

PROSPECTUS DATED 13 NOVEMBER 2015



APICIL Prévoyance

**€150,000,000 Fixed Rate Dated Subordinated Notes due 17 November 2025
Issue Price: 100 per cent.**

This prospectus (the "**Prospectus**") does not constitute a prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (the "**Prospectus Directive**"). Accordingly, this Prospectus has not been and will not be submitted for approval to any competent authority within the meaning of the Prospectus Directive and in particular the Luxembourg *Commission de Surveillance du Secteur Financier*, in its capacity as competent authority for the purposes of the Prospectus Directive.

Application has been made to the Luxembourg Stock Exchange, in its capacity as market operator of the Euro MTF Market (the "**Euro MTF Market**") under the rules and regulations of the Luxembourg Stock Exchange, to approve the Prospectus pursuant to part IV of the Luxembourg law on prospectuses for securities dated 10 July 2005, as amended. Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004 on markets in financial instruments.

The €150,000,000 fixed rate dated subordinated notes (the "**Notes**") of APICIL Prévoyance (the "**Issuer**" or "**APICIL Prévoyance**") will be issued outside France on 17 November 2015 (the "**Issue Date**") in the denomination of €100,000 each.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed on or about 17 November 2025 (the "**Scheduled Maturity Date**") at their principal amount, as set out in "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption at Maturity*". The Issuer shall also have the right (subject, in particular, to the Prior Approval of the Relevant Supervisory Authority (as defined in "*Terms and Conditions of the Notes – Definitions*")) to redeem the Notes upon the occurrence of a Tax Event, a Capital Disqualification Event or if the conditions for a clean-up call are satisfied, as further described in "*Terms and Conditions of the Notes – Redemption and Purchase*".

Each Note will bear interest on its principal amount from (and including) the Issue Date at a fixed rate of 5.25 per cent. *per annum* payable annually in arrears on 17 November in each year, commencing on 17 November 2016, as further specified in "*Terms and Conditions of the Notes – Interest*". Payment of interest on the Notes shall be deferred under certain circumstances, as set out in "*Terms and Conditions of the Notes - Interest - Interest Deferral*".

The Notes will be issued in dematerialised bearer form (*au porteur*). Title to the Notes will be evidenced in accordance with Article L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders (as defined in "*Terms and Conditions of the Notes – Definitions*"). 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, which shall credit the accounts of the Account Holders, as set out in "*Terms and Conditions of the Notes – Denomination, Form and Title of the Notes*".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under any securities law of any state or other jurisdiction of the United States and may not be offered or sold within the United States or, for the account or benefit of, to U.S. persons (as defined in Regulation S under the Securities Act) except in transactions exempt from or not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Issuer is offering the Notes only to non-U.S. persons located outside the United States in offshore transactions within the meaning of and in reliance upon Regulation S under the Securities Act ("**Regulation S**"). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "*Subscription and Sale*".

Neither the Notes nor the long term debt of the Issuer are rated.

Copies of this Prospectus are available on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and of the Issuer (www.apicil.com) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours. Copies of all documents incorporated by reference in this Prospectus are available (i) on the website of the Luxembourg Stock Exchange (www.bourse.lu) and (ii) on the website of the Issuer (www.apicil.com) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours.

An investment in the Notes involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular, the information set out in the section entitled "Risk Factors" before making a decision to invest in the Notes.

Structuring Advisor, Sole Lead Manager and Sole Bookrunner
BNP PARIBAS

Certain information contained in this Prospectus and/or documents incorporated herein by reference have been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

*Unless otherwise specified herein, references to the **Group** are to the Issuer, together with its subsidiaries.*

This Prospectus is to be read in conjunction with any supplement that may be published, and all documents which are incorporated herein by reference (see the section entitled "Documents Incorporated by Reference"). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

The Lead Manager (as defined in the section entitled "Subscription and Sale") has not independently verified the information contained or incorporated by reference herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Lead Manager as to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes.

This Prospectus does not constitute a prospectus for the purpose of the Prospectus Directive and has been prepared for the purposes of giving information with regard to, the Issuer, the Group and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group.

In connection with the issue and sale of the Notes, no person is or has been authorised by the Issuer or the Lead Manager to give any information or to make any representation not contained in or not consistent with this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Lead Manager.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained or incorporated by reference herein concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no change in the affairs of the Issuer or those of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or that of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the issue and sale of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Lead Manager does not undertake to review the financial condition or affairs of the Issuer or the Group during the life of the Notes or to advise any investor or potential investor in the Notes of any information coming to its attention. Investors should review, inter alia, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase any Notes.

Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Lead Manager that any recipient of this Prospectus or any other information supplied in connection with the issue and sale of the Notes should purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Lead Manager to any person to subscribe for or to purchase any Notes.

In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, the Group, their business, their financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The content of this

Prospectus is not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes and the suitability of investing in the Notes in light of its particular circumstances. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Notes.

The Notes should only be purchased by investors who have sufficient knowledge and experience to properly assess the Notes and the risks relating to an investment in such Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Lead Manager do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Lead Manager which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom and France, see the section entitled "Subscription and Sale".

This Prospectus is being provided for informational use solely in connection with the consideration of a purchase of the Notes in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. Its use for any other purpose is not authorized.

In this Prospectus, unless otherwise specified or the context requires, references to "euro", "EUR" and "€" are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, business strategies, expansion and growth of operations plans or objectives, competitive advantage and regulatory changes, based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. The Issuer and the Group may also make forward-looking statements in its audited annual financial statements, in its prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors and actual results may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Please refer to the section entitled "*Risk Factors*" below.

The Issuer operates in a continually changing environment and new risks emerge continually. Forward-looking statements speak only as of the date they are made and the Issuer does not undertake any obligation to update or revise any of these forward-looking statements, to reflect new information, future events or circumstances or otherwise.

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PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

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France

Duly represented by:
Mr. Philippe Barret
Directeur Général

RISK FACTORS

Prior to making an investment decision, prospective investors in the Notes offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information of this Prospectus and, in particular, the risks factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but this section is not intended to be exhaustive and the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may be caused by events the occurrence of which, in the view of the Issuer, is so unlikely that they should not be considered significant risks based on information currently available to the Issuer or which it may not currently be able to anticipate.

Prospective investors should make their own independent evaluation of all risk factors contained in this section.

Capitalised words and expressions used in this section have the meaning ascribed to them in the section entitled "Terms and Conditions of the Notes".

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

1. RISK FACTORS RELATING TO THE ISSUER

1.1 Strategic risks

Compliance with French government policy, regulation or legislation may affect the Issuer's profitability.

The Issuer is subject to extensive regulation and supervision in France. This includes, notably, matters relating to licensing and examination, rate setting, trade practices, policy reforms, limitations on the nature and amount of certain investments, underwriting and claims practices, guarantee funds, adequacy of its claims provisions, capital and surplus requirements, insurer solvency, the amount of dividends that may be paid and underwriting standards. Such regulation and supervision is primarily for the benefit and protection of policyholders and not for the benefit of investors. As the amount and complexity of these regulations increase, the cost of compliance and the risk of non-compliance will also increase. If the Issuer does not meet regulatory or other requirements, the Issuer may suffer penalties including fines, suspension or cancellation of its insurance licenses which could adversely affect its ability to render its services and do business. In addition, significant regulatory action against the Issuer could have material adverse financial effects, cause significant reputational harm or harm its business prospects.

In addition, the Issuer may be adversely affected by changes in governmental policy or legislation applying to companies in the insurance industry. These changes include possible changes in regulations covering pricing and benefit payments for certain statutory classes of business, the deregulation and nationalization of certain classes of business, the regulation of selling practices, the regulations covering policy terms and the imposition of new taxes and assessments or increases in existing taxes and assessments. Regulatory changes may affect its existing and future businesses by, for example, causing customers to cancel or not renew existing policies or requiring the Issuer to change its range of products or to provide certain products (such as terrorism or flood cover where it is not already required) and services, redesign its technology or other systems, retrain its staff, pay

increased tax or incur other costs. It is not possible to determine what changes in governmental policy or legislation will be adopted and, if so, what form they will take. Insurance laws or regulations that are adopted or amended may be more restrictive than its current requirements, may result in higher costs or limit its growth or otherwise adversely affect its operations.

Changes in tax laws and regulations, including elimination of tax benefits for its products, may adversely affect sales of its insurance and investment advisory products, and also impact its deferred tax assets and liabilities.

Changes in tax laws and regulations may affect the attractiveness of certain of the Issuer's products, which currently have favorable tax treatment. From time to time, the French government considers or implements proposals for changes in tax law that could adversely affect the attractiveness of the insurance, investment and other products the Issuer offers to its clients. In addition, changes in tax laws or regulations or an operating performance below currently anticipated levels may lead to an impairment of deferred tax assets, in which case the Issuer could be obligated to write off certain tax assets. Tax assets may also need to be written down if certain assumptions of profitability prove to be incorrect, as losses incurred for longer than expected will make it more unlikely that the Issuer would be able to use its tax assets. Any such changes could be detrimental to its results of operations, financial condition and liquidity, and could impact the costs and profitability of its transactions.

The effect of the implementation into French law and Luxembourg law of the Solvency II provisions, technical reserves and other requirements for insurance undertakings is uncertain.

The European Union has developed a new regime in relation to solvency requirements and other matters, affecting the financial strength of insurers ("**Solvency II**") within each Member State. It is intended that the new regime for insurers domiciled in the European Union will *inter alia* apply more risk sensitive standards to capital requirements and framework, prudential regime and supervision mechanisms.

The European Parliament and Council of the European Union approved the directive containing the framework principles of Solvency II on 22 April and 10 November 2009, respectively. This directive has been amended by the Omnibus II directive on 11 March 2014 which supplements the Solvency II Directive and introduces transitional measures. The Solvency II provisions have been transposed into French law by the ordinance (*ordonnance*) n°2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and an order (*arrêté*) of the same date.

If the Issuer were to fail to implement Solvency II within the time required by the regulations, such delay could result in regulatory sanctions and/or reputational risk for the Issuer. More generally, the implementation of Solvency II could, through its resulting costs and uncertainties, have a material adverse effect on the financial condition, solvency margin, results of operations and therefore the business and prospects of the Issuer.

Competition risk

The various markets on which the Issuer does business are subject to substantial competition in France. The recent consolidation in the global financial services industry has also enhanced the competitive position of some of its competitors compared to the Issuer by broadening the range of its products and services, and increasing their distribution channels and their access to capital.

The Issuer's competitors include other *institutions de prévoyance*, but also insurance companies and mutual fund companies, asset management firms and commercial and investment banks, many of which are regulated differently than the Issuer is and may be able to offer alternative products or more competitive pricing than the Issuer.

As an *institution de prévoyance*, the Issuer is significantly influenced by the adequacy of premium income relative to its risk profile and claims exposure, as well as the general level of business costs.

In addition, development of alternative distribution channels for certain types of insurance products, including through Internet may result in increasing competition as well as pressure on margins for certain types of products. These competitive pressures could result in particularly as competitors seek to win market share, which could harm the Issuer's ability to market certain products profitably.

Legal proceedings and litigation may adversely affect the Issuer's business, financial condition and results of operations.

As an *institution de prévoyance*, the Issuer is exposed to litigation relating to claims on policies they underwrite. Accordingly, the Issuer is currently involved in such legal proceedings relating to claims lodged by policyholders, some of which involve claims for substantial damages and other relief. Judicial decisions may expand coverage beyond the Issuer's pricing and reserving assumptions by widening liability on its policy wording or by restricting the application of policy exclusions. There can be no assurance that the outcome of any of its judicial proceedings will be covered by its existing provisions for outstanding claims or its reinsurance protections or that litigation would not otherwise have a material adverse effect on its businesses, financial condition and results of operations.

The Issuer's businesses, and therefore its results of operation, financial condition and liquidity may be adversely affected by the disruption in the global financial markets.

Global credit and equity markets experienced extreme disruption from 2007 to 2012, particularly in Europe and the United States, and these markets have not fully recovered. This disruption included greater volatility, significantly less liquidity, widening of credit spreads and a lack of price transparency in certain markets. These conditions resulted in the failure of a number of financial institutions and unprecedented action by governmental authorities and central banks around the world. During the last years, there have been concerns over access to capital markets and the solvency of certain European Union member states, including Greece, Spain, Portugal, Ireland and Italy, unrest in Ukraine, the Middle East and North Africa, which has led to higher oil prices, and market volatility. If disruption to the global financial markets continues, it could adversely affect the Issuer's business, financial condition, results of operations and profitability in future periods. In addition, companies in its industry have become subject to increased litigation and regulatory and governmental scrutiny as a result of these events.

The Issuer may also turn to the market for short-, medium- or long-term financing as a result of a drop in unrealised gains, impairment of assets or a rise in surrender rates. Prolonged disruptions, uncertainty or volatility in the credit markets may limit its ability to access funding and capital, particularly its ability to issue longer-dated securities in international capital markets. These market conditions may limit the Issuer's ability to replace, in a timely manner, maturing liabilities and access the capital necessary to grow the Issuer's business. The Issuer may also be forced to delay raising longer term funding and capital, issue shorter tenors than it prefers, or pay unattractive interest rates, thereby increasing its debt expense, decreasing its profitability and significantly reducing its financial flexibility.

The performance of the Issuer is affected by general economic conditions

The performance of the Issuer is affected by changes in economic conditions, both globally and in France. Unpredictable developments also affect the industry's profitability, including changes in competitive conditions and pricing pressures, unforeseen developments in loss trends, market acceptance of new coverages, changes in operating expenses, fluctuations in inflation and interest rates and other changes in investment markets that affect market prices of investments and income from such investments. This may affect financial position and profits of the Issuer. Accordingly, its results of operations may be adversely impacted if actual experience differs from the management's estimates.

The transformation of the Groupement Paritaire de Prévoyance into Sociétés de Groupe Assurantiel de Protection Sociale ("SGAPS") implies financial solidarity amongst the SGAPS members

Pursuant to article 25 of Ordinance No. 2015-378 dated 2 April 2015, the *Groupement Paritaire de Prévoyance*, within the meaning of article L.933-5 *et seq.* of the French *Code de la sécurité sociale*, composed of the Issuer, Apicil Assurances and some mutual institutions of the APICIL group (the "GPP") will transform into a SGAPS in the course of 2016, subject to having obtained the prior approval of the ACPR for all the GPP entities to be affiliated to the SGAPS.

As a member of the SGAPS, the Issuer will be committed to financial solidarity with the other members of the SGAPS as described under section "*Description of the Issuer*". The Issuer's position and solvency could be impacted should it be requested to participate in such financial solidarity, it being noted however that this financial solidarity is limited to the Issuer's surplus own funds and for so long as it does not prevent the Issuer from otherwise fulfilling its regulatory requirements.

The Group's external growth policy may not develop as anticipated nor generate the expected synergies

In recent years, the Group has carried out three acquisitions, amongst which Skandia Life and Skandia Invest in early 2015. In 2015, the Group also entered into exclusive negotiations to acquire Legal and General Holdings (France). At the date of this Prospectus, the completion of the acquisition has not occurred. Therefore, a prospective investor may not rely on the completion of such acquisition to make an investment decision in the Notes.

The Group's strategy is to continue this policy of external growth by identifying target entities likely to be profitable and having significant growth potential. However, the Group cannot guarantee that it will be able in the future to identify acquisition opportunities, nor that such opportunities will exist. No assurance can either be made that the Group will successfully integrate the recently acquired entities or entities to be acquired in the future. The Group may not achieve the anticipated synergies nor generate sufficient revenue to justify the price paid for such acquisitions. A failure to integrate the acquired entities could have a material adverse effect on the Group's activities, results or financial condition, or on its ability to achieve its objectives.

Financial information on Legal and General Holdings (France), Skandia Life and Skandia Invest is provided for information purposes only

Summarized financial information on Legal and General Holdings (France) and its consolidated subsidiaries contained in the section entitled "*Recent Developments*" is extracted from the information publicly available from the *Greffe du tribunal de commerce* of Paris.

Summarized financial information on Skandia Life and Skandia Invest contained in the sections entitled "*Description of the Issuer and the Group*" and "*Recent Developments*" is extracted from publicly available information.

Such financial information has not been audited or reviewed by the statutory auditors of the Issuer, the Issuer or the Lead Manager. Such publicly available information is included in this Prospectus for information purposes only.

1.2 Financial risks

Market risks

The market risk affects the yield of the assets backing the core capital and technical provisions of the Issuer. Market levels and returns on investment constitute a significant part of the overall profitability of the Issuer and fluctuations in financial markets may have a material effect on operating results.

Moreover, policy holder returns on non-unit-linked life insurance policies are based on either a fixed rate specified in the policy or a variable rate, with or without a minimum guaranteed return. All of these policies give rise to an interest rate and asset value risk, corresponding to the risk that the return on admissible assets (*i.e.* assets acquired by investing premiums) is less than the contractual return payable to policyholders.

Global debt and equity market have experienced historical levels of volatility and the outlook is uncertain. Any decline in the financial markets could have an adverse effect on the financial situation, operating results and cash flow of the Issuer.

