

Prospectus dated 18 October 2016



CNP ASSURANCES

€1,000,000,000 1.875 per cent. Tier 3 Notes due 20 October 2022

Issue Price: 99.719 per cent.

The €1,000,000,000 1.875 per cent. Tier 3 notes due 20 October 2022 (the **Notes**) of CNP Assurances (**CNP Assurances** or the **Issuer**) will be issued outside the Republic of France on 20 October 2016 (the **Issue Date**).

The status of the Notes may change during the life of the Notes. From the Issue Date and for so long as any Existing Ordinary Subordinated Obligation is outstanding, the obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute (subject to certain limitations described in the "*Terms and Conditions of the Notes - Status of the Notes – Payment on the Notes in the event of liquidation of the Issuer*") direct, unconditional, unsecured Ordinary Subordinated Obligations and rank and shall at all times rank without any preference among themselves (save for certain obligations required to be preferred by French law) equally and rateably with any other existing or future Ordinary Subordinated Obligations, in priority to present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer, but behind subordinated Obligations expressed to rank senior to Ordinary Subordinated Obligations, if any, and behind Unsubordinated Obligations as set out in the "*Terms and Conditions of the Notes - Status of the Notes*". Upon the date of redemption or repurchase and cancellation of all of the Existing Ordinary Subordinated Obligations (inclusive), the obligations of the Issuer under the Notes in respect of principal, interest and other amounts, will constitute (subject to certain limitations described in the "*Terms and Conditions of the Notes - Status of the Notes – Payment on the Notes in the event of liquidation of the Issuer*") direct, unconditional, unsecured Senior Subordinated Obligations and rank and shall at all times rank without any preference among themselves (save for certain obligations required to be preferred by French law) equally and rateably with any other existing or future Senior Subordinated Obligations, in priority to all present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, Ordinary Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, but behind subordinated Obligations expressed to rank senior to Senior Subordinated Obligations, if any, and behind Unsubordinated Obligations as set out in the "*Terms and Conditions of the Notes - Status of the Notes*".

Each Note will bear interest on its Principal Amount (i.e. €100,000 per Note) from (and including) the Issue Date to (but excluding) 20 October 2022 (the **Scheduled Maturity Date**), at a fixed rate of 1.875 per cent. *per annum*, payable annually in arrear on 20 October in each year (each an **Interest Payment Date**), commencing on 20 October 2017.

Payment of interest on the Notes shall be deferred under certain circumstances, as set out in "*Terms and Conditions of the Notes – Interest Deferral*".

Unless previously redeemed, purchased or cancelled in accordance with the terms and conditions of the Notes, the Notes will be redeemed at their Principal Amount on the Scheduled Maturity Date, subject to the Prior Approval of the Relevant Supervisory Authority and to certain other conditions (as set out in Condition 5 of the Notes).

The Issuer may, at its option and subject to Condition 5.8, redeem the Notes upon the occurrence of certain events, including a Gross-up Event, a Withholding Tax Event, a Tax Deductibility Event, a Regulatory Event or if the conditions for Clean-up Redemption are met, all as further described in "*Terms and Conditions of the Notes - Redemption and Purchase*". All redemptions are subject to the Prior Approval of the Relevant Supervisory Authority.

Application has been made for approval of this prospectus (the **Prospectus**) to the *Autorité des marchés financiers* (the **AMF**) in France in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements Directive 2003/71/EC of 4 November 2003, as amended (the **Prospectus Directive**).

Application has been made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, appearing on the list of regulated markets issued by the European Commission (a **Regulated Market**).

The Notes will be issued in bearer dematerialised form (*au porteur*) in the denomination of €100,000. The Notes will at all times be in book-entry form in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical documents 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 (**Euroclear France**) which shall credit the accounts of the Account Holders. **Account Holder** shall mean any financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**).

The Notes are rated BBB+ by S&P Global Ratings (**Standard & Poor's**). The Issuer's long-term senior unsecured debt is rated A by Standard & Poor's. Standard & Poor's is established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the **CRA Regulation**) and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets

Authority's website (at <http://esma.europa.eu/page/list-registered-and-certified-CRAs>) as of the date of this Prospectus. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, change or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the risk factors described under the section headed "Risk Factors" in this Prospectus, in connection with any investment in the Notes.

Sole Structuring Advisor

BNP PARIBAS

Joint Lead Managers

**BNP PARIBAS
CRÉDIT AGRICOLE CIB
NATIXIS**

**CITIGROUP
BofA MERRILL LYNCH
NOMURA**

*This Prospectus should be read and construed in conjunction with any supplement, that may be published between the date of this Prospectus and the date of the admission to trading of the Notes on Euronext Paris, and with all documents incorporated by reference herein (see "Documents Incorporated by Reference") (together, the **Prospectus**).*

This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive and the relevant implementing measures in France, in respect of, and for the purposes of giving information with regard to, the Issuer and the Group (as defined below) 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.

Certain information contained in this Prospectus and/or documents incorporated herein by reference has 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 such sources, no facts have been omitted which would render the information reproduced inaccurate or misleading.

*References herein to the **Issuer** are to CNP Assurances. References to the **Group** are to the Issuer, together with its fully consolidated subsidiaries taken as a whole from time to time.*

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Lead Managers (as defined in "Subscription and Sale"). Neither the delivery of this Prospectus nor any offering or sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or 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 of the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

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. Neither the Issuer nor the Joint Lead Managers 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 Joint Lead Managers which would permit a public offering of the 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 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 comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restriction. 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, France, Hong Kong, Singapore, Switzerland and Italy, see the section entitled "Subscription and Sale".

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, 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. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS PROSPECTUS, SEE "SUBSCRIPTION AND SALE".

The Joint Lead Managers have not separately verified the information contained in this Prospectus. None of the Joint Lead Managers makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information contained or incorporated by reference into this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes. Neither this Prospectus nor any information incorporated by reference into this Prospectus is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any information incorporated by reference should subscribe for or purchase the Notes. In making an investment decision regarding the Notes, prospective investors must rely on their own independent investigation and appraisal of the (a) the Issuer, the Group, its business, its financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The contents of this Prospectus are 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. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer or the Group after the date of this Prospectus or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the 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 Joint Lead Managers 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 Joint Lead Managers to any person to subscribe for or to purchase any Notes.

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

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should read the entire Prospectus. The following is a disclosure of risk factors that are material to the Notes in order to assess the market risk associated with these Notes and risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes. Prospective investors should consider these risk factors before deciding to purchase Notes. The following statements are not exhaustive. Prospective investors should consider all information provided in this Prospectus and consult with their own professional advisers if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another. The occurrence of one or more risks may have a material adverse effect on the own funds, the financial position and the operating result of the Issuer.

Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer or the Group, 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.

*Words and expressions defined in the section entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this section. For the purpose of this section, the **Group** is defined as the Issuer and its fully consolidated subsidiaries taken as a whole from time to time. Expressions in this section such as "we", "our", "us" and any similar terms are a reference to the Issuer and/or the Group, as the case may be, unless the context requires otherwise.*

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

RISK FACTORS RELATING TO THE ISSUER

Introduction: Macroeconomic environment

The 2015 economic and financial environment is described in section 2.1 of the 2015 Registration Document (as defined in the section "Information Incorporated by Reference"). Any reference in this section to consolidated financial statements and to Notes thereto are to the audited consolidated financial statements of the Issuer for the year ended 31 December 2015 and their annexes, all included in the 2015 Registration Document (as defined in the section "Information Incorporated by Reference"), which is incorporated by reference in this Prospectus.

The risks described below are inherent to the economic, competitive and regulatory environment in which the Group operates.

Their impact cannot always be reliably measured, due to the many contingencies and uncertainties related to these risks. Risk management processes, procedures and controls have nonetheless been set up to track and

manage the risks on an ongoing basis. These processes, procedures and controls are discussed in the report of the Chairman of the Board of Directors in this Registration Document.

