are potentially liable to Irish tax on capital gains on any gains arising on a disposal of Notes at a 25 per cent rate. Reliefs and allowances may be available in computing the Noteholder's liability.

Stamp Duty

Transfers of Notes should not be subject to Irish stamp duty, provided the transfers do not relate to Irish land or buildings or securities of an Irish registered company.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situated in Ireland. This tax is charged at a

rate of 25 per cent on gifts and inheritances above a certain threshold determined both by the relationship between the disponent and the donee/successor and previous gifts or inheritances received.

Provision of Information

Generally

Noteholders should be aware that where any interest or other payment on Notes is paid to them by or through an Irish paying agent or collection agent then the relevant person may be required to supply the Irish Revenue Commissioners with details of the payment and certain details relating to the Noteholder. Where the Noteholder is not Irish resident, the details provided to the Irish Revenue Commissioners may, in certain case, be passed by them to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

EU Savings Directive

The Council of the European Union has adopted a directive regarding the taxation of interest income known as the “**European Union Directive on the Taxation of Savings Income (Directive 2003/48/EC)**”.

Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Issuer to an individual, and certain residual entities defined in the Taxes Consolidation Act, 1997 resident in another EU Member State and certain associated and dependent territories of a Member State will have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

Spain

The statements herein regarding withholding taxes in Spain are based on the laws in force in Spain as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of the Notes should consult its tax advisor as to the Spanish tax consequences of the ownership and disposition of the Notes.

Spanish resident individuals

Personal Income Tax (“Impuesto sobre la Renta de las Personas Físicas”) (“PIT”)

In principle, following the criterion of the Spanish General Directorate of Taxes (“Dirección General de Tributos”) (“DGT”) in several rulings, any income obtained by Spanish resident individuals under the Notes, whether in the form of interest or as per the transfer, redemption or exchange of the Notes, will be regarded as capital-sourced income (i.e financial income) subject to PIT at the flat rate applicable from time to time, which is currently 18 per cent.

Please note that as regards income obtained by Spanish resident individuals under the Notes, no Spanish withholding taxes should be deducted by the Issuer if it is a French tax resident entity which does not have a permanent establishment in Spain. In such case, the withholding tax regime will be as follows:

(i) Interest paid to Noteholders who are Spanish resident individuals will be subject to Spanish withholding tax at the rate applicable from time to time (currently 18 per cent) to be deducted by the depositary entity of the Notes or the entity in charge of collecting the income derived thereunder, provided such entities are resident for tax purposes in Spain or have a permanent establishment in the Spanish territory.

(ii) Income obtained upon transfer of the Notes will be subject to Spanish withholding tax at the rate applicable from time to time (currently 18 per cent) to be deducted by the financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory.

(iii) Income obtained upon redemption of the Notes will be subject to Spanish withholding tax at the rate applicable from time to time (currently 18 per cent) to be deducted by the financial entity appointed by the Issuer (if any) for redemption of the Notes, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory.

Amounts withheld may be credited against the final Spanish resident individuals PIT liability.

Wealth Tax (“Impuesto sobre el Patrimonio”)

Law 4/2008 has effectively abolished Wealth Tax with effects as of 1 January 2008, and, consequently, no Wealth Tax is due as from fiscal year 2008.

Inheritance and Gift Tax (“Impuesto sobre Sucesiones y Donaciones”)

Spanish resident individuals who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with the applicable regional or State rules.

Spanish resident corporations

Corporate Income Tax (“Impuesto sobre Sociedades”) (“CIT”)

Any income derived by Spanish corporates under the Notes will be included in their CIT taxable income in accordance with applicable CIT legislation. The general CIT rate is 30% (although other rates may be applicable to certain investors).

Taking into account that the Notes will be listed on an OECD market, income obtained thereunder by Spanish resident corporations will be exempt from Spanish withholding taxes.

Wealth Tax

Corporates are not subject to Wealth Tax.