Fluctuations in interest rates may affect the yields on and the market value of notes.

- During periods when interest rates are going up, the price of fixed income securities tends to decrease and gains on sale of such securities are lower or losses greater.
- If the interest rates are low for a long time, investment could be affected in a sense that it would not match the liability requirement.

Risk relating to investment portfolio

The yield on assets representing technical commitments is key in the definition of beneficiary participations attributed to the policy holders. Variations in interest rates and returns on equity markets particularly seen in the Issuer's life insurance, pensions, and savings business.

Investment risk on life insurance portfolios is sometimes borne by the policy holders in the case of unit-linked life insurance policies. In these cases, fluctuations of the price of underlying securities will directly or indirectly affect the financial results of the life insurance business operations. Furthermore such fluctuations could affect the solvency of the Issuer, in particular the level of unrealised gains eligible to cover the solvency margin requirement.

Liquidity risk

There is a risk that the Issuer cannot sell a financial asset at its true value or cannot sell it at all. The Issuer also faces the risk that it cannot meet its obligations, such as being able to reimburse the policy holders requesting it.

1.3 Insurance risks

Provision risk

This risk may arise if insufficient provision is made to meet commitments due to wrong assessment of available data, subsequent modification of the risk factors or inappropriate calculation parameters. In particular:

- raising social security retirement age could lead to insufficient provision for disability benefits because disability benefits expire – and are assessed based on – social security retirement age; and
- cutting social security benefits could lead to insufficient provision because the Issuer would have to compensate policyholders for such cuts.

The occurrence of such risk may affect the Issuer's profits and financial situation.

Pricing risk

This risk may arise as a result of premiums being too low to meet the commitments (risk of wrong assessment of the characteristics of the policy holder risk, risk of wrong evaluation of the premium).

The launch of new products or changes to existing products may lead to the occurrence of this type of risk. The occurrence of such risk may affect the Issuer's profits and financial situation.

Disaster risk

The risk for an insurer of the sudden occurrence of an incident involving very large claims, or an accumulation of incidents due to a single event (for example, a pandemic risk). The occurrence of such risk may affect the Issuer's profits and financial situation.

Longevity, mortality and morbidity risk

The Issuer may be affected by significant changes in statistics of longevity, mortality or morbidity of its policyholders. The occurrence of such risk may affect the Issuer's profits and financial situation.

Surrender risk

Savings contracts include a surrender clause allowing policyholders to request reimbursement of all or part of their accumulated savings. The Issuer is exposed to the risk of surrender volumes being higher than the forecasts used for asset liability management purposes, which may force the Issuer to sell assets at a loss.

For unit linked insurance contracts, risks linked to contracts with a guaranteed minimum benefit

For unit linked insurance contracts, unit linked liabilities are equal to the sum of the market values of the assets held in the unit-linked portfolios. The Issuer's liability is therefore covered by corresponding assets. The match between unit-linked liabilities and the related assets is controlled at monthly intervals only.

Lapse and transfer risk

The Issuer may be affected by significant changes in lapse of life insurance contracts or by transfer of group pension contracts to another insurer. The occurrence of such risk may affect the Issuer's profits and financial situation.

Reinsurance risk

With respect to its insurance business, the Issuer attempts to limit its risks in particular lines of business or from specific events by using outward reinsurance arrangements. The Issuer has exposure to its reinsurers through its reinsurance arrangements. In such arrangements, the other insurers assume part of the cost, losses and expenses associated with incidents, and losses whether or not carried over, in exchange for a proportion of the premiums. The ability to make a claim under, and the amount and cost of, the reinsurance depends on general market conditions and may vary significantly. Any decrease in the amount of reinsurance cover purchased will increase the risk of loss for the Issuer. When reinsurance is put in place, the Issuer remains liable for transferred risks if the reinsurer does not fulfil its obligations. Default by a reinsurer could therefore affect the Issuer's profits and financial situation.

1.4 Operational risks

The Issuer defines operational risk as the risk of loss due to inappropriate or failure of procedures, individuals or systems or loss resulting from external events.

Operational risks can be classified into the following categories:

- Risk of internal or external fraud: from an employee or a third party, whether a customer, a beneficiary or a partner.

- Human resources and skills risk: this relates to the inadequacy between the available skills and the needs (key-men, training), errors in setting hiring, salaries and careers management policies, social relations in relation to employees representation or negotiation processes.
- The risks relating to information systems which include risks relating to the planning of systems development, risk of design, development and maintenance of applications, risks attached to the use of applications and softwares.
- Risks attached to the conduct of operations: information reliability, compliance of procedures, reliability of deliverables, human errors and monitoring of activities.
- Risks relating to operational organisation: this relates to the inadequacy between the strategy and the organisation of the Issuer, the inefficiency of defined processes or inappropriate definition of interfaces.
- Security risks: continuity and resuming activities (establishment of a business continuity plan), goods and individuals.
- Risks relating to outsourcing and suppliers: dysfunction or termination of commercial relations with a sub-contractor, contractualisation and compliance of obligations.
- Commercial and partnership risks: risks regarding the default of a partner, the sharing of responsibilities, commissioning, products distribution, knowledge of clients' needs and ethics.
- Development risks: adequacy between offer and the market, internal or external growth, risks relating to external communications.
- Risks relating to professional conduct: failure to comply with professional conducts when dealing with clients.
- Risks relating to anti-money laundering: the Issuer has set up anti-money laundering policies in order to efficiently prevent money laundering.
- Insurance and risk hedging: subscribed insurance policies relate to insurances regarding damage to goods, civil liability insurances and individuals insurances. The subscribed insurances and levels of self- insurance vary depending on the activities, the size and claim rates of the related entities.

The occurrence of any such above operational risks may affect the Issuer's business, profits and financial situation.

2. RISK FACTORS RELATING TO THE NOTES

2.1 General Risks relating to the Notes

Independent review and advice

Each prospective investor in the 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.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Lead Manager 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 may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) consult its legal advisers in relation to possible legal or fiscal risks that may be associated with any investment in the Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legality of purchase

Neither the Issuer, the Lead Manager nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

The trading market for the Notes may be volatile and may be adversely impacted by many events

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors. The market for the Notes may be influenced by economic and market conditions, political events in France or elsewhere and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such

volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. The price at which a Noteholder 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.

The actual yield of the Notes may be reduced by transaction costs

When the Notes are purchased or sold, several types of incidental costs are incurred in addition to the current price of the Notes (including transaction fees, commissions and any additional or follow-up costs in connection with the purchase, custody or sale of the Notes) which may significantly reduce or even exclude the potential profit of the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

The Notes bearing interest at a fixed rate, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. While the nominal interest rate of a fixed interest rate note is fixed during the life of such a note, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Noteholders should be aware that movements of the market interest rate can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell Notes during the period in which the market interest rate exceeds the fixed rate of the Notes.

An active trading market for the Notes may not develop

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Notes. There is no assurance as to the development or liquidity of any trading market for the Notes. The Issuer is entitled to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

Potential conflicts of interest

The Lead Manager and its affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and in relation to securities issued by any entity of the Group. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (b) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (c) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, the Lead Manager have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Modification of the Terms and Conditions of the Notes

Noteholders will be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 12.1 (*The Masse*) of the Terms and Conditions of the Notes, and a general meeting of Noteholders can be held. The Terms and Conditions of the Notes permit in certain cases defined majorities of Noteholders to bind all Noteholders including Noteholders who did not attend and vote at the relevant general meeting and Noteholders who voted in a manner contrary to the majority.

The general meeting of Noteholders may, subject to Condition 12.6 (*Powers of General Assemblies*) of the Terms and Conditions of the Notes, deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Change of law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change in French law or the official application or interpretation of French law after the date of this Prospectus.

Taxation

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation or documentary charges or duties in its home jurisdiction or in other jurisdiction in which it is required to pay taxes. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. 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, holding, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Interest payments in respect of the Notes may be subject to the EU Directive on the Taxation of Savings Income

Under the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "**Savings Directive**"), Member States, subject to a number of conditions being met,

are required to provide to the tax authorities of other Member States details of payments of interest and other similar income made or secured by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State and to certain limited types of entities established in that other Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. If they were to take effect, the changes would expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The rate of withholding is 35 per cent. The changes referred to above would broaden the types of payments subject to withholding in the Member States which still operate a withholding system if they are implemented. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system under the Savings Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note, as a result of the imposition of such withholding tax.

U.S. Foreign Account Tax Compliance Act Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (a) certain payments from sources within the United States, (b) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (c) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. While the Notes are held within Euroclear France, Clearstream, Luxembourg or Euroclear (the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate

investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation, or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the ICSDs and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section "*Taxation – U.S. Foreign Account Tax Compliance Act.*"

Financial transaction tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**").

The proposed FTT has very broad scope and, if introduced in its current form, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party to the transaction is established or deemed established in a Participating Member State and that there is a financial institution established or deemed established in a Participating Member State which is party to the transaction, acting either for its own account or for the account of another person, or acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

A joint statement issued on 27 January 2015 by ten (10) of the eleven (11) Participating Member States indicated the Participating Member States' intention to implement the FTT no later than 1 January 2016 with the widest possible base and low rates.

The Commission's Proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with purchasing and disposing of the Notes.

French insolvency law

Under French insolvency law, holders of debt securities, are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), an accelerated safeguard procedure (*procédure de sauvegarde*

accélérée) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a euro medium term notes programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) 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 due payments and/or partially or totally writing-off receivables in the form of debt securities;
- 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 securities that give or may give rights to share capital.

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 to convene the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on Noteholders seeking repayment in the event that the Issuer were to become insolvent or otherwise subject to any of the foregoing procedures.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

2.2 Risks relating to the structure of the Notes

The Notes are subordinated obligations of the Issuer

The obligations of the Issuer under the Notes in respect of principal and interest (including any outstanding Arrears of Interest and Additional Interest Amount thereon) constitute direct, unconditional, unsecured and dated subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with all other, present or future, Ordinarily Subordinated Obligations of the Issuer.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes shall:

- (i) be subordinated to the full payment of present and future unsubordinated creditors (including, without limitation, depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation and the claims of policyholders of the Issuer) and to any other subordinated obligations expressed to be senior to the Notes;
- (ii) rank *pari passu* with any Ordinary Subordinated Obligations of the Issuer; and
- (iii) rank prior to any *prêts participatifs* granted to the Issuer and any Deeply Subordinated Obligations of the Issuer.

Pursuant to Article L.931-22 of the French Code de la sécurité sociale, a lien (privilège) over the movable assets of the Issuer is granted for the benefit of the Issuer's policyholders. Noteholders, even if they are policyholders of the Issuer, do not have the benefit of such lien in relation to amounts due under the Notes.

In the event of incomplete payment of creditors ranking senior to holders of the Notes (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations of the Issuer in connection with the Notes and relative interest will be terminated.

Thus, the Noteholders face a higher performance risk than holders of unsubordinated obligations of the Issuer.

Restrictions on interest payment

On any Interest Payment Date which is a Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) to that date (and any such failure to pay shall not constitute a default by the Issuer for any purpose), provided however that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Existing Regulations or the Solvency II Regulations as applicable;
- (ii) (with effect from the date of entry into force of Solvency II Regulations) paying the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) does not further weaken the solvency position of the Issuer and/or the APICIL Prudential

Group as determined in accordance with the Existing Regulations or the Solvency II Regulations as applicable; and

- (iii) with effect from the date of entry into force of Solvency II Regulations, the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is made.

Any interest not paid on a Mandatory Interest Deferral Date and deferred shall so long as it remains outstanding constitute Arrears of Interest.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the above provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Redemption risk.

Although the Notes are dated, they may not be redeemed on the Scheduled Maturity Date if (i) a Regulatory Deficiency has occurred and is continuing on the due date for redemption or (ii) such redemption would itself cause a Regulatory Deficiency, except if (a) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption, (b) the Notes have been exchanged for or converted into another basic own-fund item of at least the same quality and (c) the Minimum Capital Requirement is complied with after the redemption or purchase or (iii) the Prior Approval of the Relevant Supervisory Authority has not been obtained by the Issuer.

Early redemption risk

Subject to the Conditions to Redemption set out in "*Terms and Conditions of the Notes — Redemption and Purchase - Conditions to Redemption and Purchase*" which include, in particular, the Prior Approval of the Relevant Supervisory Authority, the Issuer may, at its option, redeem the Notes upon the occurrence of certain events, including a Tax Event, a Capital Disqualification Event or if the conditions for a clean-up call are satisfied, as further described in "*Terms and Conditions of the Notes — Redemption and Purchase*".

Such redemption options will be made at the Base Call Price and will be exercised at the principal amount of the Notes together with interest accrued to the date of redemption (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts (if any) thereon at such date).

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. 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. Potential investors should consider reinvestment risk in light of other investments available at that time.

There are no events of default under the Notes

The Terms and Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any 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 of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

No limitation on issuing or guaranteeing debt ranking senior or "pari passu" with the Notes

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer 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 *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Variation and substitution of the Notes

If a Capital Disqualification Event or a Tax Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.

Automatic Disapplication for Regulatory Reasons

In the event that the option of the Issuer to redeem the Notes, following the occurrence of a Tax Event, a Capital Disqualification Event or if the conditions for a clean-up call are satisfied, would at any time prevent the Notes from being treated under Existing Regulations or, as the case may be, Solvency II Regulations as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) of the Issuer or the APICIL Prudential Group for the purposes of the determination of the Issuer's solvency margin or regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations, the Conditions shall on and from the Issue Date automatically be amended so as to exclude any feature relating to such redemption option(s) to the extent only that it is preventing the Notes from being treated under Existing Regulations or, as the case may be, Solvency II Regulations as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) of the Issuer or the APICIL Prudential Group for the purposes of the determination of the Issuer's solvency margin or regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations.

Absence of rating

Neither the Notes nor the long-term debt of the Issuer are rated. One or more independent credit rating agencies may assign credit ratings to the Notes on an unsolicited basis. 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 rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

GENERAL DESCRIPTION OF THE NOTES

This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. For the avoidance of doubt, it does not, and is not intended to, constitute a summary of this Prospectus within the meaning of Article 5.2 of the Prospectus Directive or any implementing regulation thereof. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see "Terms and Conditions of the Notes".

Issuer:	APICIL Prévoyance
Description:	€150,000,000 5.25 per cent. subordinated notes due 17 November 2025 (the "Notes").
Structuring Advisor, Sole Lead Manager and Sole Bookrunner:	BNP Paribas.
Fiscal Agent and Paying Agent:	BNP Paribas Securities Services.
Aggregate Principal Amount:	€150,000,000.
Denomination:	€100,000 per Note. "Principal Amount" means €100,000, being the principal amount of each Note on the Issue Date.
Issue Date:	17 November 2015.
Issue Price:	100 per cent.
Maturity:	17 November 2025 (the "Scheduled Maturity Date").
Form:	The Notes are issued in dematerialised bearer form (<i>au porteur</i>) and will at all times be evidenced in book-entry form (<i>inscription en compte</i>) in the books of the Account Holders (as defined below). No physical documents of title (including <i>certificats représentatifs</i>) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders.

Title to the Notes shall be evidenced by entries in the books of the Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books. All sums due in respect of the Notes shall be paid by the Fiscal Agent on behalf of the Issuer to the Account Holders for the account of the relevant Noteholders.

Where:

"Account Holder" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg").

Status of the Notes:

The principal and interest (including any outstanding Arrears of Interest and Additional Interest Amounts thereon) on the Notes constitute direct, unconditional, unsecured and dated subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with all other, present or future, Ordinary Subordinated Obligations of the Issuer, but prior to all, present or future, Deeply Subordinated Obligations and *prêts participatifs* granted to the Issuer.

Subject to applicable law, in the event of voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders in respect of principal and interest (including any outstanding Arrears of Interest and Additional Interest Amounts thereon) under the Notes shall:

- (i) be subordinated to the full payment of present and future unsubordinated creditors (including, without limitation, depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation and the claims of policyholders of the Issuer) and to any other subordinated obligations expressed to be senior to the Notes;
- (ii) rank *pari passu* with any Ordinary Subordinated Obligations of the Issuer; and
- (iii) rank prior to any *prêts participatifs* granted to the Issuer and any Deeply Subordinated Obligations of the Issuer.

Pursuant to Article L.931-22 of the French *Code de la sécurité sociale*, a lien (*privilège*) over the movable assets of the Issuer is granted for the benefit of the Issuer's policyholders. Noteholders, even if they are policyholders of the Issuer, do not have the benefit of such lien in relation to amounts due under the Notes.

In the event of incomplete payment of creditors ranking senior to holders of the Notes (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations of the Issuer in connection with the Notes and relative interest will be terminated.

For the purpose hereof:

"APICIL Prudential Group" means as of the Issue Date, the Apicil Prévoyance combined perimeter and, if relevant in the future, the prudential group taken into account to assess compliance with certain applicable solvency margins or capital adequacy regulations at the group level.