Although the main risks to which the Group is exposed are set out in this section, the list is by no means exhaustive and other risks that are currently unknown or are considered minor or not material may prove to have a material impact on the Group in the future.

The Group may also be exposed to emerging risks, corresponding to new or continually evolving risks whose impact is very difficult to measure. Risks may be related to developments in synthetic biology, for example, or any currently unknown toxic effects of products using nanotechnologies. There may also be risks related to the development of big data, which could result in increased data security risks. Risks that are currently unknown or considered of minor importance may have a material adverse effect on the Group in the future.

Specific processes exist to identify and analyse emerging risks. These include keeping abreast of relevant scientific publications, market trends, regulatory developments, case law, etc. and performing annual reviews to identify those risks that should be incorporated into the routine risk management process.

This section presents the Group's risk exposures by type of risk, level of materiality and potential impact on consolidated results and assets.

In addition to the sections covering the overall Group risk management system and internal control procedures in the report of the Chairman of the Board of Directors of CNP Assurances, the following are successively dealt with:

- **underwriting risk factors linked to the insurance business:** insurance risk on savings contracts, pension and personal risk products, concentration of insurance risk, reinsurance risk and liability adequacy risk due to changes in assumptions;
- **risk factors linked to the financial markets:** asset/liability mismatch risk, interest rate risk, credit risk, sovereign debt risk, country risk, liquidity risk, equity risk, real estate risk, infrastructure risk, private equity risk, currency risk and hedging adequacy risk;
- **risk factors linked to the business:** operational risks, business continuity risk, compliance risk, litigation risk, money-laundering and fraud risk, information systems risk, employee-related risk and environmental risk;
- **other risk factors:** tax risk, ratings downgrade risk, partner risk, regulatory and antitrust risk, modelling risk.

This presentation should be read in conjunction with the tables illustrating and quantifying these risks that are included in the consolidated financial statements and have been audited by the Statutory Auditors.

1. Underwriting risk factors linked to the insurance business

The Group offers a full range of insurance products both inside and outside France.

The main individual insurance products are savings products, term life insurance, endowment policies with death cover and deferred annuity contracts with or without contingency insurance. The Group also markets products that combine a traditional savings component and one or several unit-linked components.

Group policies are mainly defined contribution pension plans, points-based pay-as-you-go group pension plans, employee benefits plans and term creditor insurance.

In addition, the Group's subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write property & casualty and liability insurance. Commitments under property &

casualty and liability insurance are marginal in relation to those arising from the life and protection insurance written by the Group.

CNP Assurances is exposed to the risks inherent in marketing and pricing new products. These risks are managed through specific processes and by dedicated committees.

The insurer's risks differ depending on the type of policy:

Savings contracts give rise to mainly financial-type risks

Savings contracts fall into two broad categories:

- traditional savings products, where the insurer may commit to pay a minimum guaranteed yield plus a share of the investment yield. The yield guarantee is for a fixed period (see Note 24.4 to the consolidated financial statements – Risk of guaranteed yields on insurance and financial liabilities).

Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on stock market performance, the performance of competitors' products, policyholder behaviour (e.g., a need to raise cash), customer confidence, and tax considerations. A wave of surrenders could materially impact earnings or even solvency in extreme conditions. Traditional savings products are exposed to surrender risk in the event of a sharp increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both earnings and solvency;

- unit-linked products, where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit. A bear market combined with higher-than-expected losses could severely hit earnings on savings products. Unit-linked products are subjected to an internal analysis and selection process before being marketed.

Pension products give rise to mainly financial and underwriting risks

Risks associated with annuity-based pension portfolios concern:

- the benefit payment period, which is not known in advance;
- the interest rate, corresponding to the return on the funds managed by the insurer.

For these contracts, results are determined by long-term financial management strategies and actual mortality rates compared with assumptions. Technical reserves are calculated using regulatory mortality tables based on statistical data on population trends. In certain cases, experience-based data is also used. Earnings or equity are potentially exposed to the risk that actual demographic trends may turn out to be significantly different to those predicted in the mortality tables or the risk that yields on plan assets will fall significantly short of the valuation rate of interest used in the pricing model.

Personal risk policies give rise to mainly underwriting risks

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment.

The Group establishes risk selection and reinsurance policies and monitors statistical data concerning the policyholder base and related loss ratios.

Deteriorating loss ratios for temporary disability cover provided under term creditor insurance and employee benefit plans, together with longer observed life expectancies of insureds requiring long-term care have led to a major rethink of the pricing strategy for these products.

The increase in the legal retirement age in France has also had an adverse impact as benefits are payable until the policyholder retires.

Asymmetric information available to policyholders and insurers gives rise to a risk of anti-selection although this is attenuated by the use of medical questionnaires, deferred periods and other measures.

The Group's business may be affected by the occurrence of natural or human catastrophes.

Although CNP Assurances' business model focuses primarily on personal insurance, a wave of global climate-related disasters, acts of terrorism, the spread of pandemics such as the H5N1 and Ebola viruses, or fallout from global warming, aside from the immediate damage that such events would cause, could also significantly impact the results of certain personal insurance businesses.

The Group is exposed to concentration risk

The Group has potential exposure to concentration risk which could arise from:

- one or a number of Group entities underwriting the same risk;
- one or a number of Group entities underwriting different risks likely to result in claims arising from the same loss event or primary cause.

Identifying and containing concentration risk is part of the product development and approval procedure and product portfolio management, which includes managing the related reinsurance cover (see Note 24.5 to the consolidated financial statements – Concentration of insurance risk).

The Group has set up a reinsurance programme to limit risk exposure

The reinsurance programme is an important part of managing both the insurance business and the related risk. It has the following features and objectives:

- the reinsurance policy is implemented throughout the Group, covering business written by the Company and by its subsidiaries;
- overall underwriting results are protected by non-proportional treaties that are geared to the size of the Group and its claims-paying ability;
- risks are shared on large-scale new Personal Risk business.

Other reinsurance treaties have been set up for strategic and commercial reasons.

Applications have been developed to monitor reinsured portfolios and these are presented in Note 10.5 to the consolidated financial statements – Credit risk on reinsured business. The Group's exposure to its main reinsurers is also analysed to ensure that cumulative exposure remains within defined limits. Even if all relevant exposure limits are complied with, certain reinsurers may be unable to honour their financial obligations and this could adversely affect the Group's consolidated earnings.

The availability, amount and cost of reinsurance also hinges on numerous factors and these may vary considerably over time. An increase in the cost of reinsurance may affect Group earnings either directly *via* the reinsured business or because a reduction in the reinsurance rate increases the risk of losses.

A change in assumptions may result in inadequate technical reserves or adversely affect earnings or solvency

Prudential technical reserves are the core of the Solvency II balance sheet, and hence have a material impact on CNP Assurances' solvency.

The modelling of insurance liabilities requires the use of biometric assumptions in relation to mortality and disability events. Behavioural assumptions are also required to consider the duration of liabilities, such as surrender behaviour.

Moreover, future management decisions are incorporated into models, reflecting management actions in different economic scenarios. Thus, all the assumptions for calculation of technical reserves are cautiously analysed and verified. Any errors on them could have an impact on the overall risk profile of the company.

The approach used to ensure that technical reserves are adequate focuses on:

- managing the risks associated with a fall in interest rates;
- taking into account any increase in life expectancies compared with the periods reflected in regulatory mortality tables, by using an approved experience-based table developed internally;
- regularly assessing risks *via*:
- prospective monitoring of yield commitments,
- detailed analyses and statistical studies of personal risk and group death/disability contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

The main categories of technical reserves are disclosed in Note 24.3 to the 2015 consolidated financial statements – Valuation of insurance liabilities (the 2015 consolidated financial statements are included in the 2015 Registration Document (as defined in the section “Information Incorporated by Reference”), which is incorporated by reference in this Prospectus).

Statistical and actuarial approaches are used to:

- develop new products;
- determine technical reserves, their adequacy (*via* liability adequacy tests), deferred participation reserves and assets and the latter's recoverability;
- measure certain indicators such as new business value or embedded value (see Embedded Value report);
- measure the value of In-Force business and cash flow projections used for goodwill impairment testing;
- determine potential shock scenarios in order to assess the Group's risk exposure.