Inheritance and Gift Tax

Spanish corporates are not subject to Inheritance and Gift Tax. Conversely, Spanish corporates receiving Notes by inheritance, gift or legacy will be taxed under CIT on the market value of the Notes.

Portugal

The following summary of certain general Portuguese taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law (and the interpretation and application thereof) and practice occurring after such date, which may have a retroactive effect.

This summary is not a complete analysis or listing of all possible tax consequences relating to an investment in the Notes and it does not address all tax considerations that may be relevant to all categories of potential investors or potential tax regimes, some of whom may be subject to special rules, namely those applicable to investment funds.

Prospective investors in the Notes are urged to consult their tax lawyers or advisers regarding the applicable tax consequences of the investment in the Notes, including the impact of tax law and practice of any other jurisdictions, based on their particular circumstances.

Portuguese resident individuals

Personal Income Tax (“Imposto sobre o Rendimento das Pessoas Singulares”) (“IRS”)

As a rule, income arising to Portuguese ordinarily resident individuals (individuals who are not deemed non-habitual resident individuals) from the holding or redemption of the Notes, as well as interest accrued but not yet due at the date of a transfer of the Notes, qualifies as investment income and is subject to IRS at a final flat 20 per cent rate.

In case investment income in connection with the Notes is paid by a Portuguese paying agent, IRS at a 20 per cent flat rate will be withheld. In this case, a Portuguese resident individual, unless deriving such income

in the capacity of an entrepreneur with organised accounts, may choose to declare such income in his or her tax return, together with the remaining items of income derived. If such election is made, the said income will be subject to IRS according to the relevant tax brackets, up to 42 per cent, and the domestic withholding tax will constitute a payment on account of such final IRS liability. Conversely, any foreign withholding tax suffered will be considered as a tax credit against the final IRS liability.

In case investment income in connection with the Notes is not paid by a Portuguese paying agent, no Portuguese withholding tax will apply. A Portuguese resident individual must declare the relevant income in his or her tax return and either subject it to the final flat 20 per cent rate or aggregate it with the remaining elements of income and subject the global amount to IRS according to the relevant tax brackets, up to 42 per cent. Only in this latter alternative may any foreign withholding tax suffered be considered as a tax credit against the final IRS liability.

Since the Notes should qualify as bonds or debt certificates under Portuguese law, capital gains arising from their transfer or exchange (computed as the gain, deducted of interest accrued but not yet due at the date of a transfer) are not subject to IRS. Should the Portuguese tax authorities challenge such qualification, IRS will apply at a final flat 10 per cent rate. In such case, Portuguese resident individuals might opt for aggregating the capital gains with the remaining income, in which case said income would be subject to IRS according to the relevant tax brackets, up to 42 per cent. No Portuguese withholding tax is levied on capital gains.

Non-habitual resident individuals in Portugal will be exempt from IRS on both investment income and capital gains arising from the Notes, provided that they may be taxed in the other State under the rules of a tax treaty entered into by Portugal or, if no tax treaty exists, that (i) it may be taxed in the other State according to the rules of the OECD Model Tax Convention on Income and on Capital, as interpreted according to the Portuguese reservations on its articles and observations on its commentary; (ii) it is not considered to derive from a Portuguese source under the IRS Code territoriality rules; and (iii) the relevant income does not arise in a State, region or territory included in the Portuguese tax havens' black list. The non-habitual resident individual may however choose to declare such income in his or her tax return, together with the remaining items of income derived.

Stamp Duty ("*Imposto do Selo*")

Portuguese resident individuals who acquire ownership or other rights over the Notes by inheritance, gift or legacy may be subject to Stamp Duty at a maximum rate of 10 per cent, although some exclusions and exemptions apply, in particular to spouses, descendants and ancestors.

Portuguese resident corporations

Corporate Income Tax ("*Imposto sobre o Rendimento das Pessoas Colectivas*") ("**IRC**")

Any income derived by Portuguese corporations in relation with the Notes will be included in their IRC taxable income in accordance with applicable IRC legislation. The general IRC rate is of 25 per cent (a 12.5 per cent rate will apply to a company's first €12,500), and a municipal surcharge of up to 1.5 per cent may be imposed (thus resulting a maximum aggregate rate of 26.5 per cent).