"Deeply Subordinated Obligations" means any deeply subordinated obligations (*obligations subordonnées de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and junior to the Ordinary Subordinated Obligations of the Issuer and any *prêts participatifs* granted to the Issuer. For the avoidance of doubt, the Issuer does not have any outstanding Deeply Subordinated Obligations as at the Issue Date.

"Ordinary Subordinated Obligations" means any subordinated obligations or

other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes, and constitute direct, unconditional, unsecured and subordinated obligations of the Issuer. For the avoidance of doubt, the Issuer does not have any outstanding Ordinary Subordinated Obligations as at the Issue Date.

- Negative Pledge:** None.
- Events of Default:** There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), if an order is made or an effective resolution is passed for the liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.
- Interest Rate:** The Notes shall bear interest on their Principal Amount from (and including) the Issue Date at a fixed interest rate of 5.25 per cent. *per annum* (the "**Interest Rate**") payable annually in arrears on each Interest Payment Date.
- Interest Period:** 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) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.
- Interest Payment Date:** 17 November in each year, commencing on 17 November 2016 to, and including, the due date for redemption.
- Interest Payment:** In respect of an Interest Payment Date, the amount of interest payable for the relevant Interest Period.
- Interest Deferral:** On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions below.
- On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not constitute a default by the Issuer for any purpose.
- Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred, shall constitute arrears of interest (the "**Arrears of Interest**") and shall be payable as outlined below.
- All Arrears of Interest (together with the corresponding Additional Interest Amounts thereon) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:
- (i) the next Interest Payment Date which is a Compulsory Interest Payment Date;
 - (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or

- (iii) the date upon which a judgment is made for the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Each amount of Arrears of Interest shall bear interest at the Interest Rate, in accordance with Article 1154 of the French Code civil, as if it constituted the nominal amount of the Notes and the amount of such interest (the "**Additional Interest Amount**") shall be due and payable as per the above provisions. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, to the extent permitted by applicable law and for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date as if such amount constituted Arrears of Interest.

For the purpose hereof:

"Compulsory Interest Payment Date" means each Interest Payment Date which is not a Mandatory Interest Deferral Date.

"Existing Regulations" means, from the Issue Date to (but excluding) the date of entry into force of Solvency II Regulations, the solvency margin, capital adequacy regulations or any other regulatory capital rules in effect in France, as amended from time to time up to (but excluding) the date of entry into force of Solvency II Regulations in France, or, if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction, and/or any other relevant jurisdiction as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer.

"Mandatory Interest Deferral Date" means each Interest Payment Date in respect of which the Fiscal Agent has received written notice from the Issuer confirming that (i) a Regulatory Deficiency has occurred and such Regulatory Deficiency is continuing on such Interest Payment Date or (ii) the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) would itself cause a Regulatory Deficiency, provided, however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Existing Regulations or the Solvency II Regulations as applicable;
- (ii) (with effect from the date of entry into force of Solvency II Regulations) paying the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) does not further weaken the solvency position of the Issuer and/or the APICIL Prudential Group as determined in accordance with the Existing Regulations or the Solvency II Regulations as applicable; and
- (iii) with effect from the date of entry into force of Solvency II Regulations

the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is made.

"Minimum Capital Requirement" has the meaning ascribed to it in the Solvency II Directive and the Solvency II Regulations.

"Prior Approval of the Relevant Supervisory Authority" means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any Existing Regulations or any applicable Solvency II Regulations.

"Regulatory Deficiency" means:

- (i) before the entry into force of the Solvency II Regulations, the solvency margin of the Issuer or the APICIL Prudential Group falls below 100 per cent. of the minimum solvency margin or any applicable solvency margin or capital adequacy levels as applicable under Existing Regulations;
- (ii) following the entry into force of the Solvency II Regulations, the own funds regulatory capital (or whatever the terminology employed by Solvency II Regulations) of the Issuer or the APICIL Prudential Group is not sufficient to cover its Solvency Capital Requirement or its Minimum Capital Requirement (or whatever the terminology employed by Solvency II Regulations) whichever occurs earlier, and either a deferral of Interest Payment (and, if relevant any Arrears of Interest and Additional Interest Amounts thereon) is required or a redemption or repayment of principal is prohibited under Solvency II Regulations in order for the Notes to qualify at least as "tier two" own funds regulatory capital (or whatever terminology is employed by Solvency II Regulations);
- (iii) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial condition of the Issuer or its Group, that in accordance with applicable regulations at such time, the Issuer must take specified action in relation to payments under the Notes; or
- (iv) the Issuer admits it is or is declared unable to meet its liabilities as they fall due with its immediately disposable assets (*cessation des paiements*).

"Relevant Supervisory Authority" means any relevant regulator having jurisdiction over the Issuer, in the event that the Issuer is required to comply with certain applicable solvency margins or capital adequacy regulations or any other regulatory capital rules. As at the Issue Date, the Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution* (ACPR).

"Solvency Capital Requirement" means the Solvency Capital Requirement of the Issuer or the APICIL Prudential Group (as applicable) within the meaning of the Solvency II Directive and the Solvency II Regulations.

"Solvency II Directive" means Directive 2009/138/EC of the European Union of November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), which has been transposed under French law by the ordinance (*ordonnance*) n°2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and an order (*arrêté*) of the same date (or, if the Issuer becomes domiciled in a jurisdiction other than France, which

must be transposed by member states of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC (as amended or, as the case may be, supplemented)).

"Solvency II Regulations" means, as from (and including) the date of entry into force of the implementation of the Solvency II Directive in France, the solvency margin, capital adequacy regulations or any other regulatory capital rules which are applicable in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction), including the Solvency II Directive (and any laws or regulations implementing the Solvency II Directive, in particular the French ordinance (*ordonnance*) No. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and an order (*arrêté*) of the same date) and the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and its Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

Compulsory Interest Payments:

The Issuer shall, on each Compulsory Interest Payment Date, pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on such Compulsory Interest Payment Date, together with all Arrears of Interest (including any Additional Interest Amounts thereon) at such time.

Taxation:

All payments of principal and interests by, or on behalf of, the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If French law or regulation should require any such deduction or withholding, the Issuer shall, to the extent then permitted by law, pay such additional amounts ("**Additional Amounts**") as may be necessary so that each Noteholder, after such deduction or withholding, receives the full amount then due and payable on each Note in the absence of such deduction or withholding, provided however that no such Additional Amounts shall be payable with respect to any Note in some circumstances.

Redemption at Maturity:

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their Principal Amount, together with accrued interest thereon, if any, and any Arrears of Interest (including any Additional Interest Amount thereon), on the Scheduled Maturity Date, subject to the satisfaction of the Conditions to Redemption (as defined below).

Redemption for Tax Reasons:

(a) If by reason of any change in, or amendments to, the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, in each case becoming effective on or after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced, the Issuer may, at its sole discretion, at any

time, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders (which notice shall be irrevocable), elect to redeem all, but not some only, of the Notes then outstanding at their Base Call Price, provided that the effective date of any redemption of which an election hereunder may be given by the Issuer shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

- (b) If by reason of any change in, or amendments to, the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, in each case becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment due under the Notes, not be able to make such payment without having to pay Additional Amounts, the Issuer may, at its sole discretion, at any time, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Base Call Price, provided that the effective date of redemption of which an election 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 having to pay Additional Amounts or, if such date has passed, as soon as practicable thereafter.
- (c) If the Issuer would on the next payment due under the Notes be prevented by French law or regulation from making payment to the Noteholders of the full amount then due and payable (including any Additional Amounts which would be payable but for the operation of such French law), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, upon giving not less than seven (7) days' prior notice to the Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Base Call Price on the effective date of any such law or regulation or within sixty (60) calendar days following the effective date of any such law or regulation.

For the purpose hereof:

"Base Call Price" equals to the Principal Amount of the Notes and any accrued and unpaid interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to their due date for redemption.

"Tax Event" means any of the causes of redemption for tax reasons referred to above.

**Redemption following
a Capital
Disqualification Event:**

If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer at their Base Call Price, at any time, provided that the due date for redemption shall be no earlier than the date of the Capital Disqualification Event.

For the purpose hereof:

"Capital Disqualification Event" means that, at any time whilst any of the

Notes are outstanding, (i) the Issuer is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer is no longer permitted to treat the proceeds of the Notes, in whole, as eligible (x) for the purpose of the determination of its solvency margin or capital adequacy levels under the Existing Regulations or, as the case may be, Solvency II Regulations or (y) as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) for the purposes of the determination of its regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

Clean-up Redemption: The Issuer may elect, to redeem all, but not some only, of the Notes outstanding at any time after the Issue Date at their Base Call Price if eighty per cent. (80%) or more in aggregate Principal Amount of the Notes issued on the Issue Date has been redeemed or purchased and cancelled at the time of such election.

Purchases: The Issuer, or any subsidiary of the Issuer, may at any time purchase Notes at any price in the open market or otherwise. All Notes so purchased by, or on behalf of, the Issuer may at its sole discretion (i) be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French *Code de commerce*.

Cancellation: All Notes which are redeemed or purchased for cancellation by the Issuer shall be cancelled by transfer on an account in accordance with the rules and procedures of Euroclear France. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

Conditions to Redemption and Purchase: The Notes may not be redeemed or purchased if (i) a Regulatory Deficiency has occurred and is continuing on the due date for redemption or (ii) such redemption would itself cause a Regulatory Deficiency, except if (a) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption, (b) the Notes have been exchanged for or converted into another basic own-fund item of at least the same quality and (c) the Minimum Capital Requirement is complied with after the redemption or purchase (the "**Conditions to Redemption**") or (iii) the Prior Approval of the Relevant Supervisory Authority has not been obtained by the Issuer.

If the Conditions to Redemption are not satisfied on the Scheduled Maturity Date, or if it is anticipated that the Conditions to Redemption will not be satisfied on the Scheduled Maturity Date, the Issuer shall notify the absence of Redemption at Maturity as soon as practicable to the Noteholders, provided however that such a notification shall not constitute a condition to such non-redemption.

In addition, the Notes may not be redeemed following a Tax Event, a Capital Disqualification Event or if the conditions for a clean-up call are satisfied, or purchased, prior to the fifth anniversary of the Issue Date, unless the redemption or purchase has/have been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes.

**Automatic
Disapplication for
Regulatory Reasons**

In the event that the option of the Issuer to redeem the Notes, following the occurrence of a Tax Event, a Capital Disqualification Event or if the conditions for a clean-up call are satisfied, would at any time prevent the Notes from being treated under Existing Regulations or, as the case may be, Solvency II Regulations as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) of the Issuer or the APICIL Prudential Group for the purposes of the determination of the Issuer's solvency margin or regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations, the Conditions shall on and from the Issue Date automatically be amended so as to exclude any feature relating to such redemption option(s) to the extent only that it is preventing the Notes from being treated under Existing Regulations or, as the case may be, Solvency II Regulations as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) of the Issuer or the APICIL Prudential Group for the purposes of the determination of the Issuer's solvency margin or regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations (the "**Automatic Disapplication**").

In any such Automatic Disapplication: (a) the Prior Approval of the Relevant Supervisory Authority will have to be obtained, if such approval is required at the time, and (b) notice will be given to Noteholders in accordance with the Terms and Conditions of the Notes and shall be in compliance with the rules of the relevant stock exchange.

**Variation and
Substitution of the
Notes:**

If a Capital Disqualification Event or a Tax Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.

The principal amount of the Qualifying Equivalent Securities to be received by Noteholders in substitution will be equal to the Principal Amount of the Notes.

Any variation or substitution of the Notes is subject to its prior notification by the Issuer to the Noteholders by no more than sixty (60) nor less than thirty (30) calendar days' prior notice (which notice shall be irrevocable and shall specify the date fixed for such variation or substitution) and to:

- (i) the Issuer giving at least six (6) months' prior written notice (or such shorter period of notice as the Relevant Supervisory Authority may accept) to, and receiving the prior approval, consent or no objection from, the Relevant Supervisory Authority (if required pursuant to the then applicable regulations);
- (ii) the Issuer being in compliance with the Existing Regulations or, as the case may be, Solvency II Regulations on the date of such variation or substitution, and such variation or substitution not resulting directly or indirectly in a breach of the then Existing Regulations or, as the case may be, Solvency II Regulations;
- (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Issuer has had its Notes listed or admitted to trading, and (for so long as the rules of such exchange or relevant authority require) the publication of any appropriate supplement,

listing particulars or offering circular in connection therewith;

- (iv) the issue of legal opinions addressed to the Fiscal Agent from one or more international law firms of good reputation confirming that (x) the Issuer has capacity to assume all rights and obligations under the new substituted Notes or varied Notes and has obtained all necessary corporate or governmental authorization to assume all such rights and obligations, (y) in case of issuance of new substituted Notes, the Issuer no longer has or will no longer have, upon the substitution being effective, any liability under the old Notes that have been substituted, and (z) the legality, validity and enforceability of the new substituted Notes or varied Notes; and
- (v) the full payment, on the relevant date fixed for such variation or substitution, of all interest amount due (if any) on such date.

For the purpose hereof:

"Qualifying Equivalent Securities" means securities which have terms not being prejudicial to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with two independent investment banks of international standing, and provided that a certification to such effect shall have been delivered to the Fiscal Agent (including as to the consultation with the independent investment banks and in respect of the matters specified in (i) to (vii) below) for the benefit of the Noteholders prior to the issue or variation of the relevant securities (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:

- (i) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes, under the Existing Regulations, or as the case may be, Solvency II Regulations in the solvency margin or tier two (at least, or any stronger tier) own funds regulatory capital, as the case may be;
- (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and preserve the Interest Payment Dates;
- (iii) contain new terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favorable to an investor than the mandatory deferral provisions;
- (iv) shall rank at least *pari passu* with the Notes;
- (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon such redemption;
- (vi) do not contain terms providing for loss absorption through principal write-down; and
- (vii) preserve any rights under the Conditions to any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon), and any existing rights to other amounts payable under the Notes which has accrued to Noteholders and not been paid.

Representation of Noteholders:	The Noteholders will be grouped automatically for the defence of their respective common interests in a <i>masse</i> governed by the provisions of the French <i>Code de commerce</i> subject to certain exceptions and provisions (the " Masse "). The Masse will be a separate legal entity, and will be acting in part through a representative and in part through a general assembly of the Noteholders.
Admission to trading:	Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.
Clearing:	The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, <i>société anonyme</i> and Euroclear Bank S.A./N.V..
Selling Restrictions:	There are restrictions on the offer and sale of the Notes and the distribution of offering material, including in the United States of America, the United Kingdom and France.
Governing Law and Jurisdiction:	French law. Exclusive jurisdiction of the Commercial Court (<i>tribunal de commerce</i>) of Lyon.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents that have been filed with the Luxembourg Stock Exchange and shall be incorporated by reference in, and form part of, this Prospectus (together, the "**Documents Incorporated by Reference**"):

- (a) the combined financial statements of the Issuer for the year ended 31 December 2014 (*Combinaison des comptes assurances de personne au 31 décembre 2014*) (the "**2014 Combined Financial Statements**") together with the statutory auditors' report with respect thereto, both in the French language;
- (b) the combined financial statements of the Issuer for the year ended 31 December 2013 (*Combinaison des comptes assurances de personne au 31 décembre 2013*) (the "**2013 Combined Financial Statements**") together with the statutory auditors' report with respect thereto, both in the French language;
- (c) the financial statements of the Issuer for the year ended 31 December 2014 (*Comptes annuels au 31 décembre 2014*) (the "**2014 Financial Statements**") together with the statutory auditors' report with respect thereto, both in the French language; and
- (d) the financial statements of the Issuer for the year ended 31 December 2013 (*Comptes annuels au 31 décembre 2013*) (the "**2013 Financial Statements**") together with the statutory auditors' report with respect thereto, both in the French language.

All Documents Incorporated by Reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.apicil.com). The Documents Incorporated by Reference will also be available, upon request, free of charge to the public at the premises of the Fiscal Agent, of the Luxembourg Listing Agent and of the Issuer at the addresses specified on the last page of the Prospectus, during normal business hours.

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.

CROSS-REFERENCE TABLE OF DOCUMENTS INCORPORATED BY REFERENCE

	2014 Combined Financial Statements	2013 Combined Financial Statements	2014 Financial Statements	2013 Financial Statements
Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses				
Balance sheet	4-5	4-5	6-7	6-7
Income statement	7	7	9-11	9-11
Accounting policies and Explanatory notes	9-42	9-42	13-50	13-42

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (each a "**Condition**", and together the "**Conditions**") will be as follows:

The issue outside the Republic of France of the €150,000,000 5.25 per cent. subordinated notes due 17 November 2025 (the "**Notes**") issued by APICIL Prévoyance, a French institution (*personne morale de droit privé à but non lucratif et administrée paritairement*) governed by Articles L.931-1 *et seq.* of the French *Code de la sécurité sociale*, having its registered office at 38 rue Francois Peissel - 69300 Caluire et Cuire - France (the "**Issuer**") was decided by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 8 July 2015, acting pursuant to resolutions of the General Meetings (*Assemblées Générales*) of the Issuer dated 25 June 2015 and 8 July 2015 respectively.