Certain assumptions use data extrapolated from past experience or prospective data that draw upon:

- economic, demographic, social, legislative, regulatory or financial trends;
- policyholder behaviour (surrender rate, renewal/non-renewal rate, etc.);

- factors specific to life insurance such as mortality, morbidity or longevity.

While the assumptions used appear reasonable at the measurement date, actual future experience may be significantly different. In particular, changes in technical assumptions or in the financial markets may affect reserving rates, underwriting costs, embedded value and new business value, and negatively impact the Group's consolidated earnings and solvency (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV[®] to market risks - the 2015 consolidated financial statements are included in the 2015 Registration Document (as defined in the section “Information Incorporated by Reference”), which is incorporated by reference in this Prospectus)).

2. Risk factors linked to the financial markets

The Group must always maintain a match between asset and liability maturities and yields

The Group has established management information systems to optimise its asset allocation strategies and to measure asset/liability mismatch risk. Asset/liability management (ALM) strategies match the structures of asset portfolios to policyholder commitments while seeking to maximise investment yields for a given level of risk.

ALM techniques use deterministic and stochastic modelling of (i) financial market behaviour to measure assets and (ii) changes in insurance commitments under various different scenarios to measure liabilities.

This allows asset maturities to be matched to the profiles of the Group's different liabilities. However, as with all modelling techniques, there are inherent risks. If assumptions used were to be invalidated by actual events or if a situation not provided for under any of the models were to arise, CNP Assurances may be forced to sell off assets at a loss or it may have insufficient amounts of profitable assets to meet its commitments to policyholders.

The Group is exposed to the risk of a fall in interest rates

The impact of a possible fall in interest rates on the Group's ability to fulfil its commitments to policyholders is analysed at regular intervals.

During a period of falling interest rates, yields on reinvested premiums decline, leading to a gradual erosion of portfolio yields (see Note 22.3 to the consolidated financial statements – Interest rate risk on financial assets).

A prolonged fall in interest rates makes planned premium loadings more difficult to apply and exposes the insurer to a risk of lower margins on traditional life insurance products.

In more extreme scenarios, despite the relatively low weighting of contracts with a guaranteed yield, there is a risk that asset yields will be insufficient to cover contractually guaranteed yields, forcing the Group to eat into its own-funds portfolio to pay the guaranteed amount.

Pension products – especially group pensions – as well as certain personal risk and group death/disability contracts are particularly exposed to the risk of a fall in interest rates.

Given the importance of its life insurance business via capital-guaranteed savings contracts, CNP Assurances is sensitive to reductions in interest rates as well as to a prolonged very low interest rate environment which, if it were to continue, could impact the Group's earnings and capital. For several years, CNP Assurances has implemented a policy of setting aside a portion of the investment income generated by its assets in its policyholder surplus reserve, which could be used in such a situation. In addition, initiatives have been taken to modify new products in order to adapt our liabilities over time to the new very low interest rate environment.

Moreover, a change in assumption about interest rate projections, for instance taking into account negative interest rates, could have an impact on the calculation of CNP Assurances' own fund and solvency capital required under Solvency II Regulations.

In 2015, very low interest rates across all of Europe increased the Group's exposure to these risks.

The Brazilian business is significantly less sensitive to interest rates given the main types of products sold. These are predominantly personal risk contracts and property & casualty insurance that are generally more exposed to underwriting risks, and unit-linked pension products that are also less exposed to interest rate fluctuations.

A sharp rise in interest rates increases policy surrender risk

In the event of a sharp increase in interest rates, yields on the Group's investment portfolios may lag behind the market, generating a mismatch between the yields paid on the Group's products and those available on other financial products.

CNP Assurances may then have to contend with an increase in life insurance policy surrenders as policyholders seek higher yields elsewhere.

A spike in the surrender rate could force the Group to sell off bonds at a loss. This could then trigger a negative spiral whereby such losses accentuate the mismatch between the yield being paid to the Group's policyholders and those available on the market, thus pushing the surrender rate even higher (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV[®] to market risks).

The risk associated with an increase in interest rates is closely monitored and this is a key focus of the Group's asset/liability management strategy.

Liabilities:

- traditional savings products with a unit-linked formula include contractual clauses limiting or banning transfers between portfolios in the event of an unfavourable change in market conditions;
- the duration and level of yield guarantees is limited thereby allowing asset managers to reduce the weighting of long-dated bonds in the managed portfolios.

Assets:

- investment strategies include investing in floating rate and index-linked bonds;
- investment strategies include investing in bonds with diversified maturities;
- part of the portfolio is invested in money market funds;
- part of the portfolio of fixed-rate bonds is hedged using caps (see Note 9.6 to the consolidated financial statements – Derivative instruments).

The Group hedges against the risk of higher interest rates. In the case of a sharp rise in interest rates to above certain trigger points, the hedges acquired by the Group would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the yield on the hedged assets in a period of rising interest rates.

The hedging programme is extended each year to keep pace with growth in assets under management.

As a long-term investor, CNP Assurances is exposed to credit risk (or counterparty risk) on its investments

See Note 9.8 to the consolidated financial statements – Credit risk.

The credit risk (or counterparty risk) on a bond is the risk of issuer default.

This depends on the issuer's financial bill of health as reflected in agency ratings (which can range from AAA to D). The credit "spread" is the risk premium – in other words, the difference between the yield on a bond and that on an investment-grade government bond with the same characteristics.

Credit spreads vary according to investor perceptions of the issuer's counterparty risk.

Historically, spreads on corporate bonds tend to narrow in periods of growth and they widen during a recession when the number of issuer defaults generally increases.

The Group would be exposed to losses in the event of one or a number of issuer defaults.

But even without an actual default, at certain periods there may be an inflated perception of risk and spreads in general may reflect excessively gloomy business forecasts that push down the value of the investment portfolio.

Changes in credit spread therefore have a direct impact on the fair value of bonds held in the portfolio and consequently on the level of unrealised gains or losses.

The Group manages this risk by applying a series of exposure limits, diversifying the portfolio and tracking investments constantly.

Counterparty risk also extends to derivative instruments (such as interest rate swaps – *i.e.*, caps and floors – and swaptions), reinsurance and repos. Margin calls and overcollateralisation arrangements are used to reduce counterparty risk through an exchange of collateral.

See the tables in the following notes to the consolidated financial statements: Note 9.3 – Repurchase agreements, Note 9.4 – Lent securities, and Note 9.6 – Derivative instruments.

A significant portion of the Group's investment portfolio is invested in government bonds and exposed to sovereign risk

See Note 9.9 to the consolidated financial statements – Classification of investments by type of asset and by geographic region.

Sovereign risk is the risk that a sovereign issuer defaults and that bondholders are unable to recover part or all of their investment.

Due to the nature of the assets in the portfolio, the Group has significant exposure to this type of risk.

During periods of increased government borrowing, fears may grow concerning the ability of certain sovereign issuers to continue to service their debt, leading to investor distrust of the corresponding bonds and significantly wider spreads. In extreme situations, the Group may be faced with an actual default or a debt restructuring and have to take a significant haircut on the securities in question.

Following the difficulties encountered by private issuers in 2008 and 2009, the period 2011 to 2013 was characterised by increased sovereign risk. The Greek debt crisis led to heightened uncertainty over the ability of sovereign issuers to service their debt. Despite the creation of a European financial stability mechanism, these uncertainties spread to other European states, including Italy, Spain and Portugal.

A large proportion of the Group's financial assets is invested in European government – especially French – bonds and is sensitive to any widening in spreads. A rise in interest rates coupled with a large number of policy surrenders would trigger losses on the sale of bonds which could in turn impact the Group's equity. Since 2011, exposure to sovereign debt issued by “peripheral” euro zone governments has been closely monitored and the Group has also paid very close attention to the sovereign debt of two of its host countries, Spain and Italy. It has stepped up its oversight of developments in these countries, and increased its monitoring of their sovereign debt.