To the extent that the Issuer of the Notes is a non-Portuguese resident entity, no Portuguese withholding tax on account of the final IRC liability of Portuguese corporate investors will apply.

Stamp Duty ("*Imposto do Selo*")

Portuguese corporations are not subject to Stamp Duty on free acquisitions. However, net variations in worth arising to Portuguese corporations as a result of receiving Notes through a restructuring, gift or legacy will be taxed under IRC, for the market value of the Notes.

The Netherlands

This taxation paragraph solely addresses the Dutch withholding tax consequences of the payments under the Notes. It does not consider other aspects of taxation that may be relevant to a particular holder of Notes. Where in this paragraph English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

This paragraph is based on the tax law of the Netherlands (unpublished case law not included) as it stands on the date of this Prospectus. The law upon which this paragraph is based is subject to change, possibly with retroactive effect. Any such change may invalidate the contents of this paragraph, which will not be updated to reflect such change. This paragraph assumes that the place of effective management of the Issuer is not situated in the Netherlands or is not otherwise a resident of the Netherlands for Dutch dividend tax (*dividendbelasting*) purposes.

Withholding tax

All payments under the Notes may be made free from withholding or deduction of Dutch dividend tax (*dividendbelasting*), or any taxes of a similar nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Switzerland

Swiss Withholding Tax

At present, the Notes are not subject to Swiss withholding tax.

Savings Tax

The EU has negotiated with certain states, namely Switzerland, Liechtenstein, Monaco, Andorra and San Marino, the introduction of "equivalent measures", as within the EU, regarding the taxation of savings income in the form of interest payments. In particular, in October 2004, the EU and Switzerland signed an agreement on the taxation of savings income by way of a withholding tax system or a voluntary declaration in the case of transactions between individuals resident in EU Member States and paying agents in Switzerland. This agreement was ratified by the Swiss Federal Council in May 2005 and entered into force on 1 July 2005. Based on this agreement, Switzerland introduced a withholding tax on interest payments or other similar income paid by a paying agent within Switzerland to EU resident individuals. The withholding tax is currently applied at a rate of 20 per cent (1 July 2008 to 30 June 2011) and will be applied at a rate of 35 per cent (from 1 July 2011 onwards). The beneficial owner of the interest payments will be entitled to a refund of the tax, if certain conditions are met. Instead of the withholding tax system, the affected EU individuals have the option to opt for voluntary disclosure. In this case, information related to their savings income in the form of interest payments is communicated to the tax authorities of their country of residence.

Prospective purchasers of these Notes should consult their advisors concerning the impact of the EU Savings Tax Directive. Notwithstanding the above, for the avoidance of doubt, should the Issuer, the Swiss Principal Paying Agent or any institution where the Notes are deposited be required to withhold any amount as a consequence of the EU Savings Tax Directive, then, there is no requirement for the Issuer to pay any additional amount pursuant to Condition 8 of the Terms and Conditions of the Notes relating to such withholding.

United Kingdom

The comments below are of a general nature based on current United Kingdom law and HM Revenue & Customs practice and are not intended to be exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They assume that the Issuer is not resident in the United Kingdom and does not act through a permanent establishment in the United Kingdom in relation to the Notes. They relate only to the position of persons who are the absolute beneficial owners of their Notes and may not apply to certain classes of persons such as dealers or certain professional investors. Any Noteholders who

are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

Withholding and disclosure

The Issuer will not be required to withhold amounts for or on account of UK income tax when making payments of interest on the Notes unless the interest has a UK source. The interest on the Notes is unlikely to have a UK source. Even if the interest does have a UK source, while the Notes continue to be listed on a recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of UK income tax. In the present case the Notes will be listed on the Main Market of the Luxembourg Stock Exchange. The Notes will be treated as listed on a recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007 if they are both admitted to trading on the Main Market of the Luxembourg Stock Exchange and are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in countries in the European Economic Area.