A fiscal and paying agency agreement (the "**Agency Agreement**") dated as of 13 November 2015 has been entered into in relation to the Notes between the Issuer and BNP Paribas Securities Services, as fiscal agent and paying agent (together with any substitute fiscal agent, the "**Fiscal Agent**"). Copies of the Agency Agreement are available for inspection and obtainable, free of charge, on any weekday during usual business hours at the specified office of the Fiscal Agent.

1. DEFINITIONS

1.1 Definitions

For purposes of these Conditions, the following definitions shall apply:

"**Account Holder**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

"**Actual/Actual (ICMA)**" means:

- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Interest Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the number of days in such Interest Period; or
- (ii) in the case of Notes where the Accrual Period is longer than the Interest Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Interest Period in which the Accrual Period begins divided by the number of days in such Interest Period; and
 - (B) the number of days in such Accrual Period falling in the next Interest Period divided by the number of days in such Interest Period.

"**Additional Interest Amount**" has the meaning ascribed to such term in Condition 4.2(c).

"**APICIL Prudential Group**" means as of the Issue Date, the Apicil Prévoyance combined perimeter and, if relevant in the future, the prudential group taken into account to assess compliance with certain applicable solvency margins or capital adequacy regulations at the group level.

"**Arrears of Interest**" has the meaning ascribed to such term in Condition 4.2(b).

"Base Call Price" equals to the Principal Amount of the Notes and any accrued and unpaid interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to their due date for redemption.

"Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for business (including dealings in foreign exchanges and foreign currency deposits) in Paris and on which the TARGET System is operating.

"Capital Disqualification Event" means that, at any time whilst any of the Notes are outstanding, (i) the Issuer is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) the Issuer is no longer permitted to treat the proceeds of the Notes, in whole, as eligible (x) for the purpose of the determination of its solvency margin or capital adequacy levels under the Existing Regulations or, as the case may be, Solvency II Regulations or (y) as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) for the purposes of the determination of its regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations, except, in each case, as a result of the application of the limits on inclusion (on a solo or group-level basis) of such securities in, respectively, its solvency margin or own funds regulatory capital, as the case may be.

"Compulsory Interest Payment Date" means each Interest Payment Date which is not a Mandatory Interest Deferral Date.

"Conditions to Redemption" has the meaning ascribed to such term in Condition 6.7.

"Deeply Subordinated Obligations" means any deeply subordinated obligations (*obligations subordonnées de dernier rang*) or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and junior to the Ordinary Subordinated Obligations of the Issuer and any *prêts participatifs* granted to the Issuer. For the avoidance of doubt, the Issuer does not have any outstanding Deeply Subordinated Obligations as at the Issue Date.

"Existing Regulations" means, from the Issue Date to (but excluding) the date of entry into force of Solvency II Regulations, the solvency margin, capital adequacy regulations or any other regulatory capital rules in effect in France, as amended from time to time up to (but excluding) the date of entry into force of Solvency II Regulations in France, or, if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction, and/or any other relevant jurisdiction as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer.

"Interest Payment" means, in respect of an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 4.

"Interest Payment Date" means 17 November in each year, commencing on 17 November 2016 to, and including, the due date for redemption.

"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) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Rate" has the meaning ascribed to such term in Condition 4.1.

"Issue Date" means 17 November 2015.

"Mandatory Interest Deferral Date" means each Interest Payment Date in respect of which the Fiscal Agent has received written notice from the Issuer confirming that (i) a Regulatory Deficiency has occurred and such Regulatory Deficiency is continuing on such Interest Payment Date or (ii) the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon)

would itself cause a Regulatory Deficiency, provided, however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such Interest Payment (or such part thereof) if:

- (i) the Relevant Supervisory Authority has exceptionally waived the deferral of such Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) to the extent the Relevant Supervisory Authority can give such waiver in accordance with the Existing Regulations or the Solvency II Regulations as applicable;
- (ii) (with effect from the date of entry into force of Solvency II Regulations) paying the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) does not further weaken the solvency position of the Issuer and/or the APICIL Prudential Group as determined in accordance with the Existing Regulations or the Solvency II Regulations as applicable; and
- (iii) with effect from the date of entry into force of Solvency II Regulations, the Minimum Capital Requirement will be complied with immediately after the Interest Payment (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) is made.

"Minimum Capital Requirement" has the meaning ascribed to it in the Solvency II Directive and the Solvency II Regulations.

"Noteholder" means, on any given date, the person whose name appears in the account of the relevant Account Holder as being entitled to such Notes.

"Ordinary Subordinated Obligations" means any subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Notes, and constitute direct, unconditional, unsecured and subordinated obligations of the Issuer. For the avoidance of doubt, the Issuer does not have any outstanding Ordinary Subordinated Obligations as at the Issue Date.

"Principal Amount" means the principal amount of each Note being €100,000.

"Prior Approval of the Relevant Supervisory Authority" means the prior written approval of the Relevant Supervisory Authority, if such approval is required at the time under any Existing Regulations or any applicable Solvency II Regulations.

"Qualifying Equivalent Securities" has the meaning ascribed to it in Condition 8.

"Regulatory Deficiency" means:

- (i) before the entry into force of the Solvency II Regulations, the solvency margin of the Issuer or the APICIL Prudential Group falls below 100 per cent. of the minimum solvency margin or any applicable solvency margin or capital adequacy levels as applicable under Existing Regulations;
- (ii) following the entry into force of the Solvency II Regulations, the own funds regulatory capital (or whatever the terminology employed by Solvency II Regulations) of the Issuer or the APICIL Prudential Group is not sufficient to cover its Solvency Capital Requirement or its Minimum Capital Requirement (or whatever the terminology employed by Solvency II Regulations) whichever occurs earlier, and either a deferral of Interest Payment (and, if relevant any Arrears of Interest and Additional Interest Amounts thereon) is required or a redemption or repayment of principal is prohibited under Solvency II Regulations in order for the Notes to qualify at least as "tier two" own funds regulatory capital (or whatever terminology is employed by Solvency II Regulations);

- (iii) the Relevant Supervisory Authority has notified the Issuer that it has determined, in view of the financial condition of the Issuer or its Group, that in accordance with applicable regulations at such time, the Issuer must take specified action in relation to payments under the Notes; or
- (iv) the Issuer admits it is or is declared unable to meet its liabilities as they fall due with its immediately disposable assets (*cessation des paiements*).

"Relevant Supervisory Authority" means any relevant regulator having jurisdiction over the Issuer, in the event that the Issuer is required to comply with certain applicable solvency margins or capital adequacy regulations or any other regulatory capital rules. As at the Issue Date, the Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution* (ACPR).

"Scheduled Maturity Date" means 17 November 2025.

"Solvency Capital Requirement" means the Solvency Capital Requirement of the Issuer or the APICIL Prudential Group (as applicable) within the meaning of the Solvency II Directive and the Solvency II Regulations.

"Solvency II Directive" means Directive 2009/138/EC of the European Union of November 25, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), which has been transposed under French law by the ordinance (*ordonnance*) n°2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and an order (*arrêté*) of the same date (or, if the Issuer becomes domiciled in a jurisdiction other than France, which must be transposed by member states of the European Economic Area pursuant to Article 309 of Directive 2009/138/EC (as amended or, as the case may be, supplemented)).

"Solvency II Regulations" means, as from (and including) the date of entry into force of the implementation of the Solvency II Directive in France, the solvency margin, capital adequacy regulations or any other regulatory capital rules which are applicable in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction), including the Solvency II Directive (and any laws or regulations implementing the Solvency II Directive, in particular the French ordinance (*ordonnance*) No. 2015-378 dated 2 April 2015 completed by the decree (*décret*) no. 2015-513 dated 7 May 2015 and an order (*arrêté*) of the same date) and the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, as applied and construed by the Relevant Supervisory Authority or an official application or interpretation of those regulations including a decision of a court or tribunal and applicable to the Issuer and its Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion into their own funds regulatory capital (or whatever the terminology that may be retained).

"TARGET System" means the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) or any succeeding system.

"Tax Event" means any of the causes of redemption for tax reasons described in Condition 6.2.

2. DENOMINATION, FORM AND TITLE OF THE NOTES

The Notes will be issued on the Issue Date in dematerialised bearer form (*au porteur*) in a denomination of €100,000 per Note. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. 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, which shall credit the accounts of the Account Holders.

Title to the Notes shall be evidenced by entries in the books of the Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books. All sums due in respect of the Notes shall be paid by the Fiscal Agent on behalf of the Issuer to the Account Holders for the account of the relevant Noteholders.

3. STATUS OF THE NOTES

- (a) The principal and interest (including any outstanding Arrears of Interest and Additional Interest Amounts thereon) on the Notes constitute direct, unconditional, unsecured and dated subordinated obligations of the Issuer and the Notes rank and will rank *pari passu* without any preference among themselves and with all other, present or future, Ordinary Subordinated Obligations of the Issuer, but prior to all, present or future, Deeply Subordinated Obligations and *prêts participatifs* granted to the Issuer.

Subject to applicable law, in the event of voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer or if the Issuer is liquidated for any other reason, the rights of Noteholders in respect of principal and interest (including any outstanding Arrears of Interest and Additional Interest Amounts thereon) under the Notes shall:

- (i) be subordinated to the full payment of present and future unsubordinated creditors (including, without limitation, depositors and creditors whose claims arise under contracts entered into for the purposes of any liquidation and the claims of policyholders of the Issuer) and to any other subordinated obligations expressed to be senior to the Notes;
 - (ii) rank *pari passu* with any Ordinary Subordinated Obligations of the Issuer; and
 - (iii) rank prior to any *prêts participatifs* granted to the Issuer and any Deeply Subordinated Obligations of the Issuer.
- (b) **Pursuant to Article L.931-22 of the French *Code de la sécurité sociale*, a lien (*privilege*) over the movable assets of the Issuer is granted for the benefit of the Issuer's policyholders. Noteholders, even if they are policyholders of the Issuer, do not have the benefit of such lien in relation to amounts due under the Notes.**

In the event of incomplete payment of creditors ranking senior to holders of the Notes (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations of the Issuer in connection with the Notes and relative interest will be terminated.

- (c) There will be no negative pledge in respect of the Notes.

4. INTEREST

4.1 Interest Rate

The Notes shall bear interest on their Principal Amount from (and including) the Issue Date at a fixed interest rate of 5.25 per cent. *per annum* (the "**Interest Rate**") payable annually in arrears on each Interest Payment Date.

The amount of interest payable on each Note and on each Interest Payment Date will be the product of the Principal Amount of such Note and the 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).

The Notes will cease to bear interest from and including the due date for redemption, unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of such payment. In such event, the Notes will continue to bear interest in accordance with this Condition 4 on their remaining unpaid amount (before judgment as well as after judgment) until the day (included) on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholders.

4.2 Interest Deferral

(a) General

On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date, subject to the provisions below.

(b) Mandatory Deferral of Interest

On any Mandatory Interest Deferral Date, the Issuer will be obliged to defer payment of all (but not some only) the interest accrued (and, if relevant, any Arrears of Interest and Additional Interest Amounts thereon) in respect of the Notes during the relevant Interest Period and any such failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest in respect of the Notes which has not been paid on a Mandatory Interest Deferral Date will be deferred, shall constitute arrears of interest (the "**Arrears of Interest**") and shall be payable as outlined below.

(c) Arrears of Interest

All Arrears of Interest (together with the corresponding Additional Interest Amounts thereon) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the next Interest Payment Date which is a Compulsory Interest Payment Date;
- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (iii) the date upon which a judgment is made for the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason or the sale of the whole of the business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

Each amount of Arrears of Interest shall bear interest at the Interest Rate, in accordance with Article 1154 of the French *Code civil*, as if it constituted the nominal amount of the Notes and the amount of such interest (the "**Additional Interest Amount**") shall be due and payable as per the above provisions. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, to the extent permitted by applicable law and for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date as if such amount constituted Arrears of Interest.

(d) Notice of Deferral and Payment of Arrears of Interest and Additional Interest Amounts

If practicable under the circumstances, the Issuer will give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 10 of any deferral of interest under the Notes relating to a Mandatory Interest Deferral Date. This notice will not be a condition to the deferral of interest. Any delay or failure by the Issuer to give such notice shall not affect the deferral of interest in accordance with this Condition 4.2.

So long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and the rules of such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

4.3 Compulsory Interest Payments

The Issuer shall, on each Compulsory Interest Payment Date, pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on such Compulsory Interest Payment Date, together with all Arrears of Interest (including any Additional Interest Amounts thereon) at such time.

5. PAYMENTS

5.1 Method of Payment

Payments of principal and interest (including Arrears of Interest and any Additional Interest Amounts thereon) in respect of the Notes will be made in Euros by credit or transfer to a Euro-denominated account (or any other account to which Euros may be credited or transferred) as specified by the beneficiary in a city where banks have access to the TARGET 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 shall be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

None of the Issuer or the Fiscal Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to, or resulting from, the credit or transfer of Euros, or any currency conversion or rounding effect in connection with such payment being made in Euros.

Payments of principal and interest (including Arrears of Interest and any Additional Interest Amounts thereon) in respect of the Notes will, in all cases, be made subject to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7. The Issuer (or a paying agent, if applicable) shall be permitted to make any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or an intergovernmental agreement between the United States of America and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) and the Issuer will have no obligation to pay any additional amounts or otherwise indemnify a Noteholder for any withholding or deduction, notwithstanding any other provision in the Conditions.

5.2 Payments on Business Days

If the due date for payment of any amount of principal, interest (including Arrears of Interest and any Additional Interest Amounts thereon) or other amounts in respect of any Note is not a Business Day, payment of the amount due shall not be made and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and the Noteholders shall not be entitled to any interest or other sums in respect of such postponed payment.

5.3 Fiscal Agent

The name of the initial Fiscal Agent and its specified office are set forth below:

Fiscal Agent

BNP Paribas Securities Services

Les Grands Moulins de Pantin

9, rue du Débarcadère

93500 Pantin

France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and/or appoint additional or other agents or approve any change in the office through which any such agent acts, provided that there will at all times be a Fiscal Agent having a specified office in a European city. The Issuer undertakes that it will maintain a paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed at their Principal Amount, together with accrued interest thereon, if any, and any Arrears of Interest (including any Additional Interest Amount thereon), on the Scheduled Maturity Date, subject to Condition 6.7 below. The Issuer undertakes that, if as a result of Condition 6.7 below, the Notes may not be redeemed on the Scheduled Maturity Date, the Issuer will redeem the Notes as soon as practicable after Condition 6.7 has ceased to be an impediment to such redemption, and the Issuer will give notice to the Fiscal Agent and the Noteholders in accordance with Condition 10 stating the date fixed for redemption.

6.2 Redemption for Tax Reasons

- (a) If by reason of any change in, or amendments to, the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, in each case becoming effective on or after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced, the Issuer may, at its sole discretion, at any time, subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), elect to redeem all, but not some only, of the Notes then outstanding at their Base Call Price, provided that the effective date of any redemption of which an election hereunder may be given by the Issuer shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.
- (b) if by reason of any change in, or amendments to, the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, in each case becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment due under the Notes, not be able to make such payment without having to pay Additional Amounts, the Issuer may, at its sole discretion, at any time,

subject to having given not more than forty five (45) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Base Call Price, provided that the effective date of redemption of which an election 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 having to pay Additional Amounts or, if such date has passed, as soon as practicable thereafter.

- (c) if the Issuer would on the next payment due under the Notes be prevented by French law or regulation from making payment to the Noteholders of the full amount then due and payable (including any Additional Amounts which would be payable but for the operation of such French law), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, upon giving not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), redeem all, but not some only, of the Notes then outstanding at their Base Call Price on the effective date of any such law or regulation or within sixty (60) calendar days following the effective date of any such law or regulation.

6.3 Redemption following a Capital Disqualification Event

If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes on or after the Issue Date, the Notes may be redeemed in whole but not in part at the option of the Issuer at their Base Call Price, at any time, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), provided that the due date for redemption shall be no earlier than the date of the Capital Disqualification Event.

6.4 Clean-up Redemption

The Issuer may, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable), elect to redeem all, but not some only, of the Notes outstanding at any time after the Issue Date at their Base Call Price if eighty per cent. (80%) or more in aggregate Principal Amount of the Notes issued on the Issue Date has been redeemed or purchased and cancelled at the time of such election.

6.5 Purchases

The Issuer, or any subsidiary of the Issuer, may at any time purchase Notes at any price in the open market or otherwise. All Notes so purchased by, or on behalf of, the Issuer may at its sole discretion (i) be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes or (ii) be cancelled in accordance with Article L.228-74 of the French *Code de commerce*.

6.6 Cancellation

All Notes which are redeemed or purchased for cancellation by the Issuer shall be cancelled by transfer on an account in accordance with the rules and procedures of Euroclear France. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6.7 Conditions to Redemption and Purchase

The Notes may not be redeemed or purchased pursuant to any of the redemption or purchase provisions of this Condition 6 if (i) a Regulatory Deficiency has occurred and is continuing on the due date for redemption or (ii) such redemption would itself cause a Regulatory Deficiency, except if (a) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption, (b)

the Notes have been exchanged for or converted into another basic own-fund item of at least the same quality and (c) the Minimum Capital Requirement is complied with after the redemption or purchase or (iii) the Prior Approval of the Relevant Supervisory Authority has not been obtained by the Issuer (the "**Conditions to Redemption**").