Outside the euro zone, the Group's investments may be subject to country risk due to restrictions on asset transfers

The Group has developed a significant international presence and may be confronted with various different country risks culminating in an inability to repatriate the capital it has invested abroad. This risk mainly concerns the Group's investment in its South American subsidiaries.

In the event of a sharp rise in the policy surrender rate, the Group would be exposed to significantly higher liquidity risk

See Note 23.1 to the consolidated financial statements – Liquidity risk.

Liquidity measures a debtor's ability to pay its debts and honour its obligations as and when they fall due. For CNP Assurances, liquidity risk is the possibility that it will be unable to pay policyholders in the event of a sharp rise in surrender rates.

Liquidity risk varies inversely with policyholder confidence; in the event of a loss of confidence, the Group could find that it has insufficient liquid assets to deal with a wave of surrenders. A lack of confidence in the Group could also mean that it is no longer able to find any takers on the market for its subordinated notes.

In practice, liquidity risk may arise if net new money becomes sharply negative, forcing the Group to sell off investments to make policyholder payments. In order to deal with such an eventuality, the Group maintains liquidity reserves and holds portfolios of liquid investments. Although these are for large amounts, they could still prove to be insufficient under extreme conditions.

It should be noted that the Group's subordinated debt is not subject to financial covenants.

CNP Assurances is exposed to the risk of a fall in the value and dividend yield of its equity portfolio

See Note 20 to the consolidated financial statements – Investment income.

Equity risk measures the sensitivity of the equity portfolio to changes in stock market prices. By extension, the definition of equities also includes investments in private equity and equity funds. Volatility measures the extent of equity price changes and is used to quantify the yield and price risk. High volatility means high potential gains but also a higher risk of losses.

The insurer may have to set aside impairment provisions for unrealised losses on certain securities and this will negatively affect earnings.

For example, the Group may hold shares in a heavily leveraged company whose value is underpinned by forecasts of future profitable growth. If the Company fails to meet its growth target or has difficulty making debt repayments, the share price may take a big hit.

Moreover, while the Group may not be directly affected by a fall in the value of unit-linked portfolios, there is still a risk that its margins will suffer.

See Note 23.3 to the consolidated financial statements – Reconciliation of unit-linked assets and liabilities.

Although stock markets in and outside Europe have remained generally volatile and may be subject to major fluctuations (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV[®] to market risks), the Eurostoxx 50 index of European stocks nevertheless gained in value over 2015.

CNP Assurances has invested in real estate, infrastructure and private equity funds and is exposed to the risk of a fall in the value or yields of these asset classes

Real estate risk measures the sensitivity of property portfolio values to changes in real estate market prices and concerns all property regardless of use, *i.e.*, owner-occupied and rental or investment property.

The rental income from a property portfolio is exposed to market risk (*e.g.*, excess of supply over demand, vacancy rates and their impact on rental value) as well as to the risk of tenant default and declines in rent adjustment indices.

The value of real estate owned directly or through a fund is exposed to the risk of changes in rental income and in the investment market itself, as well as to the potential risk that certain buildings will be rendered obsolete by new regulations (on energy consumption, for example) resulting in losses in the event of sale or additional costs to bring the assets back into compliance.

CNP Assurances' property portfolio has been renewed and enhanced over the past five years and now includes in particular a significant number of office buildings in the greater Paris region. Property prices have clearly increased over recent years and there are no signs to suggest that the Group should be concerned about rental income or vacancy rates in our properties. Nevertheless, the market is traditionally extremely volatile and a sharp fall in prices could have a negative impact on the value of the portfolio.

The current very low interest rate environment and the high levels of liquidity invested in the property market represent an additional risk factor (in the event of rate increases for example) highlighted by the French authority on financial stability, the *Haut Conseil de Stabilité Financière*. Although property companies are rarely exposed to leverage risks, they should also be taken into consideration given the current environment.

See Note 8 to the consolidated financial statements – Investment and owner-occupied property.

Private equity involves investors acquiring part of the capital of unlisted companies. This is a much more complex activity than buying shares in listed companies.

Most investments of this type are made through venture-capital and innovation funds and, to a lesser degree, venture capital companies in France.

There are two types of risk inherent in private equity: the yield risk and the risk associated with the lack of a liquid market for these investments which require a medium-term perspective.

A decline in the value of such investments (equities, property, infrastructure, private equity or unlisted investments) can have an adverse impact on consolidated earnings due to the provisions that must be set aside under the French *Code des Assurances*.

CNP Assurances is exposed to currency risk

See Note 9.10 to the consolidated financial statements – Foreign currency balances.

CNP Assurances presents its consolidated financial statements in euros. Most of the Group's currency risk is centred around the Brazilian subsidiary, Caixa Seguros Holding, which keeps its accounts in local currency. Indeed, the Brazilian subsidiary's contribution to the Group's performance – both in terms of premium income and earnings – is already substantial and continuing to grow meaning that fluctuations in the Brazilian real have a material impact on both consolidated net profit and cash flows. The Group has

purchased currency hedges to manage this risk; however these are based on analyses and forecasts and could prove inadequate or ineffective.

In 2015, the increased volatility of the Brazilian real led to an increase in the Group's exposure to currency risk.

With the exception of Caixa Seguros Holding, the bulk of asset portfolios are invested in the securities of euro zone issuers. As a result, the portfolios' exposure to currency risk is very limited.

The report of the Chairman of the Board of Directors of CNP Assurances analyses the Group's currency risk exposure.

CNP Assurances has issued deeply-subordinated notes denominated in US dollars and in sterling. It has contracted currency hedges for two of these issues and a third issue has been match-funded to investments denominated in the same currency.

See the tables in the following notes to the consolidated financial statements: Note 11 – Subordinated liabilities and Note 9.7 – Derivative instruments qualifying for hedge accounting.

The hedging programmes set up by CNP Assurances may prove inadequate or incomplete

See the following notes to the consolidated financial statements: Note 9.6 – Derivative instruments, and Note 9.7 – Derivative instruments qualifying for hedge accounting.

CNP Assurances tracks all types of financial market risk very closely and manages the exposure of both its assets and its liabilities through various hedging programmes.

However, these programmes may prove incomplete, ineffective or only partially effective in protecting the Group against increased exposure under extreme conditions or against losses that it wanted to attenuate, all of which could negatively affect the Group's business, earnings and financial position.

Even the most comprehensive and sophisticated hedging strategies cannot remove all risks of losses. Moreover, the Group may incur losses if one of the various hedging instruments or strategies it uses proves to be ineffective.

Any unexpected market developments may lessen the effectiveness of hedging strategies and recognition of gains and losses arising on the ineffective portion of certain hedges may subject the Group's reported results to greater volatility.

3. Risk factors linked to the business

Operational risk is defined as “the risk of loss resulting from inadequate or failed processes, people and systems or from external events”. This definition includes legal and compliance risks.

Risk management systems are designed to enhance operating managers' risk management capabilities and to be clearly identifiable to facilitate the crucial work of monitoring. Procedures are structured around the risk profile of the parent company and each of the subsidiaries. These operational risk management procedures round out the Group's internal control system – which could prove fallible – by tackling risks by category instead of using a unitary risk level approach based around processes and an upstream focus and they include risk mapping.

Certain activities outsourced to partners or outside contractors may give rise to a risk of non-compliance with insurance regulations or to quality-related risks

Subcontracting risk – as defined under Solvency II – has been highlighted as a significant risk within the Group's business model. Activities may be outsourced to partners (certain management operations, notably asset management) as well as to outside contractors (policy administration, information system management).

The main subcontracting risks, i.e., quality and compliance of the outsourced activities, regulatory compliance including the ban on price bargaining, dependence, loss of internal know-how and conflicts of interest, are reviewed on a regular basis. An internal subcontracting policy is helping to gradually increase employee understanding, monitoring and control of the related risks.