If interest on the Notes does have a UK source and the Notes are not listed on a recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007 the Issuer will generally be required to withhold amounts for or on account of UK income tax at the basic rate which is currently 20 per cent.

Persons in the United Kingdom paying interest to or receiving interest on behalf of another person who is an individual may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries.

Taxation of Noteholders

Corporate Noteholders

Noteholders within the charge to United Kingdom corporation tax (including non-resident Noteholders whose Notes are used, held or acquired for the purposes of a trade or vocation carried on in the United Kingdom through a permanent establishment) will be subject to tax as income on all profits and gains from the Notes broadly in accordance with their statutory accounting treatment. Such Noteholders will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining the Noteholder's profit or loss for that period. Fluctuations in value relating to foreign exchange gains and losses in respect of the Notes will be brought into account as income.

Other Noteholders

(a) Interest

Noteholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will generally be liable to United Kingdom income tax on the amount of any interest received in respect of the Notes.

(b) Disposal

A disposal of a Note by a Noteholder resident or ordinarily resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Note is attributable may give rise to a chargeable gain or allowable loss for the purposes of taxation of capital gains. In calculating any gain or loss on the disposal of a Note, sterling values are compared at acquisition and transfer. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal is less than or the same as the amount paid for the Note. Any accrued interest at the date of disposal will be taxed under the provisions of Chapter 2 of Part 12 of the Income Tax Act 2007 (Accrued Income Profits and Losses) and will be excluded from the calculation of any capital gain or allowable loss arising on a disposal of the Note.

SUBSCRIPTION AND SALE

Underwriting Arrangements

Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd. and Natixis (the “**Managers**”) have, pursuant to a Subscription Agreement dated 20 October 2009 (the “**Subscription Agreement**”), agreed with the Issuer (subject to satisfaction of certain conditions) to procure subscription, failing which, to subscribe and pay for the Notes at a price equal to 100 per cent of their nominal amount less a combined management and underwriting commission of 1 per cent and a selling concession of 0.50 per cent, in each case, of the nominal amount of the Notes. In addition, the Issuer has agreed to reimburse the Managers in respect of certain of their legal and other expenses incurred in connection with the issue of the Notes. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

General Restrictions

Each Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required other than as specified herein. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

For the avoidance of doubt, this Prospectus may not be used in any country for the purposes of any public offer of the Notes other than as described above and, in such cases, only until the Offer Period Termination Date (See “Terms and Conditions of the Offers” above), unless otherwise authorised by the Issuer.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Manager has represented and agreed that it has not made, and will not make, an offer of Notes that are the subject of the offering contemplated by this Prospectus, to the public in that Relevant Member State other than the offers contemplated in the Prospectus in, Belgium, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom following the date on which the Prospectus has been approved by the competent authority in Luxembourg and published and notified to the relevant competent authorities in accordance with the Prospectus Directive, as implemented in Belgium, Germany, Ireland, the Netherlands, Portugal, Spain and the United Kingdom, except that it may make an offer of such Notes to the public in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
 - (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
 - (c) in any other circumstances falling within Article 3(2)(a) and (c) of the Prospectus Directive,
- provided that no such offer of Notes shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication, in any form and by any means, of sufficient

information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

France

No prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Notes that has been approved by the *Autorité des marchés financiers* or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the *Autorité des marchés financiers*. Each of the Managers has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, the Notes to the public in France, and has not distributed or caused to be distributed, and will not distribute or cause to be distributed, to the public in France, the Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been, and will only be, made in France to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-2, and D.411-1 to D.411-3 of the French *Code monétaire et financier* and applicable regulations thereunder, except that qualified investors shall not include individuals. The direct or indirect distribution to the public in France of any Notes so acquired may be made only as provided by Articles L.411-1, L.411-2, L.412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

United Kingdom

Each Manager has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (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 would not, if the Issuer were not an authorised person, apply to the Issuer; and
- (ii) it has complied, and will comply, with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S.