If the Conditions to Redemption are not satisfied on the Scheduled Maturity Date, or if it is anticipated that the Conditions to Redemption will not be satisfied on the Scheduled Maturity Date, the Issuer shall notify the absence of Redemption at Maturity pursuant to Conditions 6.1 as soon as practicable to the Noteholders in accordance with Condition 10, provided however that such a notification shall not constitute a condition to such non-redemption.

In addition, the Notes may not be redeemed or purchased pursuant to Conditions 6.2, 6.3, 6.4 and 6.5 respectively, prior to the fifth anniversary of the Issue Date, unless the redemption or purchase has/have been funded out of the proceeds of a new issuance of own-funds capital of the same or higher quality as the Notes.

6.8 Automatic Disapplication for Regulatory Reasons

In the event that the option of the Issuer to redeem the Notes pursuant to Conditions 6.2, 6.3 and 6.4, would at any time prevent the Notes from being treated under Existing Regulations or, as the case may be, Solvency II Regulations as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) of the Issuer or the APICIL Prudential Group for the purposes of the determination of the Issuer's solvency margin or regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations, the Conditions shall on and from the Issue Date automatically be amended so as to exclude any feature relating to such redemption option(s) to the extent only that it is preventing the Notes from being treated under Existing Regulations or, as the case may be, Solvency II Regulations as at least tier two own funds regulatory capital (or whatever the terminology employed by Existing Regulations or, as the case may be, Solvency II Regulations) of the Issuer or the APICIL Prudential Group for the purposes of the determination of the Issuer's solvency margin or regulatory capital under Existing Regulations or, as the case may be, Solvency II Regulations (the "**Automatic Disapplication**").

In any such Automatic Disapplication: (a) the Prior Approval of the Relevant Supervisory Authority will have to be obtained, if such approval is required at the time, and (b) notice will be given to Noteholders in accordance with Condition 10 and shall be in compliance with the rules of the relevant stock exchange.

7. TAXATION

All payments of principal and interests by, or on behalf of, the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If French law or regulation should require any such deduction or withholding, the Issuer shall, to the extent then permitted by law, pay such additional amounts ("**Additional Amounts**") as may be necessary so that each Noteholder, after such deduction or withholding, receives the full amount then due and payable on each Note in the absence of such deduction or withholding, provided however that no such Additional Amounts shall be payable with respect to any Note, as the case may be in the following cases:

- (i) *Other connection*: to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, by reason of his

having some connection with the Republic of France other than the mere holding of the Note; or

- (ii) *Savings Directive*: where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC (as amended by the EU Council Directive 2014/48/EU adopted by the European Council on 24 March 2014, as further amended or any other Directive) implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings of income, or any law or treaty implementing or complying with, or introduced in order to conform to, such Directive.

As used herein, the "**Relevant Date**" in relation to any Note means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 10.

8. VARIATION AND SUBSTITUTION OF THE NOTES

If a Capital Disqualification Event or a Tax Event occurs, the Issuer may, at any time, without any requirement for the consent or approval of the Noteholders, vary the Conditions or substitute all (and not some only) of the Notes for other Notes, so that the varied Notes or the substituted Notes, as the case may be, become Qualifying Equivalent Securities.

The principal amount of the Qualifying Equivalent Securities to be received by Noteholders in substitution will be equal to the Principal Amount of the Notes.

Any variation or substitution of the Notes is subject to its prior notification by the Issuer to the Noteholders by no more than sixty (60) nor less than thirty (30) calendar days' prior notice (which notice shall be irrevocable and shall specify the date fixed for such variation or substitution) in accordance with Condition 10 and to:

- (i) the Issuer giving at least six (6) months' prior written notice (or such shorter period of notice as the Relevant Supervisory Authority may accept) to, and receiving the prior approval, consent or no objection from, the Relevant Supervisory Authority (if required pursuant to the then applicable regulations);
- (ii) the Issuer being in compliance with the Existing Regulations or, as the case may be, Solvency II Regulations on the date of such variation or substitution, and such variation or substitution not resulting directly or indirectly in a breach of the then Existing Regulations or, as the case may be, Solvency II Regulations;
- (iii) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Issuer has had its Notes listed or admitted to trading, and (for so long as the rules of such exchange or relevant authority require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith;
- (iv) the issue of legal opinions addressed to the Fiscal Agent from one or more international law firms of good reputation confirming that (x) the Issuer has capacity to assume all rights and obligations under the new substituted Notes or varied Notes and has obtained all necessary corporate or governmental authorization to assume all such rights and obligations, (y) in case of issuance of new substituted Notes, the Issuer no longer has or will no longer have, upon the substitution being effective, any liability under the old Notes that have been substituted, and (z) the legality, validity and enforceability of the new substituted Notes or varied Notes; and

- (v) the full payment, on the relevant date fixed for such variation or substitution, of all interest amount due (if any) on such date.

For the purpose of this Condition 8:

"Qualifying Equivalent Securities" means securities which have terms not being prejudicial to the interests of the Noteholders as determined by the senior management of the Issuer in consultation with two independent investment banks of international standing, and provided that a certification to such effect shall have been delivered to the Fiscal Agent (including as to the consultation with the independent investment banks and in respect of the matters specified in (i) to (vii) below) for the benefit of the Noteholders prior to the issue or variation of the relevant securities (upon which the Fiscal Agent shall be entitled to rely without liability to any person) and which:

- (i) satisfy the criteria for the eligibility for inclusion of the proceeds of the Notes, under the Existing Regulations, or as the case may be, Solvency II Regulations in the solvency margin or tier two (at least, or any stronger tier) own funds regulatory capital, as the case may be;
- (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and preserve the Interest Payment Dates;
- (iii) contain new terms providing for mandatory deferral of payments of interest and/or principal only if such terms are not materially less favorable to an investor than the mandatory deferral provisions contained in Condition 4 or, as the case may be, Condition 6;
- (iv) shall rank at least *pari passu* with the Notes;
- (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon such redemption;
- (vi) do not contain terms providing for loss absorption through principal write-down; and
- (vii) preserve any rights under the Conditions to any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon), and any existing rights to other amounts payable under the Notes which has accrued to Noteholders and not been paid.

9. EVENTS OF DEFAULT

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its Principal Amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), if an order is made or an effective resolution is passed for the liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer or the Issuer is liquidated for any other reason, in accordance with the provisions relating to the Status of the Notes, or the sale of the whole business (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure of the Issuer.

10. NOTICES

Notices required to be given to the Noteholders pursuant to these Conditions will be duly given if delivered to Euroclear France, Euroclear, Clearstream, Luxembourg and/or any other clearing system through which the Notes are for the time being cleared, and, so long as the Notes are admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, on the Luxembourg Stock Exchange's website (www.bourse.lu).

11. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and any Additional Interest Amounts thereon) in respect of Notes will become void unless presented for payment within a period of ten (10) years (in the case of the principal) and five (5) years (in the case of interest) from the appropriate relevant due date for payment thereof.

12. REPRESENTATION OF THE NOTEHOLDERS

12.1 The Masse

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as 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.228-65, R.228-67, R.228-69 and R.228-72 of the French *Code de commerce*, as summarised and supplemented by the provisions set forth below.

12.2 Legal Personality

The Masse will be a separate legal entity, by virtue of Article L.228-46 of the French *Code de commerce* acting in part through one (1) representative (the "**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 with respect to the Notes.

12.3 Representative

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

- (i) the Issuer, the members of its Board of Directors, its *Directeurs Généraux*, its statutory auditors and its employees and their ascendants, descendants and spouses;
- (ii) companies of which the Issuer possesses at least ten (10) per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer; and
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative shall be:

MASSQUOTE S.A.S.U.
RCS 529 065 880 Nanterre
7bis rue de Neuilly
F-92110 Clichy

Mailing address :
33, rue Anna Jacquin
92100 Boulogne Billancourt
France
Represented by its Chairman

In the event of death, incapacity, retirement or revocation of the initial Representative, the replacement Representative shall be:

Gilbert Labachotte
8 Boulevard Jourdan
75014 Paris

In the event of death, incapacity, retirement or revocation of the Representative, a replacement representative will be elected by a meeting of the general assembly of Noteholders.

The Issuer shall pay to the Representative an amount of six hundred euros (€600) per year for its service, payable on the Interest Payment Date falling on, or nearest to 17 November of each year during the issue, it being specified that the remuneration of the replacement Representative will only be due starting from the first day of his acting as Representative.

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

12.4 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 in order to be justifiable, must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

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

12.5 General Assemblies of Noteholders

General assemblies of 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 (1/30) 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 (2) months from such demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 10 not less than fifteen (15) calendar days prior to the date of the general assembly on first convocation and six (6) calendar days on second convocation.

Each Noteholder has the right to participate in meetings of the Masse in person or by proxy. Each Note carries the right to one vote.

12.6 Powers of General Assemblies

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

In accordance with Article L. 228-65 of the French *Code de commerce*, a general assembly may further deliberate on any proposal relating to the modification of the Conditions of the Notes, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Noteholders;

it being specified, however, that a general assembly may not increase amounts payable by the Noteholders, nor establish any unequal treatment between the Noteholders and that no amendment to the Conditions of the Notes may enter into force until the regulatory rules on notification to, or consent from, the Relevant Supervisory Authority have been complied with 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 one fifth (1/5) 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 Assembly will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Assembly.

12.7 Notice of Decisions

Decisions of the meetings must be published in accordance with the provisions set out in Condition 10 not more than ninety (90) calendar days from the date thereof.

12.8 Information to the Noteholders

Each Noteholder or representative thereof will have the right, during the (15) fifteen-calendar-day period preceding the holding of each meeting of a 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 meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Fiscal Agent and at any other place specified in the notice of meeting.

12.9 Expenses

The Issuer will pay all duly documented expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, 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.

13. FURTHER ISSUE

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated and form a single series (*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.

Any action against the Issuer in connection with the Notes will be submitted to the exclusive jurisdiction of the Commercial Court (*Tribunal de commerce*) of Lyon.

USE OF PROCEEDS

The net proceeds of the issue of the Notes amount to €149,325,000 and will be used to strengthen the own funds of the Issuer and reinforce its solvency margin in order to further the Group's development, in particular by financing the Group's potential future external growth.

DESCRIPTION OF THE ISSUER AND THE GROUP

1. General information on the Issuer

APICIL Prévoyance (the "**Issuer**" or "**APICIL Prévoyance**") is a French *institution de prévoyance* governed by Articles L.931-1 *et seq.* of the French *Code de la sécurité sociale*. As a consequence of its legal status, the Issuer is registered with, and supervised by, the French banking and insurance regulator, the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**").

The registered office of the Issuer is located 38, rue François Peissel – 69300 Caluire et Cuire – France and its telephone number is +33(0)4 72 27 71 71.

The Issuer was originally founded in 1938 by entrepreneurs based in the Lyon region (France) specialised in metallurgy. APICIL Prévoyance exists in its current form since 2001 and is the result of a merger in 2001 of three French *institutions de prévoyance*: APICIL Arcil Prévoyance, the surviving institution (currently named APICIL Prévoyance), Upese Prévoyance and Igirel Prévoyance. On completion of the merger, Upese Prévoyance and Igirel Prévoyance were absorbed by the Issuer and their assets and liabilities were transferred to APICIL Prévoyance.

Pursuant to Article L.931-3 of the French *Code de la sécurité sociale*, the Issuer is composed of two classes of members: (i) employers who have adhered to the Issuer or subscribed to one of its contracts and (ii) employees and former employees (and their families) of member employers.

As a French *institution de prévoyance*, the Issuer has no share capital. It is administered by a Board of Directors (*Conseil d'administration*) of 30 members equally represented by employers and employees, which is assisted by various commissions and committees, as further described below. General meetings of members are held on an annual basis and extraordinary meetings can be held pursuant to its by-laws. Those general meetings (*Assemblée Générales*) are equally composed of representatives (*délégués*) of each class of members (employers and employees).

2. General description of the Group and the APICIL group

Summarized financial information on Skandia Life and Skandia Invest contained in this section is extracted from publicly available information. Such financial information has not been audited or reviewed by the statutory auditors of the Issuer, the Issuer or the Lead Manager. Such publicly available information is included in this Prospectus for information purposes only.

2.1 General description of the Group

The Issuer is the holding company of the group (the "**Group**") comprised of the Issuer and its subsidiaries. As of the date of this Prospectus, the main subsidiaries of the Issuer are:

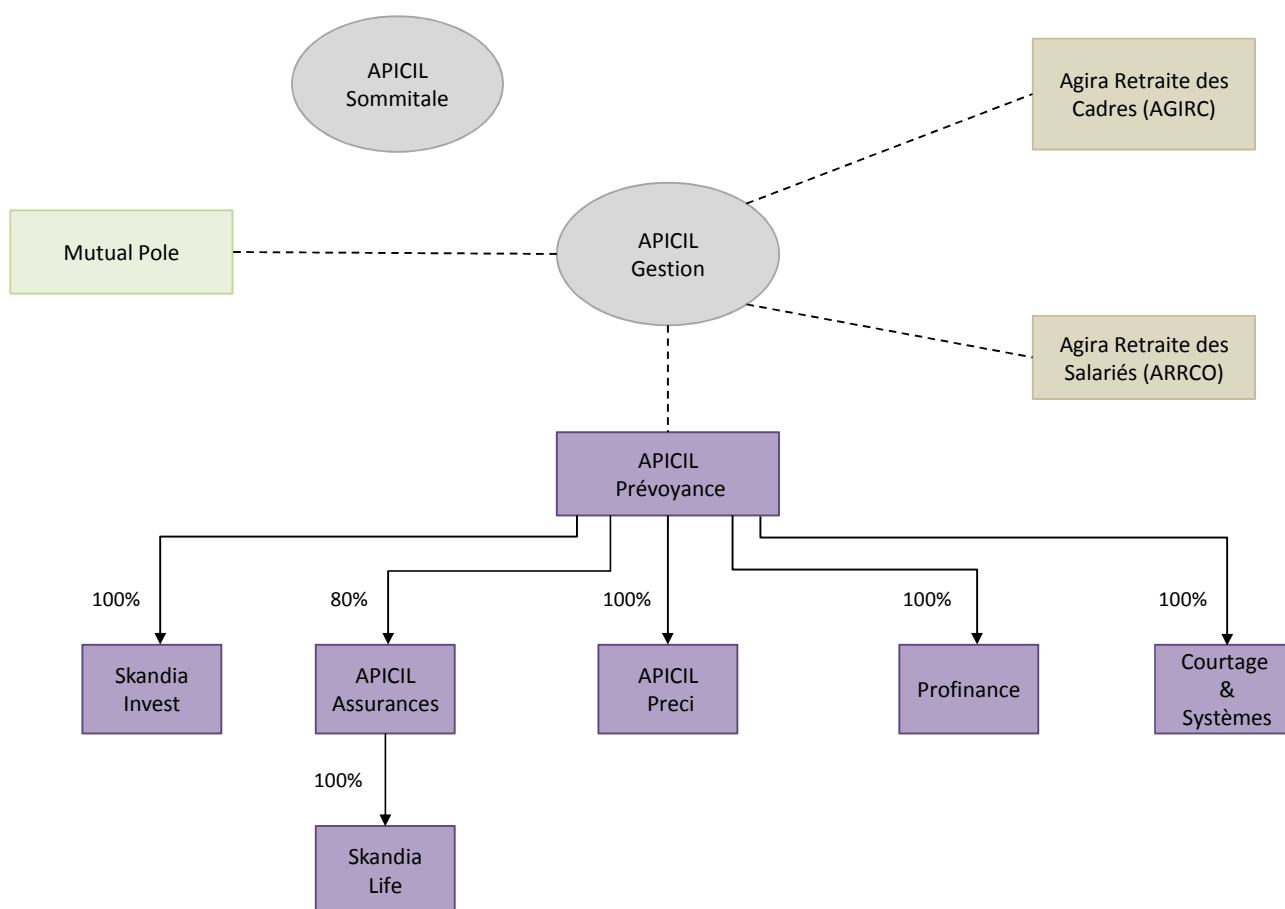
- APICIL Assurances (a company managing €3.6 billion of life savings assets as of 31 December 2014 which merged in 2012 with Coparc (a company managing approximately €1.0 billion of life savings assets as of 31 December 2011) and in 2013 with Intervie (a company managing approximately €0.8 billion of life savings assets) as of 31 December 2012), 80%-owned by the Issuer, specialised in life insurance, itself holding 100% of the life insurance company, Skandia Life;
- Skandia Invest, investment firm wholly-owned by the Issuer;
- APICIL Preci, brokerage firm wholly-owned by the Issuer;
- Profinance, brokerage firm wholly-owned by the Issuer; and

- Courtage & Systèmes, distribution platform for life insurance products wholly-owned by the Issuer.