The main principles of this policy are as follows:

- Operational control of the outsourced activity: CNP Assurances remains able to assess the subcontractor's activities, largely through formally documented processes for the outsourced activity and established performance and service procedures
- Adequacy of the resources deployed to manage the risks, in order to maintain the level of effectiveness and gains expected from the outsourced activity: the resources mobilised to monitor the subcontracted activity are in proportion to the importance of the activity and the cost it represents for CNP Assurances
- Maintenance or improvement in quality and productivity levels compared to performing the activity in-house
- Application of the Group's general purchasing policy
- Compliance with all of the ethical and professional guidelines set out in the Group's code of ethics, including the Group's ethical purchasing charter and code of ethics, the code of conduct for CNP Assurances Group employees, the professional standards applicable to each business, such as those for UCITSs, the Group's Internal Control Charter, and the 10 principles of the United Nations Global Compact upheld by CNP Assurances

Operational roll-out of the subcontracting policy includes:

- The procedure for deciding if a function or activity is critical or important
- The procedure for choosing a contractor, and the details to be included in the written agreement with the service provider
- The procedure for monitoring the contractor, with the method and frequency of performance and result assessments
- The business contingency plans and exit strategies.

CNP Assurances' products and services may expose the Group to compliance risk

A number of changes have been made recently to the regulatory framework governing insurance activities. These mainly concern the national inter-professional agreement on employee benefit plans, but they also address customer protection issues, with the introduction of many new regulations on such topics as complaint processing, funeral product marketing and advertising materials.

By constantly monitoring regulations and industry standards, CNP Assurances keeps abreast of potential compliance risks throughout its diverse range of businesses.

Under the CNP Assurances business model, presentations of life insurance operations are generally prepared by the partner networks although these operations are the responsibility of the insurer. The products offered by the Group and the contractual and marketing documents presented to customers must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or the insurance proposal.

There are also numerous regulatory and contractual obligations throughout the life of a policy.

In the interests of customer service quality, over the past few years the Group has obtained quality certifications from recognised professional standards bodies (ISO 9001 for key management or marketing processes, CMMI or ITIL for IT processes). Regulatory texts and the recommendations published by France's banking and insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* or *ACPR*) are incorporated into the Group's internal procedures which also describe the controls to be performed by the employees concerned by each process. Particular attention is paid to compliance risks at the time of new product launches.

The number of lawsuits brought by French policyholders has remained stable over the past three years and the use of mediation has become much more popular, especially as all correspondence with policyholders now clearly explains how to use the mediation service. Recourse to procedures of this type concern only a very small proportion of the total number of policies managed by the Group but a provision is set aside for the estimated financial risk when appropriate.

As a financial intermediary, the Group is exposed to the risk of money-laundering and fraud

Combating money-laundering and the financing of terrorism is a constant concern for the Group which is exposed to these risks due to the nature of its businesses.

The business model, in which vast numbers of transactions are conducted by partners on the Group's behalf, has shaped the related controls. The tasks entrusted by the Group to intermediaries are described in the distribution agreements between CNP Assurances and its partners.

When policyholder relations are handled by partners, they also play a key role in data gathering and know-your-customer procedures. Nearly all transactions go through customer bank accounts referenced in the networks of the partners who perform background checks on cash flows.

Taking on board the observations of the ACPR and participating in industry studies helps the Group to adapt its processes where necessary and in particular to prepare for the Fourth EU directive which will require stricter prevention mechanisms.

CNP also has to contend with fraud. In addition to leveraging the processes and expertise already deployed to combat money-laundering, action has been taken to beef up controls performed by partners and the Group's own in-house administration units, as well as processes for analysing data on financial flows and contracts. Any suspicion of fraud detected by the administration units – either inside or outside the Group – or any ethically questionable practices or abuse of people in a vulnerable position by sales personnel are subject to an in-depth investigation by a specialised unit within the Group. The investigation is followed by a detailed report and recommendations where necessary.

Group entities have set up insurance programmes and contingency plans to mitigate operational risks

The Group has designed a series of measures to ensure that all potential risks are efficiently managed, reduce the probability that they will occur and limit their impact. These include two cross-functional measures: the insurance programme and the contingency plan.

As part of the risk assessment process, property and casualty insurance has been taken out to protect assets and cover liability risks, comprising both Group-wide policies and subsidiary-level policies.

Insured amounts and deductibles are determined according to the type of business, the size and the claims experience of the main Group entities.

A contingency plan has been drawn up describing the immediate action to be taken in a crisis situation.

The plan seeks to minimise the disruption to operations and to continue to offer customers and partners an adequate level of service. It is updated regularly and tested in real conditions to take into account the Company's changing needs and check that the earmarked human and technical resources are adequate.

As a major insurance player, any security incident exposes CNP Assurances' IT system and data to risk

The Group's sales and marketing and underwriting operations are all organised around information systems. These systems are of critical importance and they must be able to adapt to a rapidly changing environment.

Granting access to the systems to partners and outside contractors exposes the Group to risks of intrusion and malicious acts that could result in the disclosure of sensitive data.

Although the Group has invested considerable resources in ensuring that IT systems and processes are secure and fluid and that data integrity is protected, systems could still be hit by technical problems that have an adverse impact on operations.

The Group could be exposed to employee-related or environmental risk

The Group's reputation could be adversely affected by poor human resources management. This could concern the handling of psychosocial risks or a failure to promote gender equality, for example. The Group's image could also be tarnished by poor management of its forestry assets or property portfolios and the related environmental risk.

4. Other risk factors

Changes in tax legislation may have a material impact on the Group's situation

Tax risk covers all taxes and levies payable by the Group or collected on behalf of the government.

It concerns the application – sometimes retrospectively – and interpretation of changes to tax rules and the risk of failure to comply with the Group's tax obligations.

Poor management of tax risks can result in claims for additional taxes or penalties.

When new insurance products are being developed, particularly in life insurance, many factors are taken into account, including the product's tax treatment under current tax rules. Any changes in tax rules, particularly the removal of tax relief or the application of higher rates of taxation or new rules, could have an adverse effect on current and future premium income, technical reserves, net profit, the Group's cash position and financial position and possibly even its share price.

If CNP Assurances' credit rating were to be downgraded, this could lead to an increase in borrowing costs

One of the key criteria used by investors to estimate risk is a potential investee's rating, particularly in increasingly globalised financial markets where it is becoming harder to obtain reliable information and to manage all aspects of risk.

Consequently, any ratings downgrade could drive up the Group's borrowing costs and this in turn could have an adverse effect on its future earnings.

Standard and Poor's regularly reviews the ratings of CNP Assurances and its subsidiaries. The Group seeks to maintain a healthy rating as proof of its financial strength.

See Note 11 to the consolidated financial statements – Subordinated liabilities.

Risks related to the Group's strategic partnerships

To consolidate its presence in certain markets, the Group makes strategic investments, directly or through subsidiaries, in the form of partnerships.

These strategic partnerships are a means for the Group to share its economic and financial risk. They may simply be commercial arrangements, such as a distribution agreement, or involve the investment of capital in a joint subsidiary.

Joint ownership and operating arrangements both reduce the Group's investment risk and act as an incentive for the effective participation and involvement of the partner.

As part of its external growth strategy, whenever the Group identifies a potential acquisition, it commissions an in-depth audit of the target's financial position. Moreover, each stage of the operation is framed by governance processes that analyse the potential fit of the acquiree, thus enabling the relevant decision-making body to establish the conditions and parameters for finalising the operation.

Integrating these partnerships into the Group can sometimes take longer, be more difficult and require bigger teams of employees and managers than expected, and this may negatively affect consolidated earnings.

The constantly evolving nature of business means that there is no guarantee that the financial performance of acquirees or partners will come in on plan and big negative variances may result in impairment losses being recognised on goodwill or other intangible assets that will negatively impact the Group's financial position (see Note 7.1 to the consolidated financial statements – Intangible assets by category).

A partnership may have to be reviewed in the event of changes either to the project itself or to the local political and economic situation or the partner's own financial situation, or because of a disagreement between partners.