Each Manager has represented and agreed that:

- (i) it has not offered or sold, and will not offer or sell, the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons; and
- (ii) it will have sent to each distributor or dealer to which it sells Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

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

Hong Kong

Each Manager will be required to represent, warrant and agree that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Manager has acknowledged and agreed that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

(a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

Italy

The offering of the Notes has not been registered with CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or

delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998 as amended (the “**Financial Services Act**”) and the relevant implementing CONSOB regulations, as amended from time to time, and in Article 2 of Directive No. 2003/71/EC of 4 November 2003; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (Regulation No. 11971).

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993 as amended (the “**Banking Act**”);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

GENERAL INFORMATION

1. The total estimated costs for the admission to listing on the Luxembourg Stock Exchange are EUR 14,500.
2. The Notes have been accepted for clearance through Euroclear France, Euroclear and Clearstream, Luxembourg with the Common Code number of 045876314. The International Securities Identification Number (ISIN) for the Notes is FR0010814558. The address of Euroclear France is 155, rue Réaumur, 75081 Paris Cedex 02, France. The address of Euroclear is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, 1855 Luxembourg, Grand-Duchy of Luxembourg.
3. The issue of the Notes has been authorised pursuant to a decision of the Roland Charbonnel, Officer of the Issuer on 19 October 2009, acting pursuant to a resolution of the management board (*Directoire*) of the Issuer dated 31 July 2009.
4. Copies of the audited non-consolidated accounts of the Issuer for the years ended 31 December 2008 and 31 December 2007, the constitutional documents (*statuts*) of the Issuer and this Prospectus (including the Documents Incorporated by Reference and any supplement hereto) may be obtained free of charge, and copies of the Fiscal 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. The Prospectus and all Documents Incorporated by Reference are also available on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and of the Issuer (www.bpce.fr).
5. Mazars, statutory auditors of the Issuer, have audited and rendered an unqualified audit report on the accounts of the Issuer for the years ended 31 December 2007 and 2008. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* (CNCC).
6. On 2 July 2009, BPCE appointed Mazars, PricewaterhouseCoopers Audit and KPMG Audit, a division of KPMG S.A. as its independent statutory auditors. Mazars, PricewaterhouseCoopers Audit and KPMG Audit, a division of KPMG S.A., are members of the *Compagnie Régionale des Commissaires aux comptes de Versailles*.

BFBP and Groupe Banque Populaire's consolidated financial statements as of and for the years ended 31 December 2006 and 2007 have been audited by Salustro Reydel (a member of KPMG International) and Constantin Associés, and as of and for the year ended 31 December 2008 have been audited by PricewaterhouseCoopers Audit and KPMG Audit, a division of KPMG S.A. CNCE and Groupe Caisse d'Épargne's consolidated financial statements as of and for the years ended 31 December 2007 and 2008 have been audited by PricewaterhouseCoopers Audit and Mazars.
7. Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer, Groupe BPCE SA and/or Groupe BPCE since 30 June 2009, and there has been no material adverse change in the prospects of the Issuer, Groupe BPCE SA and/or Groupe BPCE since 31 December 2008.
8. Except as disclosed in this Prospectus, there are no governmental, legal or arbitration proceedings pending or, to the Issuer's knowledge, threatened against the Issuer, or any subsidiary of the Issuer during the 12 months prior to the date hereof which may have, or have had in the recent past, a significant effect, in the context of the issue of the Notes, on the financial position or profitability of the Issuer, Groupe BPCE SA and/or Groupe BPCE.
8. There is no explicit yield to maturity. The Notes do not carry a fixed date for redemption and the Issuer is not obliged, and under certain circumstances is not permitted, to make payments on the Notes at the full stated rate.
9. At the date of this Prospectus, there is no conflict of interest that is material to the issue of the Notes.

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