2.2 General description of the APICIL group, of which the Issuer is a member

The Issuer is a member of the APICIL group (the "**APICIL group**"), a joint social protection group (*groupe paritaire de protection sociale*) comprised of legal entities aiming at bringing together tight and long-standing synergies in the field of social protection (notably through the implementation of globalized compulsory supplementary pension regimes and supplementary individual or group social protection coverage). As at 31 December 2014, the APICIL group ranks number one in the Rhône-Alpes region and number five in France in terms of revenue (*Source: L'argus de l'assurance dated 16 October 2014*). The APICIL group is governed by the principles set out by the French social partners in an agreement dated 8 July 2009 on the governance of joint social protection groups.

As of the date of this Prospectus, the simplified organizational structure of the APICIL group is as follows¹:



In accordance with those principles, the APICIL group focuses on two business lines:

- compulsory supplementary pensions for executives and for salaried employees of the private sector, respectively managed by Agira Retraite des Cadres (AGIRC - *Association générale des institutions de retraite des cadres*) and Agira Retraite des Salariés (ARRCO - *Association pour le régime de retraite complémentaire des salariés*); and
- life and health insurance and benefit plans, managed by the Group and the mutual pole of the APICIL group comprised notably of the mutual MICILS and Intégrance (the "**Mutual Pole**").

The Issuer is supervised by a non-profit association named APICIL Sommitale, whose purpose is to (i) ensure that its members implement adequate governance procedures, (ii) preserve the moral and material

¹ The Mutual Pole is comprised of MICILS, Intégrance, Sud-Ouest Mutualité and MIEL

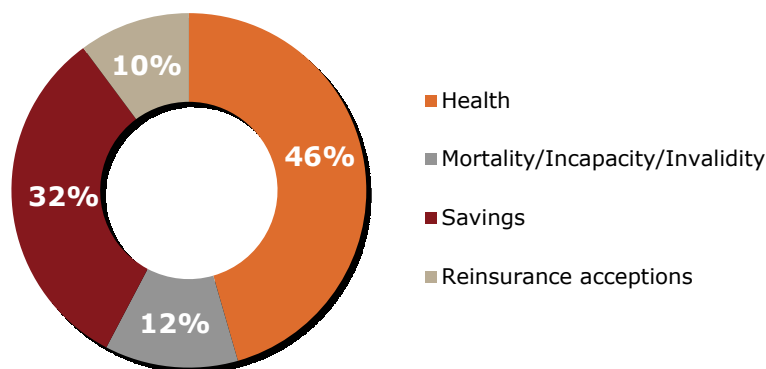
interests of its members and (iii) monitor any changes in the scope of their activities, in accordance with the agreement dated 8 July 2009 on the governance of joint social protection groups and the operating agreement entered into between APICIL Sommitale and the Issuer dated 30 June 2011.

As a member of the APICIL group, APICIL Prévoyance benefits from the resources of APICIL Gestion, a non-profit association which implements various measures for the smooth running of its members' operations. Typically, APICIL Gestion provides for most of the human resources of the Group as well as with most of its technological resources.

As at 31 December 2014, the APICIL group:

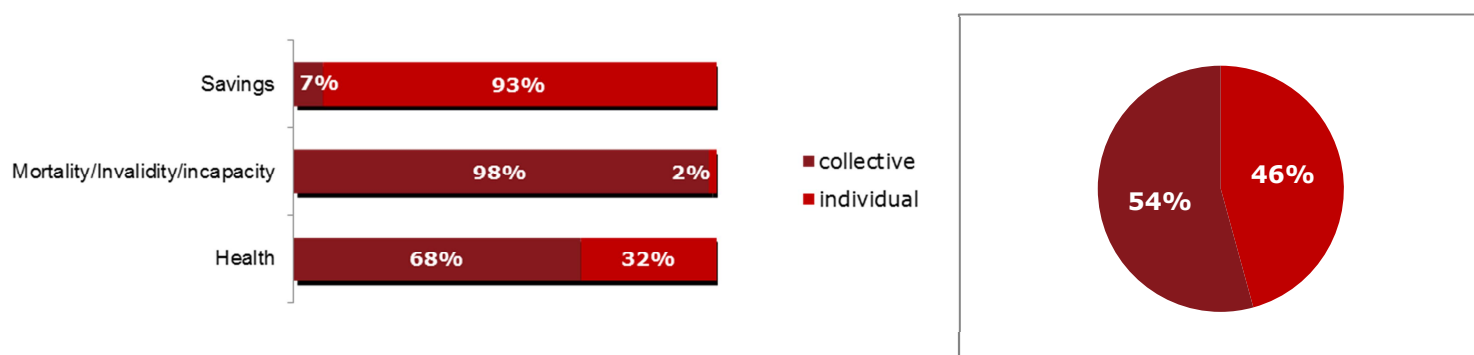
- held approximately 1,500,000 insured individuals, 590,000 protected individuals and 50,000 corporate clients;
- has a turnover of approximately €1.3 billion²;
- dedicates approximately €14 million to social action;
- has approximately €3.5 billion of savings assets (excluding the Issuer's savings assets); and
- has approximately 1,350 employees and works with more than 1,000 *conseillers en gestion de patrimoine indépendants*.

The following chart presents the activity breakdown of the combined turnover of the APICIL group as at 31 December 2014.

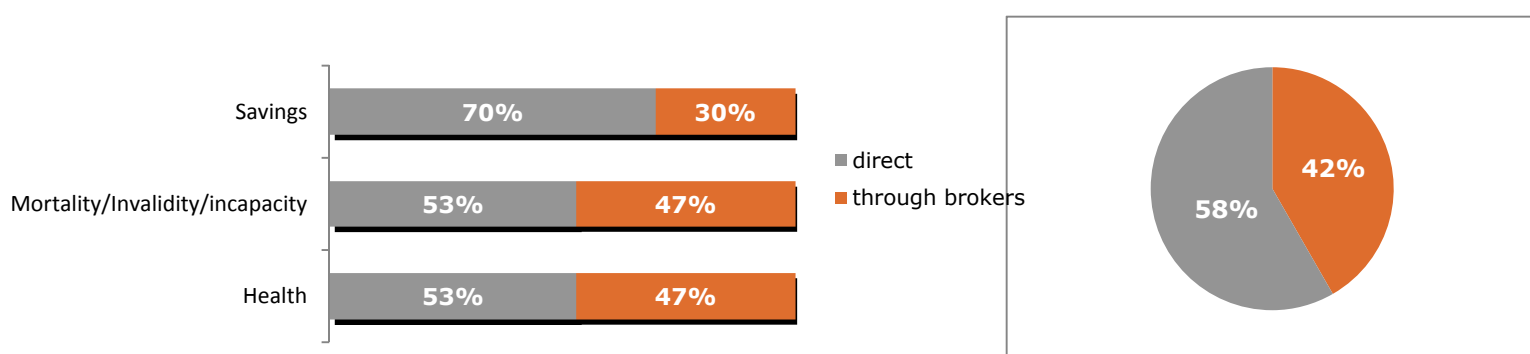


² Skandia Life and Skandia Invest, which have been recently acquired (please refer to paragraph 1 of the section "Recent Developments"), have a turnover of approximately €266.5 million for the year ended 31 December 2014

The following chart presents the breakdown by type of contracts of the combined turnover of the APICIL group as at 31 December 2014.



The following chart presents the breakdown by distribution channel of the combined turnover of the APICIL group as at 31 December 2014.



The following table presents the approximate evolution of the combined turnover, net income and equity of the APICIL group for the last four years.

(in millions of euros)	2011	2012	2013	2014 ³
Turnover	1,019	1,082	1,060	1,322
Net income	(0.5)	18.4	28.1	40.2
Equity	807	828	869	910

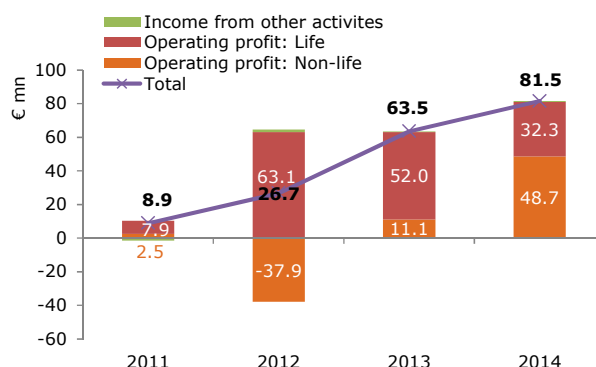
The following table presents the approximate breakdown of the combined gross premiums by line of business for the years ended 31 December 2013 and 31 December 2014.

(in millions of euros)	2013	2014
Gross premiums - Savings	287	425 ⁴
Gross premiums – Mortality/Disability	186	270
Gross premiums - Health	587	627
TOTAL	1,060	1,322

³ Skandia Life and Skandia Invest, which have been recently acquired (please refer to paragraph 1 of the section "Recent Developments"), have (i) a turnover of approximately €266.5 million and (ii) approximately €34.5 million of equity. The net income of Skandia Life and Skandia Invest is not material as a result of the disposal of a subsidiary made prior to the acquisition by the Group

⁴ Skandia Life and Skandia Invest, which have been recently acquired (please refer to paragraph 1 of the section "Recent Developments"), have approximately €266.5 million of gross premiums – Savings

The following chart presents the approximate evolution of the combined operating profit of the APICIL group for the last four years.



3. Overview of activities

Pursuant to Article 2 of its by-laws, the purpose of the Issuer consists in offering employees or former employees (and their families) of the Issuer's member employers coverage on:

- risks of death, harm to physical integrity, pregnancy, work disability or invalidity and inability and providing them with retirement plans, severance packages and other benefits; and
- physical injuries related to accidents and diseases.

The Issuer has therefore been granted a license by the ACPR to perform the following activities: accident insurance (branch 1), sickness insurance (branch 2), life insurance (branch 20), and insurance linked to investment funds (branch 22).

The Issuer's activities are divided in three main areas:

- Healthcare plans (coverage of medical expenses), which account for 45% of the Issuer's business with a turnover of €236,430,311 for the year ended 31 December 2014 (compared to €223,738,003 for the year ended 31 December 2013), 86% of the turnover being generated from group healthcare plans and 14% from healthcare plans provided to individuals. On this segment, the Issuer held 193,825 clients (excluding management for the account of third parties) in 2014, compared to 197,858 in 2013;
- Pension plans (*prévoyance*) (death/incapacity/invalidity), which account for 49% of the Issuer's business with a turnover of €255,301,559 for the year ended 31 December 2014 (compared to €174,185,165 for the year ended 31 December 2013), 100% of the turnover being generated from group pension plans. On this segment, the Issuer held 282,411 clients (excluding management for the account of third parties) in 2014, compared to 272,851 in 2013; and
- Savings plans, which account for 6% of the Issuer's business with a turnover of €29,157,202 for the year ended 31 December 2014 (compared to €28,104,997 for the year ended 31 December 2013), 96% of the turnover being generated from group savings plans and 4% from savings plans provided to individuals. On this segment, the Issuer held 64,458 clients (excluding management for the account of third parties) in 2014, compared to 63,575 in 2013.

As of 31 December 2014, the Issuer held 459,991 clients (excluding management for the account of third parties) all business lines included, some of those clients having subscribed to offers on several of the Issuer's activities.

The Issuer conducts business both in metropolitan France and French overseas departments and territories. Subject to applicable laws and regulations, it can also conduct business in other EU Member States or in

EEA Member States which are not EU Member States. As of the date of this Prospectus, the Group conducts activities in Luxembourg.

4. Management and governance of the Issuer

The Issuer is managed by a Board of Directors (*Conseil d'administration*), invested with the widest powers to act in all circumstances on behalf of the Issuer. It notably takes all measures necessary to implement the Issuer's purpose and to ensure that the Issuer at all times complies with the level of solvency margin applicable to it under existing regulations.

The Board of Directors is composed of 30 directors, equally represented by each class of members of the Issuer (employers and employees).

The Board of Directors delegates to the General Manager all powers necessary for the management of the Issuer within the limitations of the Issuer's purpose and subject to any powers expressly attributed by law to General Assemblies of the Issuer and to the Board of Directors.

Day-to-day, the Board of Directors is assisted by four specialised commissions and committees, composed of members of the Board of Directors:

- a Social Commission: The Social Commission benefits from an independent budget allocated by the Board of Directors of the Issuer with a view to grant (i) group aids to various institutions of its choice (hospitals, associations, charities, disabled hosting institutions) and (ii) individual aids to clients of the Issuer by supporting additional health expense costs or emergency assistance costs. The commission is held at least on a quarterly basis and informs the Board of Directors on a yearly basis of the amount of aids granted and their specific nature;
- a Financial Commission: Created at the APICIL group level, this Commission is held at least six times a year and includes amongst its members the President and Vice-President of the Issuer. The Financial Commission looks into the allocation of assets in various portfolios as well as strategic asset allocations. It submits proposals to the Board of Directors of the Issuer with respect to such allocations. The commission also analyses the performance of the APICIL group on a quarterly basis and studies investment proposals on real estate or in subsidiaries or affiliates of the APICIL group;
- an Audit Committee: Held at least on a quarterly basis, the Audit Committee is notably in charge of supervising the establishment of the financial information of all the entities combined with the Issuer (as further described in paragraph 6.1 below). For each of those entities, it notably ensures the efficiency of internal control systems, that a proper audit of the financial statements is made by the statutory auditors and that such auditors remain at all times independent; and
- a Risk Committee: Created at the APICIL group level, this committee is held at least twice a year and includes amongst its members the President and Vice-President of the Issuer. This committee is notably in charge of supervising the implementation of the Solvency II Regulations and the risk management procedures of all the entities combined with the Issuer.

In addition to those commissions and committees, the Issuer's governance is organised around four key management divisions:

- a Conformity Division (General Secretary), in charge of the implementation of conformity plans, monitoring regulatory, legal changes applicable to the Issuer, implementing charters, ethics code, approving commercial documents, ensuring client protection, anti-bribery and money-laundering;
- a Risk Division, notably in charge of supervising the management of risks and implementation of internal control procedures, calculating Solvency II Pillar 1, assessing and drafting reports on internal risks and solvency and supervising information systems security;

- an Internal Audit Division, notably in charge of submitting audit plans, implementing the recommendations made by the Audit Committee and reporting to it with respect thereto and assisting in risk management, control and corporate governance; and
- an Actuarial Division, notably in charge of producing an actuarial review of reserves, identifying and analysing subscription risks, delivering opinions on general subscription policy, analysing the efficiency of reinsurance policy and delivering opinions on reinsurance programmes.

5. Trends

In 2014, the life insurance market has been very dynamic notably drawn by the success of unit-linked products which offered attractive yields compared to other financial products. Likewise, 2014 has been a profitable year for health insurance. These trends should be confirmed in 2015 (*Source: Panorama 2014-2015 de l'assurance française – Press conference of the Fédération Française des Sociétés d'Assurances dated 25 June 2015*).

As described in sub-paragraph 3 of the section "*Recent Developments*", the complementary health coverage market has been subject to significant changes in 2014 notably with the ACS reform. Further changes are contemplated in 2015 with a view to provide clients with a wider coverage of their health expenditures, by notably implementing "responsible contracts" (*contrats responsables*) in April 2015, pursuant to Decree No. 2014-1374 dated 18 November 2014. In order to be labelled as such, these contracts will have to comply with detailed specifications. The Group has already anticipated this change and proposes insurance contracts to its clients that conform to such specifications.

Société de groupe assurantiel de protection sociale (SGAPS)

In the context of the implementation of directive 2009/138/EC of the European Parliament and of the Council dated 25 November 2009 (Solvency II), French ordinance No. 2015-378 dated 2 April 2015 created two new legal forms of insurance and reinsurance groups: "*groupements assantiels de protection sociale*", as defined by Article L.931-2-1 of the French *Code de la sécurité sociale*, and "*sociétés de groupe assurantiel de protection sociale*" ("**SGAPS**"), as defined by Article L.931-2-2 of the French *Code de la sécurité sociale*.

Pursuant to Article 25 of this ordinance, the Groupement Paritaire de Prévoyance, within the meaning of Article L.933-5 *et seq.* of the French *Code de la sécurité sociale*, composed of the Issuer, APICIL Assurances and some mutual institutions of the Mutual Pole (the "**GPP**") will have to transform into one of those two legal forms by 31 December 2017.

In order to comply with the requirements set out above, the GPP has decided to be transformed into a SGAPS in the course of 2016, subject to having obtained the prior approval of the ACPR for all the GPP entities to be affiliated to the SGAPS. The newly created SGAPS may also include other entities of the APICIL group subject to the prior approval of the ACPR.

The SGAPS will coordinate the activities of its affiliated entities and will notably manage the financial ties between such entities, all entities within the SGAPS being jointly liable (it being noted that, as of the date of this Prospectus, the GPP entities are not jointly liable).