In order to manage all of these risks, the investment (or long-term partnership) is integrated into the Group's financial reporting system. Its performance is monitored and any necessary adjustments and corrective action is taken, sometimes in conjunction with the distribution partner.

The Group plays close attention to anticipating the expiry of any long-term partnerships as the ending of the strategic relationship may affect its earnings, financial position or business model.

To limit these risks, the Group ensures that the necessary anticipatory action is taken in good time.

For example, in February 2015, after discussions had taken place over several quarters, the Board of Directors approved the final terms of the agreement covering deployment of the renewed partnership between CNP Assurances and the BPCE Group for a period of seven years commencing 1 January 2016.

In December 2015, after many months of discussions, CNP Assurances and La Banque Postale announced the signature of a preliminary memorandum of understanding for the renewal of their partnership as of 2016 for a further period of ten years.

In December 2015, a partnership framework agreement was signed with AG2R LA MONDIALE in the area of retirement savings.

Risks related to the Group's host countries

The Group has operations in many countries, in Europe and Latin America. The sustainability and development of its businesses depends in part on these countries' economic health and political stability.

In 2015, Caixa Seguradora's host country, Brazil, plunged into recession and experienced a major political crisis. The Group has kept a close watch over the situation. To date, the main consequences have been a high rate of inflation and depreciation of the real against the euro (see discussion of currency risk in section 5.6.2 – Risk factors linked to the financial markets). Caixa Seguradora's business continued to grow in 2015, despite the turbulent conditions.

Risks related to new regulations

The introduction of new regulations either inside or outside Europe could prove both complex and costly for the Group. Many different departments may be concerned by the change, information systems may have to be adapted and significant costs may have to be incurred for staff training to ensure compliance with the new regulatory framework.

In 2015, the introduction of new regulations governing protection insurance (notably, the "Hamon Act", the "Marini Amendment" and the health insurance act in France and new regulations in Italy) is likely to affect loss ratios for the classes of business concerned. The new regulations have been analysed to enable the Group to adapt to the new regulatory framework.

In 2016, the Solvency II Directive comes into effect, creating a more sophisticated regulatory framework for the Group's businesses. Many new procedures and reporting systems have had to be developed, which give rise to new operational risks for the Group. In addition, due to its highly complex nature, Solvency II has created a compliance risk arising from possible differences of interpretation of certain provisions between CNP Assurances and the ACPR. With the integration of Solvency II processes into the internal control system and completion of numerous exercises to test the new processes, the Group has deployed the necessary resources to attenuate these new risks.

CNP Assurances' highly competitive market is a source of constant risks for both its business and earnings

CNP Assurances does business in a fiercely competitive market comprising diverse types of players (insurance companies, mutual insurers, employee benefits institutions, and commercial and investment banks, etc.) subject to different regulations and using many different distribution channels to market alternative products, some of which may be cheaper than the Group's offering.

This competitive pressure may force the Group to cut prices for certain products and services, which could put a strain on margins and negatively affect its earnings and financial position.

Any harm done to the Group's image or reputation could have an adverse impact on future earnings.

RISK FACTORS RELATING TO THE NOTES

In addition to the risks relating to the Issuer (including the default risk) that may affect the Issuer's ability to fulfil its obligations under the Notes, there are certain factors which are material for the purpose of assessing the risks associated with an investment in the Notes.

1. **General Risks relating to the Notes and to the market**

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 Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

The Notes 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:

- (i) 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 into this Prospectus or any applicable supplement;
- (ii) 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;
- (iii) 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;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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.

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.

None of the Issuer, the Joint Lead Managers or 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.

Modification and waivers.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Regulatory and 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 (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) 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 the Notes under any applicable risk-based capital or similar rules.

Taxation.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors cannot rely upon such tax summary contained in this Prospectus but should ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, disposal and redemption of the Notes. Potential investors are also advised to ask for their own tax adviser's advice on their individual taxation when payments of interest and other revenues with respect to the Notes are made by a paying agent (within the meaning of Council Directive 2003/48/EC) established in Austria. Only this adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

The proposed financial transactions tax (FTT).

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). In March 2016, Estonia indicated its withdrawal from the enhanced cooperation.

The Commission's Proposal has very broad scope and could, if introduced, 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 where at least one party is a financial institution, and at least one party is established in a participating Member State. 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.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Change of law.

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

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 preservation (*procédure de sauvegarde, procédure de sauvegarde accélérée* or *procédure de sauvegarde financière 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) and regardless of their governing law.

The Assembly deliberates on the draft safeguard (*projet de plan de sauvegarde, projet de plan de sauvegarde accélérée* or *projet de plan de sauvegarde financière 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 and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares or securities that give or may give access 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 expressing a vote). No quorum is required.

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 in these circumstances.

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.

Liquidity risks and market value of the Notes.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as general economic conditions, political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded, the financial condition and the creditworthiness of the Issuer and/or the Group, as well as other factors such as the method of calculating the return to be paid in respect of such Notes, the outstanding amount of the Notes, any redemption features of the Notes and the level, direction and volatility of interest rates generally. Such factors also will affect the market value of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and in certain circumstances such investors could suffer loss of their entire investment.

No active secondary market.

The Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

In addition, investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that the Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant.

The price at which a Noteholder will be able to sell the Notes prior to redemption by the Issuer may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder. The Issuer or its subsidiaries are entitled to buy the Notes, which may be cancelled or held in accordance with applicable law, and to issue further Notes which may or may not be assimilated to the 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.

The United Kingdom's impending departure from the European Union could adversely affect the Group.

The United Kingdom held a referendum on 23 June 2016 in which a majority voted to exit the European Union (**Brexit**). Negotiations are expected to commence to determine the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic, market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the pound sterling or the euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Any of these effects of Brexit, and others we cannot anticipate, could adversely affect the Group's business, results of operations, financial condition and cash flows, and could negatively impact the value of the Notes.

2. Risks relating to the structure of the Notes

The Notes are subordinated obligations of the Issuer

The status of the Notes may change as follows during the life of the Notes:

- (i) **Prior to the Existing Ordinary Subordinated Obligation Redemption Event:** The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsecured Ordinary Subordinated Obligations and rank and shall at all times rank without any preference among themselves (save for certain obligations required to be preferred by French law) equally and rateably with any other existing or future Ordinary Subordinated Obligations, in priority to all present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, but behind subordinated Obligations expressed to rank senior to Ordinary Subordinated Obligations, if any, and behind Unsubordinated Obligations.
- (ii) **As from the Existing Ordinary Subordinated Obligation Redemption Event (inclusive):** The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, will constitute direct, unconditional, unsecured Senior Subordinated Obligations and rank and shall at all times rank without any preference among themselves (save for certain obligations required to be preferred by French law) equally and rateably with any other existing or future Senior Subordinated Obligations, in priority to all present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, Ordinary Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, but behind subordinated Obligations expressed to rank senior to Senior Subordinated Obligations, if any, and behind Unsubordinated Obligations.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of judicial rehabilitation (*redressement judiciaire*), the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any reason, the rights of the Noteholders in respect of principal, interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) will be subordinated to the payments of claims of other creditors of the Issuer (other than subordinated claims) including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, and holders of insurance policies issued by such entities and creditors with respect to Unsubordinated Obligations.

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 related interest will be terminated.

Thus, the Noteholders face a higher performance risk than holders of Unsubordinated Obligations of the Issuer.

Deferral of Redemption or Purchase

The Issuer may be required to defer any redemption or purchase of the Notes as described in Conditions 5.1, 5.2, 5.3, 5.5 and 5.6 if, on the due date for such redemption or purchase, the Conditions to Redemption and Purchase are not satisfied, namely that (i) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Notes were

redeemed or purchased or (ii) an Insolvent Insurance Affiliate Winding-up has occurred and is continuing (all as defined and further described in the Terms and Conditions).

If redemption or purchase of the Notes is deferred, the Notes will become due for redemption or purchase only upon satisfaction of the Conditions to Redemption and Purchase as described in Condition 5.8.

Deferral of interest payment.

On any Mandatory Interest Deferral Date (as defined in the Terms and Conditions of the Notes), the Issuer will be obliged to defer payment of all (but not some only) of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment.

Any interest not paid on a Mandatory Interest Deferral Date and deferred shall so long as it remains outstanding constitute Arrears of Interest and shall be payable as outlined in Condition 4.5(ii) of the Terms and Conditions of the Notes.

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 or the Group's financial condition.

Early redemption risk.

The Issuer may, at its option (subject to Condition 5.8 of the Notes and the Prior Approval of the Relevant Supervisory Authority), redeem the Notes upon the occurrence of certain events, including a Gross-up Event, a Withholding Tax Event, a Tax Deductibility Event, a Regulatory Event or if the conditions to a Clean-up Redemption are met, all as further described in "Terms and Conditions of the Notes - Redemption and Purchase".

Such redemption options 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 of the Notes 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.

Subject to the Terms and Conditions of the Notes, the Issuer may also purchase 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 purchase 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.

The Issuer is not required to redeem the Notes in the case of a Gross-Up Event.

There is uncertainty as to whether gross-up obligations in general, including those under the Terms and Conditions of the Notes, are enforceable under French law. If any obligations to pay Additional Amounts under Condition 7 are held to be illegal or unenforceable under French law, the Issuer will have the right, but not the obligation, to redeem all (but not some only) the Notes. Accordingly, if the Issuer does not redeem the Notes upon the occurrence of a Gross-Up Event as described in Condition 5.2(1), Noteholders may receive less than the full amount due under the Notes, and the market value of the Notes will be adversely affected.

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 judicial 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 and no negative pledge.

There is no restriction on the amount of debt which the Issuer or any other member of the Group 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 or the Group'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. In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that the Issuer and its subsidiaries and affiliate may pledge its or their assets to secure other obligations without granting similar security in respect of the Notes.

Pursuant to article L.327-2 of the French *Code des assurances*, 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.

Credit ratings may not reflect all risks.

The Notes are rated BBB+ by S&P Global Ratings (**Standard & Poor's**). The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, rating agencies other than Standard and Poor's could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by Standard & Poor's, those unsolicited ratings could have an adverse effect on the value and the marketability of the Notes.

Any decline in the credit ratings of the Issuer may affect the market value of the Notes.

Standard & Poor's has assigned a A long-term senior, unsecured debt rating to the Issuer. Standard & Poor's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, commonly referred to as "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered or withdrawn, this may have a negative impact on the trading price of the Notes.

Interest rate risk.

The Notes bear interest at a fixed rate, and accordingly investment in such Notes involves the risk that subsequent changes (in particular, increases) in market interest rates may adversely affect the value of the Notes.

Implementation of the Solvency II Directive.

The Notes are issued for capital adequacy regulatory purposes with the intention that all the proceeds of the Notes be eligible, (x) for the purpose of the determination of the Issuer's (solo) or the Group's (consolidated) solvency margin or capital adequacy levels under the Solvency II Regulations or (y) as at least "tier three" own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) for the purposes of the determination of its solvency margin or capital adequacy levels under the 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.

The Issuer's expectation is based on its review of available information relating to the implementation of the Solvency II Directive in France by Ordinance 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 and the "level two" implementation measures set out in Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 which entered into force on 18 January 2015. The Solvency II Directive requirements went into effect on 1 January 2016.

Additional regulatory developments regarding solvency requirements, including further implementing measures under the Solvency II Directive or changes resulting from further efforts by the European Insurance and Occupational Pensions Authority to harmonize implementation of the Solvency II Directive may lead to further changes in the insurance industry's solvency framework and prudential regime as well as associated costs. It is difficult to predict how the regulations resulting from such initiatives and proposals will affect the insurance industry generally or the Group's results of operations, financial condition and liquidity.

Accordingly, Noteholders should be aware that the implementation of the Solvency II framework may lead to, or increase the likelihood of, a deferral of payments of principal or interest under the Notes and/or an early redemption of the Notes. Such implementation may also impact the Issuer's ability to pay any Arrears of Interest and any Additional Interest Amounts thereon.

Optional redemption, exchange or variation of the Notes.

There is a risk that, after the issue of the Notes, a Regulatory Event may occur which would entitle the Issuer, without the consent or approval of the Noteholders, to exchange or vary the Notes, subject to not being prejudicial to the interest of the Noteholders, so that after such exchange or variation they would be eligible as provided for under (x) or (y) of the risk factor entitled "*Implementation of the Solvency II Directive.*" above.

Alternatively, the Issuer reserves the right, under the same circumstances, to redeem the Notes early as further described in "Early redemption risk" above and in "Terms and Conditions of the Notes - Redemption and Purchase".

In case of such early redemption, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to reinvest at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

However, the Notes may not be purchased or redeemed prior to the fifth anniversary of the Issue Date upon the occurrence of a Tax Deductibility Event, a Regulatory Event or if the conditions for Clean-up Redemption are met, and prior to the Scheduled Maturity Date upon occurrence of Gross-Up Event or Withholding Tax Event, unless the redemption or purchase has been funded out of the proceeds of a new issuance of own funds regulatory capital of the same or higher quality as the Notes and subject always to the Prior Approval of the Relevant Supervisory Authority.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking statements including, but not limited to, statements with respect to the Issuer's business strategies, expansion and growth of operations, plans or objectives, trends in its business, 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. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "project", "anticipate", "seek", "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" above.

The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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. 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:	CNP Assurances.
Description:	€1,000,000,000 1.875 per cent. Tier 3 notes due 20 October 2022 (the Notes)
Sole Structuring Advisor:	BNP Paribas
Joint Lead Managers:	BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Merrill Lynch International, Natixis and Nomura International plc
Fiscal Agent and Principal Paying Agent:	BNP Paribas Securities Services
Aggregate Principal Amount:	€1,000,000,000
Denomination:	€100,000 per Note
Issue Date:	20 October 2016
Issue Price:	99.719 per cent.
Scheduled Maturity Date:	Subject to the Prior Approval of the Relevant Supervisory Authority, unless previously redeemed or purchased and cancelled, the Notes will be redeemed on 20 October 2022, if the Conditions to Redemption and Purchase are satisfied and otherwise as soon thereafter as the Conditions to Redemption and Purchase are satisfied.

Principal Amount means €100,000, being the principal amount of each Note on the Issue Date (as defined below)

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 the Solvency II Regulations.

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer and/or the Group, in the event that the Issuer and/or the Group is required to comply with certain applicable solvency margins or capital adequacy levels. The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution*.

Solvency II Directive means Directive 2009/138/EC of the European Union of

25 November 2009 (as amended, as the case may be) on the taking-up and pursuit of the business of insurance and reinsurance, 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 the Solvency II Directive).

Solvency II Regulations means the solvency margin, capital adequacy regulations or any other regulatory capital rules which are applicable in France (or if the Issuer and/or the Group 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 by the French 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) and the guidelines and recommendations from time to time of the European Insurance and Occupational Pensions Authority (or any successor authority), 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/or the 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).

Form of the Notes:

The Notes are issued in dematerialised bearer form (*au porteur*) and will at all times be evidenced in book-entry form (*inscription en compte*) in the books of the Account Holders (as defined below). No physical documents of title (including *certificats représentatifs*) 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.

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

Status of the Notes:

The status of the Notes will be and may change as follows:

Paragraph (i) below will apply in respect of the Notes from the Issue Date and for so long as any Existing Ordinary Subordinated Obligation is outstanding. Upon the date of redemption or repurchase and cancellation of all of the Existing Ordinary Subordinated Obligations (inclusive) (the **Existing Ordinary Subordinated Obligation Redemption Event**), paragraph (ii) will automatically replace and supersede paragraph (i) in respect of the Notes without the need for any action from the Issuer or consent from any Noteholders.