Strategic plan

Since 2011, the APICIL group implements a strategic plan maturing in 2016 aiming at positioning the APICIL group amongst the top five players on the French market. After having focused in the development of its expertise in terms of quality service and marketing efficiency, the APICIL group now focuses mainly on building a strong, long-term and distinctive relationship with its clients by offering the most appropriate and innovative services to its clients.

The strategic plan of the APICIL group also focuses on implementing an external growth strategy in all of the group's activities.

6. Key financial information

6.1 Key combined financial information of the Group

The following tables summarize the key combined financial information of the Group (excluding Skandia Life and Skandia Invest which have been recently acquired) and some entities of the Mutual Pole for the years ended 31 December 2013 and 31 December 2014.

Summarized Combined Balance Sheet		
<i>(in euros)</i>	31/12/2013	31/12/2014
ASSETS		
Goodwill	0	0
Intangible assets	8,332,617	8,235,955
Investments from insurance activities	4,603,809,626	4,901,368,859
Investments representing UA commitments	757,890,157	777,076,616
Investments from other activities	11,364,113	11,916,404
Investments in equity affiliates	0	0
Share of reinsurers and reinsurance reinsurers in technical provisions	92,335,039	176,879,941
Insurance and reinsurance receivables	164,375,867	205,526,354
Credit institutions receivables	41,563,100	44,329,796
Other receivables	77,555,343	59,699,281
Other assets	666,268	749,507
Differed income - Assets	70,571,266	70,835,744
Conversion differences	0	0
TOTAL ASSETS	5,828,463,395	6,256,618,456
LIABILITIES		
Group's equity	869,432,027	909,654,642
Minority interests	33,439,873	35,512,840
Subordinated liabilities	0	0
Gross technical provisions	3,946,729,332	4,334,686,539
Technical provisions for UA liabilities	758,535,341	773,251,305
Provisions for contingencies and charges	19,743,128	18,567,305
Dedicated funds	0	0
Payables arising from insurance and reinsurance activities	40,220,985	40,478,186
Debt securities	0	0
Amounts owed to credit institutions	64,055,844	62,561,575
Other debts	95,941,366	81,735,427
Differed income - Liabilities	365,500	170,637
TOTAL LIABILITIES	5,828,463,395	6,256,618,456

Summarized Combined Income Statement as of 31 December 2014				
<i>(in euros)</i>	Non-life operations	Life operations	Other operations	Total
Earned premiums or contributions	799,445,777	522,137,263	0	1,321,583,039
Total current operating revenues	841,771,065	735,887,222	3,062,837	1,580,721,124
Total current operating expenses	(793,087,004)	(703,630,376)	(2,499,058)	(1,499,216,438)
Current operating income	48,684,061	32,256,846	563,779	81,504,686
Other non-technical expenses (including notably social action expenses and corporation tax)				(39,298,797)
Net profit of integrated companies				42,205,889
Net combined profit				42,205,889

Summarized Combined Income Statement as of 31 December 2013				
<i>(in euros)</i>	Non-life operations	Life operations	Other operations	Total
Earned premiums or contributions	695,122,580	365,688,423	0	1,060,811,003
Total current operating revenues	731,821,797	613,759,608	3,445,137	1,349,026,542
Total current operating expenses	(720,758,600)	(561,713,560)	(3,011,441)	(1,285,483,601)
Current operating income	11,063,197	52,046,048	433,696	63,542,941
Other non-technical expenses (including notably social action expenses and corporation tax)				(31,786,415)
Net profit of integrated companies				31,756,526
Net combined profit				31,756,526

6.2 Key financial information of the Issuer

The following tables summarize the key financial information of the Issuer for the years ended 31 December 2013 and 31 December 2014.

Summarized Balance Sheet		
<i>(in euros)</i>	31/12/2013	31/12/2014
ASSETS		
Intangible assets	-	-
Investments	1,840,206,816.56	1,855,591,539.77
Investments representing technical provisions in UA	8,992,780.37	10,960,258.70
Share of reinsurers and reinsurance reinsurers in technical provisions	91,999,851.00	171,156,530.00
Receivables	156,490,360.99	175,869,620.82
Other assets	4,574,157.42	2,074,339.13
Differed income - Assets	30,798,694.16	32,592,199.70
Conversion differences	-	-
TOTAL ASSETS	2,133,062,660.50	2,248,244,488.12
LIABILITIES		
Equity	621,427,944.85	642,161,838.81
Subordinated liabilities	-	-
Gross technical provisions	1,413,749,662.66	1,521,814,205.13
Technical provisions for UA liabilities	8,987,325.30	11,018,302.37
Provisions for contingencies and charges	4,510,176.67	3,539,321.60
Cash-deposits received from reinsurers	8,140,180.29	8,411,870.29
Other debts	71,620,442.10	56,609,145.58
Differed income - Liabilities	4,626,928.63	4,689,804.34
Conversion differences	-	-
TOTAL LIABILITIES	2,133,062,660.50	2,248,244,488.12

Summarized Income Statement as of 31 December 2014			
Technical account – Non-life operations			
<i>(in euros)</i>	Gross operations	Reinsurances and retrocessions	Net operations
Contributions received	403,362,685.51	(85,326,923.59)	318,035,761.92
Allocated investment return transferred from the non-technical account	14,500,790.16		14,500,790.16
Other technical incomes	2,936,467.87		2,936,467.87
Cost of claims	(363,047,054.28)	82,722,872.83	(280,324,181.45)
Cost of other technical provisions	(1,260,222.59)	(599,087.00)	(1,859,309.59)
Participation in operating results	(10,664,080.52)	95,450.00	(10,568,630.52)
Acquisition and administrative costs	(41,687,866.55)	3,600,530.49	(38,087,336.06)
Other technical charges	(5,691,157.13)		(5,691,157.13)
Charge in equalisation provision	5,555,473.00	613,967.00	6,169,440.00
NON-LIFE OPERATIONS TECHNICAL RESULT	4,005,035.47	1,106,809.73	5,111,845.20

Summarized Income Statement as of 31 December 2013			
Technical account – Non-life operations			
<i>(in euros)</i>	Gross operations	Reinsurances and retrocessions	Net operations
Contributions received	326,475,296.88	(17,204,756.66)	309,270,540.22
Allocated investment return transferred from the non-technical account	13,733,018.89		13,733,018.89
Other technical incomes	91.22		91.22
Cost of claims	(298,258,279.34)	11,167,410.81	(287,090,868.53)
Cost of other technical provisions	(7,449,925.83)	480,171.00	(6,969,754.83)
Participation in operating results	(10,454,904.27)	(62,336.00)	(10,517,240.27)
Acquisition and administrative costs	(36,779,382.04)	3,618,453.05	(33,160,928.99)
Other technical charges	(4,880,032.71)		(4,880,032.71)
Charge in equalisation provision	671,140.00	(225,070.25)	446,069.75
NON-LIFE OPERATIONS TECHNICAL RESULT	(16,942,977.20)	(2,226,128.05)	(19,169,105.25)

Summarized Income Statement as of 31 December 2014			
Technical account - Life operations			
<i>(in euros)</i>	Gross operations	Reinsurances and retrocessions	Net operations
Contributions received	117,526,386.39	(49,436,570.45)	68,089,815.94
Investment income	56,982,617.45		56,982,617.45
Adjustment of variable capital transactions (gains)	340,823.44		340,823.44
Other technical incomes	94,721.84		94,721.84
Cost of claims	(123,999,349.07)	(45,830,277.86)	(78,169,071.21)
Cost of life technical provisions and other technical provisions	23,201,474.02	(6,598,526.00)	16,602,948.02
Participation in operating results	(34,883,202.16)	(195,241.00)	(35,078,443.16)
Acquisition and administrative costs	(11,247,843.04)	9,646,726.87	(1,601,116.17,-)
Investment charges	(22,484,065.13)		(22,484,065.13,-)
Adjustment of variable capital transactions (losses)	(1,939.71)		(1,939.71)
Other technical charges	(1,717,789.13)		(1,717,789.13)
Allocated investment return transferred to the non-technical account	0.00		0.00
LIFE OPERATIONS TECHNICAL RESULT	3,811,834.90	(753,332.72)	3,058,502.18

Summarized Income Statement as of 31 December 2013			
Technical account - Life operations			
<i>(in euros)</i>	Gross operations	Reinsurances and retrocessions	Net operations
Contributions received	99,552,866.96	(33,596,220.86)	65,956,646.10
Investment income	71,495,854.73		71,495,854.73
Adjustment of variable capital transactions (gains)	1,724,738.58		1,724,738.58
Other technical incomes	176,954.57		176,954.57
Cost of claims	(86,245,112.15)	24,197,173.67	(62,047,938.48)
Cost of life technical provisions and other technical provisions	6,579,565.84	1,938,044.53	(8,517,610.37)
Participation in operating results	(33,400,965.42)	27,011.00	(33,373,954.42)
Acquisition and administrative costs	(11,371,562.20)	5,562,650.10	(5,808,912.10)
Investment charges	(34,285,705.84)		(34,285,705.84)
Adjustment of variable capital transactions (losses)	(101.04)		(101.04)
Other technical charges	(1,583,087.76)		(1,583,087.76)
Allocated investment return transferred to the non-technical account	0.00		0.00
LIFE OPERATIONS TECHNICAL RESULT	12,643,446.27	(1,871,341.56)	10,772,104.71

Summarized Income Statement as of 31 December 2013 and 31 December 2014		
Non-technical account		
<i>(in euros)</i>	31/12/2013	31/12/2014
Non-life operation technical result	(19,169,105.25)	5,111,845.20
Life operation technical result	10,772,104.71	3,058,502.18
Investment income	52,517,531.84	49,764,164.60
Allocated investment return transferred from the life insurance technical account	0.00	0.00
Investment charges	(18,154,060.84)	(17,441,892.45)
Allocated investment return transferred to the non-life insurance technical account	(13,733,018.89)	(14,500,790.16)
Other non-technical income	3,886,623.80	5,010,642.65
Other non-technical charges	(5,905,183.31)	(5,667,823.10)
Extraordinary profit	0.00	0.00
Tax on profits	1,301,523.00	(12,367,998.00)
TOTAL PROFIT / LOSS	11,516,415.06	12,966,650.92

7 Financial management policy of the Issuer and the Group

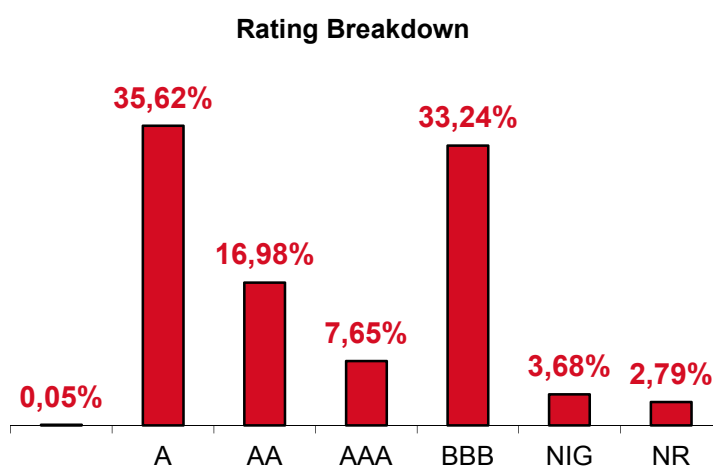
7.1 Asset allocation

The main class of assets of the Issuer are bonds (corporate and sovereign bonds account for 60%), UCITS (20%), shares (8%) and real estate assets (6%). The balance consists of deposits and unit-linked products.

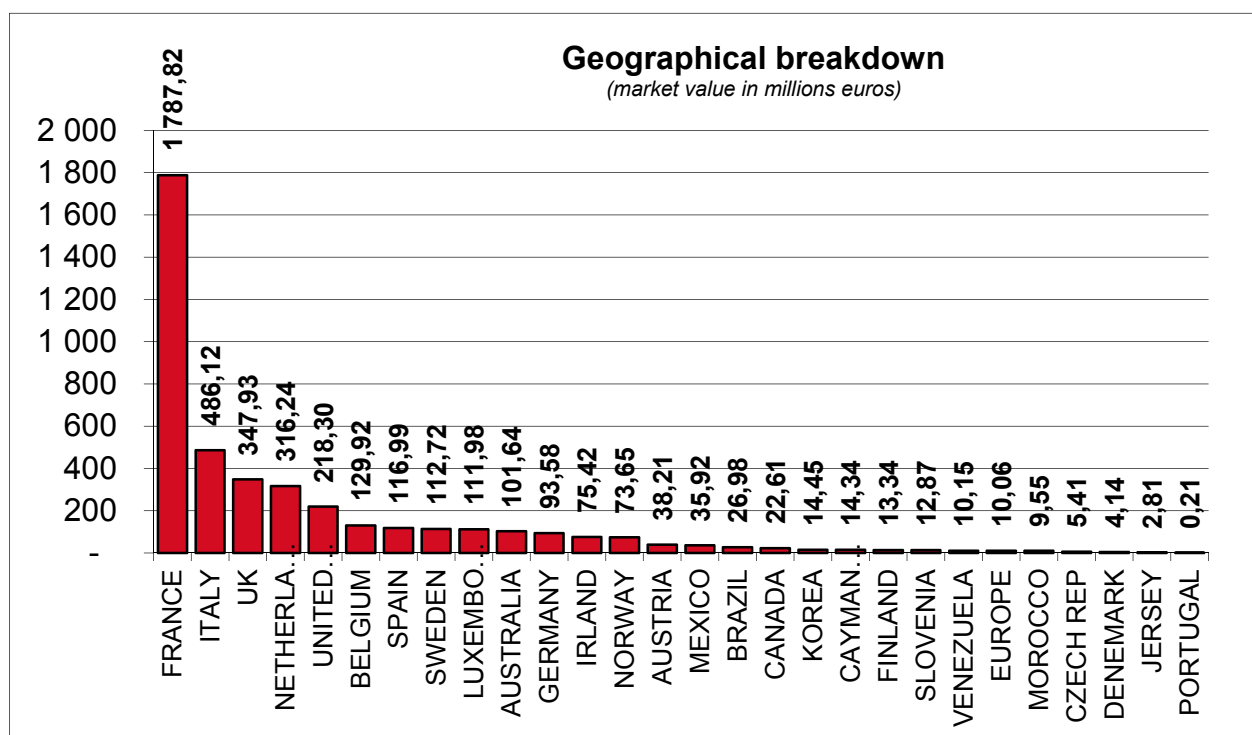
The following table presents the breakdown of the financial assets by type of investments, on the basis of the combined perimeter of the Issuer as at 31 December 2014.

Asset allocation – Breakdown by type of investments (excluding unit-linked) as at 31 December 2014		
<i>(in euros)</i>	Market value	Net asset value
European shares	271,615,572.99	233,687,062.45
Mixed UCITS	2,172,600.00	1,774,670.00
International shares	87,059,227.94	64,141,107.07
Alternative shares	48,841,145.15	45,250,217.00
Interest rates hedges	815,130.00	2,374,000.00
Investment real estate	180,941,913.93	153,718,874.71
Own usage real estate	26,376,667.32	18,806,288.93
Real estate for social purposes	11,537,506.42	10,014,550.56
Alternative funds	45,527,342.30	43,054,218.42
Convertible bonds	119,852,922.71	111,079,821.87
Inflation linked bonds	129,188,534.01	120,549,958.34
International bonds	32,042,959.40	29,064,614.96
Private equity	66,959,666.94	53,551,343.97
Rate-linked structured products	16,719,380.83	12,936,988.19
Fixed-rate bonds	3,614,084,753.31	3,202,157,471.64
Short-term floating rate bonds	260,754,510.10	260,241,454.31
Long-term floating rate bonds	110,819,171.03	110,149,124.09
Cash	307,688,990.53	307,497,950.77
Participations	110,073,925.29	110,061,925.29
TOTAL	5,443,071,920.21	4,890,111,642.57

The following chart presents the rating breakdown of the bond portfolio, on the basis of the combined perimeter of the Issuer as at 31 December 2014.



The following chart presents the geographical breakdown of the bond portfolio, on the basis of the combined perimeter of the Issuer as at 31 December 2014.



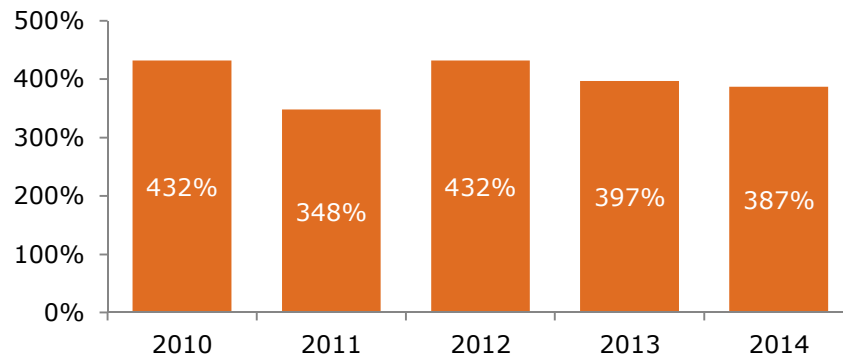
The bond portfolio consists of corporate bonds which account for 87% and sovereign and state-guaranteed bonds (13%). As at 31 December 2014, the overall proportion of "investment grade" rated bonds is stable at 92%.

7.2 Regulatory capital (Solvency I)

As at 31 December 2014, the Issuer's solvency ratio (excluding unrealised gains), calculated on the basis of the combined financial statements of the Issuer, is equal to 289% (compared to 303% for the year ended 31 December 2013). The excess of solvency margin amounts to €280,809. By integrating the unrealised gains, the solvency ratio is equal to 387%.

The following table and chart present the evolution of the solvency margin and the solvency ratio, calculated on the basis of the combined financial statements of the Issuer.

Solvency I metrics – Combined financial statements of the Issuer					
<i>(in euros)</i>	2010	2011	2012	2013	2014
Solvency margin requirement	198,507	232,563	241,187	287,285	314,423
Own funds	807,389	807,010	827,605	869,432	909,655
Unrealised gains	50,441	2,194	214,344	237,475	283,456
Admissible elements	857,830	809,204	1,041,949	1,140,347	1,215,548
Solvency margin (excluding unrealised gains)	608,882	574,447	586,418	582,147	595,232
Solvency margin (including unrealised gains)	659,323	576,641	800,762	853,062	901,125
Solvency ratio (including unrealised gains)	432%	348%	432%	397%	387%
Solvency ratio (excluding unrealised gains)	407%	347%	343%	303%	289%



Under Solvency I, the Issuer has a strong position supported by own funds and unrealised gains and an excess of almost four (4) times its minimum regulatory requirement.

Under Solvency II, the Issuer is capitalised more than two (2) times above its minimum regulatory requirement, taking into account recent acquisitions (Intervie and Coparc). Based on its Own Risk and Solvency Assessment (ORSA) report, the Solvency II ratio of the Group was situated at 229 % as at 31 December 2014.

RECENT DEVELOPMENTS

Summarized financial information on Legal and General Holdings (France) and its consolidated subsidiaries contained in this section is extracted from the information publicly available from the Greffe du tribunal de commerce of Paris.

Summarized financial information on Skandia Life and Skandia Invest contained in this section is extracted from publicly available information.

Such financial information has not been audited or reviewed by the statutory auditors of the Issuer, the Issuer or the Lead Manager. Such publicly available information is included in this Prospectus for information purposes only.

1. Acquisition of Skandia Life and Skandia Invest

In February 2015, the Group acquired 100% of Skandia Life and of Skandia Invest.

Skandia Life is a Luxembourg-based life insurance company specialized in the conception of life insurance products, fund selection and the development of marketing tools and services. The company works with independent wealth advisors, private banks and key accounts to service high-net-worth individuals (*clientèle patrimoniale*) with tailor-made products and services.

Skandia Invest is an investment company located in Luxembourg which promotes securities accounts, company savings plans (*plans d'épargne entreprise*), share saving plans and financial advice.

As of 31 December 2014, Skandia Life and Skandia Invest have approximately €1.6 billion of assets.

2. Granting of ISO 9001 and NF EN 15 838 certifications

Since 2012, the Issuer, instigated by the APICIL group, has worked towards the implementation of a comprehensive and innovative quality approach to its services with a view to ensure that clients get consistent, good quality services resulting in the development of the Issuer's business.

In just a few years, the APICIL group successfully achieved its goal by obtaining in June 2015 the ISO 9001-2008 and NF EN 15 838 certifications covering all the activities of its entities. These standards set out the requirements for a quality management system, amongst which notably a strong customer focus, the motivation and implication of the top management, the establishment of a process approach and maintenance of continual improvement on its services.

3. The Issuer's offer selected as an ACS eligible contract

The "*aide complémentaire santé*" (the "ACS") is a government financial aid allocated to individuals with low income (but who are not eligible to the universal complementary health coverage (*couverture maladie universelle complémentaire*)) in order to help them benefit from a complementary health coverage.

In December 2014, with a view to help beneficiaries of this governmental aid to better comprehend the various offers of complementary health coverage on the market and lower their costs, the French government launched a public invitation to tender to all market participants based on three complementary health coverage framework agreements. After having reviewed the various offers tendered, the French government selected 10 offers that will be eligible to ACS from 1 July 2015.

The Issuer tendered an offer with other mutual partners and was selected as one of ten best offers in terms of price and quality of service. As of 1 July 2015, it will therefore be among the key players in providing complementary health coverage to ACS beneficiaries.

4. Acquisition of Legal and General Holdings (France)

4.1 Exclusive negotiations to acquire Legal and General Holdings (France)

The following press release dated 30 July 2015 has been published by the Issuer⁵:

"APICIL Group enters into exclusive negotiations with Legal & General Group Plc to acquire its activities in France

APICIL Group enters today into exclusive negotiations with Legal & General Group Plc to acquire Legal & General Holdings (France) S.A..

Philippe Barret, General Manager of APICIL Group, says: "we look forward to welcoming Legal & General France, its teams and its partners within the APICIL Group. This acquisition will accelerate the development of the main two group's business lines: Life Insurance and Health Insurance. This project perfectly complements the recent acquisition of Skandia (France/Luxembourg) and our existing activities."

Marc Gregory, Chief Financial Officer of Legal and General Group, says: "we increasingly continue a focused strategy and our activity in France no longer falls within this dynamic. Legal & General France however shows a strong growth potential which could be combined with the strengths of APICIL on the French market."

For Olivier Potellet, Chief Executive Officer of Legal & General France, "Legal & General has been a benevolent shareholder and helped us to become a key player in the French market. I am quite excited about this new phase of our development and to build it in partnership with APICIL...".

This transaction remains subject to the prior signature of a memorandum of understanding and authorisation of the supervisory authorities.

In France, Legal & General is located in Paris and has 19 offices throughout the country. The company was incorporated in 1934 and its chief executive officer is Olivier Potellet since 2010. The company is specialised in savings management and has also a range of products dedicated to companies (pension plans, health insurance and employee savings plans). Legal & General France held a portfolio of 37,000 clients on the segment of pension plans, a portfolio of 4,000 corporate clients and has a turnover (contributions received) of €371,800,000 in savings plans and €214,900,000 in health insurance."

4.2 Signature of a share purchase agreement for the acquisition of Legal and General Holdings (France)

On 28 September 2015, APICIL Group has signed a share purchase agreement for the acquisition of Legal and General Holdings (France). Such acquisition remains however subject to the prior authorisation of the supervisory authorities.

4.3 Key financial information of Legal and General Holdings (France) and its consolidated subsidiaries

The following tables summarize the key financial information of Legal and General Holdings (France) and its consolidated subsidiaries for the years ended 31 December 2013 and 31 December 2014. Such information is extracted from the information publicly available from the *Greffe du tribunal de commerce* of Paris and constitutes a free English translation of such publicly available information. Such financial information has not been audited or reviewed by the statutory auditors of the Issuer, the Issuer or the Lead Manager. Such publicly available information is included in this Prospectus for information purposes only.

⁵ In this press release, the "APICIL Group" refers to the Group

Summarized Balance Sheet		
(financial information extracted from the consolidated financial statements of Legal and General Holdings (France))		
<i>(in euros)</i>	31/12/2013	31/12/2014
ASSETS		
Intangible assets	5,814	4,171
Insurance companies' investments	2,715,128	2,756,470
Investments representing technical provisions in UA	734,246	904,064
Banking sector's investments	519	326
Other companies' investments	545	544
Investments in companies accounted for under the equity method	-	-
Share of reinsurers and reinsurance reinsurers in technical provisions	11,487	11,532
Insurance and reinsurance receivables	116,150	192,963
Credit institutions' customers receivables	2,450	5,254
Credit institutions receivables	116,830	67,673
Other receivables	27,763	35,352
Other assets	1,819	2,498
Accruals - Assets	124,425	127,038
TOTAL ASSETS	3,857,177	4,107,885
LIABILITIES		
Group's equity	164,730	173,085
Minority interests	1	1
Subordinated liabilities	88,341	88,346
Gross technical provisions	2,746,505	2,766,171
Technical provisions for UA liabilities	736,775	911,028
Provisions for contingencies and charges	31,264	31,664
Payables arising from insurance and reinsurance activities	29,595	97,038
Cash-deposits received from reinsurers	1,356	-
Amounts owed to credit institutions' customers	38,043	20,277
Liabilities evidenced by securities	-	-
Amounts owed to credit institutions	1,573	23
Other debts	18,646	18,212
Accruals - Liabilities	346	2,039
Conversion differences	-	-
TOTAL LIABILITIES	3,857,177	4,107,885

Summarized Income Statement		
(financial information extracted from the consolidated financial statements of Legal and General Holdings (France))		
<i>(in euros)</i>	31/12/2013	31/12/2014
Contributions received	523,919	537,348
Total current operating income	706,487	682,562
Total current operating expenses	697,408	668,301
Current operating profit / loss	9,079	14,261
NET INCOME (GROUP SHARE)	5,888	8,355

4.4 Turnover of APICIL group, Skandia Life, Skandia Invest and Legal and General Holdings (France) and its consolidated subsidiaries

The following table illustrates the approximate combined turnover of the APICIL group, Skandia Life, Skandia Invest and Legal and General Holdings (France) and its consolidated subsidiaries as at 31 December 2014. The financial information of Legal and General Holdings (France) and its consolidated subsidiaries is extracted from the information publicly available from the *Greffe du tribunal de commerce* of Paris. The financial information of Skandia Life and Skandia Invest is extracted from publicly available information.

Such financial information has not been audited or reviewed by the statutory auditors of the Issuer, the Issuer or the Lead Manager and constitutes a free English translation of such publicly available information. Such publicly available information is included in this Prospectus for information purposes only.

	APICIL group (excluding Skandia Life and Skandia Invest)	Skandia Life and Skandia Invest	Legal and General Holdings (France) (including its consolidated subsidiaries)
Savings - Turnover	€0.4 billion	€0.3 billion	€0.4 billion
Savings - Outstanding	€4.2 billion	€1.6 billion	€3.6 billion
Health Insurance / Disability / Mortality - Contributions	€0.9 billion	0	€0.2 billion
Total - Turnover	€1.3 billion	€0.3 billion	€0.5 billion
Total - Investment Assets	€5.7 billion	€1.6 billion	€3.7 billion

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in France or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This general description is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

1. EU SAVINGS DIRECTIVE

Under the Council Directive 2003/48/EC dated 3 June 2003 on taxation of savings income in the form of interest payments (the "**Savings Directive**"), Member States, subject to a number of conditions being met, are required to provide to the tax authorities of other Member States details of payments of interest and other similar income made or secured by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State and to certain limited types of entities established in that other Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the "**Amending Savings Directive**"). Member States are required to apply these new requirements from 1 January 2017. If they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Amending Savings Directive would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The rate of such withholding tax is 35 per cent. The changes referred to above would broaden the types of payments subject to withholding in the Member States which still operate a withholding system if they are implemented. The end of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

2. FRANCE

2.1 Withholding Tax

Withholding Tax

Payments of interest and other revenues made by the Issuer with respect to the Notes are not subject to the withholding tax provided under Article 125 A III of the *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to exceptions, certain of which are set forth below, and to the more favourable provisions of an applicable double tax treaty).

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues on such Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution located in a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, the law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts*, the Deductibility Exclusion, nor the withholding tax set out under article 119 *bis* 2 will apply in respect of the Notes if the Issuer can prove that (i) the principal purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 no. 70 and 80, BOI-IR-DOMIC-10-20-20-60-20150320 no. 10 and BOI-ANNX-000364-20120912 no. 20, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if the Notes are *inter alia* :

- (i) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (ii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non Cooperative State.

Payment to individuals fiscally domiciled in France

Pursuant to Article 125 A I of the French *Code général des impôts* and subject to certain limited exceptions, interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of

withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

2.2 EU Savings Directive

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts* and Article 49 I *ter* to 49 I *sexies* of the Schedule III to the French *Code général des impôts*. Article 242 *ter* of the French *Code général des impôts* 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.

Please refer to the section “EU Savings Directive” above for more details.

3. LUXEMBOURG TAXATION

The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes. Please note that in 25 November 2014, the Luxembourg Government amended the Saving Laws (as defined below) and abolished the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

3.1 Non Luxembourg tax resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the **Savings Laws**), there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Under the Saving Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “**Territories**”), payments of 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 or a residual entity which is resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal

authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

3.2 Luxembourg resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg or certain foreign residual entities established in an EU Member State or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. 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/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law would be subject to 10 per cent withholding tax.

When used in this section, "interest", residual entity", and "paying agent" have the meaning given thereto in the Saving Laws.

4. U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (a) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (b) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Participating FFI (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI. This withholding would potentially apply to payments in respect of any Notes that are issued on or after the "grandfathering date", which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders

and investors to its home government or to the IRS. The United States and France have entered into an IGA based largely on the Model 1 IGA (a "US-France IGA").

The Issuer expects to be treated as a Reporting FI pursuant to the US-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (a) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (b) an investor is a Recalcitrant Holder.

While the Notes are held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer or any paying agent, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the US-France IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments that they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

BNP Paribas (the "**Lead Manager**") has, pursuant to a subscription agreement (the "**Subscription Agreement**") dated 13 November 2015 agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Notes at the issue price of 100% of the total principal amount of the Notes, less a commission agreed between the Issuer and the Lead Manager. The Issuer has agreed to indemnify the Lead Manager against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the issue being made to the Issuer.

General selling restrictions

No action has been taken or will be taken by the Lead Manager or the Issuer that would, or is intended to, permit a public offering of the Notes or the possession or distribution of this Prospectus or any other offering material in relation to the issue of the Notes in any country or jurisdiction where action for that purpose is required.

The Lead Manager has represented, warranted and agreed that it will comply with all applicable laws and regulations in force in any jurisdiction in or from which it purchases, offers or sells Notes or possesses or distributes the Prospectus (as supplemented and amended as the case may be) or any part of it or any other offering material relating to the Notes, and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes such purchases, offers or sales.

The Lead Manager will not offer, sell or deliver, directly or indirectly, any Notes or distribute the Prospectus or any offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and which will not impose any obligations on the Issuer and all offers, sales and deliveries of Notes and distributions of the Prospectus or any offering materials relating to the Notes by the Lead Manager will be made on the same terms.

Neither the Issuer nor the Lead Manager represent that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The distribution of this Prospectus and the offering 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 Lead Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may not be offered or sold, directly or indirectly, in the United States, or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. Terms used in this paragraph and not otherwise defined in the Prospectus have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Lead Manager has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the Notes (a) as part of its distribution at any time or (b) otherwise until forty (40) calendar days after the later of the commencement of the offering and the closing date of the offering, in the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out 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.

The Notes are being offered and sold only outside the United States to non-U.S. persons in compliance with Regulation S and U.S. tax law.

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

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

United Kingdom

The Lead Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in an investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) received by it in connection with the issue or sale of any Notes only under circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) 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.

France

Each of the Lead Manager and the Issuer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any 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 be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, other than individuals, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier*.

GENERAL INFORMATION

1. Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market.
2. The Notes have been accepted for clearance and settlement through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number 131235518. The International Securities Identification Number ("ISIN") for the Notes is FR0013032315. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg and the address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.
3. There has been no significant change in the financial or trading position of the Issuer and the Group since 31 December 2014.
4. There has been no material adverse change in the prospects of the Issuer since 31 December 2014.
5. The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Issuer is aware) during the twelve (12) months preceding the date of approval of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.
6. The issue of the Notes was decided by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 8 July 2015, acting pursuant to resolutions of the General Meetings (*Assemblées Générales*) of the Issuer dated 25 June 2015 and 8 July 2015 respectively.
7. At the date of this Prospectus, no material contracts have been entered into (other than in the ordinary course of the Issuer's business), which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.
8. At the date of this Prospectus, there are no conflicts of interest which are material to the issue or offer of the Notes between the duties of the members of the Board of Directors to the Issuer and their private interests and/or their other duties. The Lead Manager is paid commissions in relation to the issue of the Notes. The Lead Manager and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer in the ordinary course of business.
9. To the knowledge of the Issuer, no person involved in the issue of the Notes has an interest material to the issue.
10. For as long as the Notes are outstanding the following documents will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent, the Paying Agent and at the office of the Luxembourg Listing Agent located in Luxembourg:
 - (a) this Prospectus;
 - (b) the Agency Agreement;
 - (c) the *statuts* of the Issuer; and
 - (d) each of the Documents Incorporated by Reference.

The Prospectus will be published on the websites of the Luxembourg Stock Exchange (www.bourse.lu) and the Issuer (www.apicil.com).

11. As of the date of this Prospectus, the Issuer does not establish semi-annual accounts.
12. The statutory auditors of the Issuer are Deloitte & Associés and Mazars (both entities are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*). They have audited and rendered unqualified audit reports on the 2014 Combined Financial Statements, the 2013 Combined Financial Statements, the 2014 Financial Statements and the 2013 Financial Statements. .
13. The yield of the Notes, calculated from the Issue Date to the Scheduled Maturity Date is 5.25% *per annum*. It is not an indication of future yield.

ISSUER

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