- (i) **Prior to the Existing Ordinary Subordinated Obligation Redemption Event:** The obligations of the Issuer under the Notes in respect of principal, interest and other amounts constitute direct, unconditional, unsecured Ordinary Subordinated Obligations and rank and shall at all times rank without any preference among themselves (save for certain obligations required to be preferred by French law) equally and rateably with any other existing or future Ordinary Subordinated Obligations, in priority to all present and future

Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, but behind subordinated Obligations expressed to rank senior to Ordinary Subordinated Obligations, if any, and behind Unsubordinated Obligations.

- (ii) **As from the Existing Ordinary Subordinated Obligation Redemption Event (inclusive):** The obligations of the Issuer under the Notes in respect of principal, interest and other amounts will constitute direct, unconditional, unsecured Senior Subordinated Obligations and rank and shall at all times rank without any preference among themselves (save for certain obligations required to be preferred by French law) equally and rateably with any other existing or future Senior Subordinated Obligations, in priority to all present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, Ordinary Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, but behind subordinated Obligations expressed to rank senior to Senior Subordinated Obligations, if any, and behind Unsubordinated Obligations.

Payment on the Notes in the event of the liquidation of the Issuer

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of *redressement judiciaire*, the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any reason, the rights of the Noteholders in respect of principal and interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) will be subordinated to the payments of claims of other creditors of the Issuer (other than subordinated claims) including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, holders of insurance policies issued by such entities and creditors with respect to Unsubordinated Obligations.

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 related interest will be terminated.

Pursuant to article L.327-2 of the French *Code des assurances*, 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.

Existing Ordinary Subordinated Obligation means (i) any note of any of the series listed below, provided that should any such series be amended in any way which would result in allowing the Issuer to issue subordinated obligations ranking senior to such series, then such series would, from the effective date of such amendment, be deemed to no longer constitute an Existing Ordinary Subordinated Obligation,

€750,000,000 Fixed to Floating Rate Subordinated Notes due 2040 (ISIN: FR0010941484) (first call date: 14 September 2020),

€700,000,000 Fixed to Floating Rate Subordinated Notes due 2041 (ISIN: FR0011033851) (first call date: 30 September 2021),

GBP300,000,000 Fixed to Floating Rate Subordinated Notes due 2041 (ISIN: FR0011034065) (first call date: 30 September 2021),

€500,000,000 Fixed to Fixed Reset Rate Subordinated Notes due 2045 (ISIN: FR0011949403) (first call date: 5 June 2025),

US\$500,000,000 Reset Undated Subordinated Notes (ISIN: FR0011345552) (first call date: 18 October 2018),

US\$500,000,000 Undated Reset Rate Subordinated Notes (ISIN: FR0011538461) (first call date: 18 July 2019),

€500,000,000 Undated Fixed to Fixed Reset Rate Subordinated Notes (ISIN: FR0012317758) (first call date: 18 November 2024),

and

(ii) any of the loans listed below, provided that should any such loans be amended in any way which would result in allowing the Issuer to issue subordinated obligations ranking senior to such loans, then such loans would, from the effective date of such amendment, be deemed to no longer constitute an Existing Ordinary Subordinated Obligation,

€200,000,000 dated subordinated loan agreement dated 23 June 2003 (first call date: 24 June 2013),

€90,000,000 undated subordinated loan agreement dated 2 November 2004 (first call date: 15 November 2016),

€93,000,000 undated subordinated loan agreement dated 2 November 2004 (first call date: 15 November 2016).

Dated Junior Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured, dated and junior subordinated obligations of the Issuer and which rank and will at all times rank equally and rateably with any other existing or future Dated Junior Subordinated Obligations, in priority to present and future Equity Securities and Undated Junior Subordinated Obligations but behind *prêts participatifs* granted to, and *titres participatifs* issued, by the Issuer, Ordinary Subordinated Obligations, Senior Subordinated Obligations and Unsubordinated Obligations.

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

Obligations means any payment obligation expressed to be assumed by or imposed on, the Issuer under or arising as a result of any contract, agreement, document, instrument or conduct or relationship or by operation of law

(including any bonds or notes).

Ordinary Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured and subordinated obligations of the Issuer and which rank and will at all times rank (i) equally and rateably with any other existing or future Ordinary Subordinated Obligations, (ii) in priority to present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer, and (iii) behind subordinated Obligations expressed to rank senior to Ordinary Subordinated Obligations (including any Senior Subordinated Obligations) if any, and behind Unsubordinated Obligations.

Senior Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured and subordinated obligations of the Issuer and which rank and will at all times rank (i) equally and rateably with any other existing or future Senior Subordinated Obligations, (ii) in priority to present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, Ordinary Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer, and (iii) behind subordinated Obligations expressed to rank senior to Senior Subordinated Obligations, if any, and behind Unsubordinated Obligations.

Undated Junior Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured, undated and junior subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer, including bonds or notes which subordination provisions are governed by the provisions of Article L.228-97 of the French *Code de commerce* and which rank and will at all times rank equally and rateably with any other existing or future Undated Junior Subordinated Obligations, in priority to present and future Equity Securities but behind all existing and future Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer, and to Ordinary Subordinated Obligations, Senior Subordinated Obligations and Unsubordinated Obligations.

Unsubordinated Obligations means any Obligations (including any bonds or notes) which constitute direct and unsubordinated Obligations of the Issuer and which rank and will at all times rank equally and rateably with any other existing or future Unsubordinated Obligations, but in priority to present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, Ordinary Subordinated Obligations, Senior Subordinated Obligations and subordinated Obligations expressed to rank senior to Senior Subordinated Obligations (if any). For the avoidance of doubt, the Unsubordinated Obligations include but are not limited to the claims of the policyholders of the Issuer.

Negative Pledge: None.

Enforcement events: 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), in the event that a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of

the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason.

Interest:

Each Note will bear interest on its Principal Amount from (and including) the Issue Date to (but excluding) the Scheduled Maturity Date, at a fixed rate of 1.875 per cent. *per annum* (the **Rate of Interest**), payable annually in arrear on 20 October in each year (each, an **Interest Payment Date**), commencing on 20 October 2017.

Day Count Fraction: Actual/Actual (ICMA)

Interest Deferral:

On any Mandatory Interest Deferral Date (as defined below), the Issuer will be obliged to defer payment of all (but not some only) of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment.

Any interest not paid on a Mandatory Interest Deferral Date and deferred in accordance with this paragraph shall so long as it remains outstanding constitute **Arrears of Interest** and shall be payable as outlined below. In the case of Notes exchanged in accordance with the Conditions of the Notes, Arrears of Interest (together with any Additional Interest Amount) accrued on the Notes originally issued will be transferred to, and assumed by the Issuer under, such exchanged Notes.

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

- (A) the next Interest Payment Date which is not a Mandatory Interest Deferral Date; or
- (B) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (C) the date upon which a judgment is made by a competent court for the judicial liquidation of the Issuer (*liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganisation (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French Civil Code, as if it constituted the nominal amount of the Notes at a rate which corresponds to the Rate of Interest from time to time applicable to the Notes and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this provision and shall be calculated by the Fiscal Agent applying the Rate of Interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis*.

For the purpose hereof:

Group means the Issuer, together with its fully consolidated subsidiaries taken as a whole from time to time.

Interest Payment means in respect of an interest payment on an Interest

Payment Date, the amount of interest payable for the relevant interest period in accordance with the Conditions.

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which the Noteholders and the Principal Paying Agent have received written notice from the Issuer confirming that (i) a Regulatory Deficiency Interest Deferral Event has occurred and such Regulatory Deficiency Interest Deferral Event 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 in itself cause a Regulatory Deficiency Interest Deferral Event.

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

Regulatory Deficiency Interest Deferral Event means any event including, without limitation, any event which causes the Issuer and/or the Group's Minimum Capital Requirement (or whatever the terminology employed by the Solvency II Regulations) to be breached and such breach is an event which under the Solvency II Regulations requires the Issuer to defer payment of interest (or, if applicable, Arrears of Interest and any Additional Interest Amounts thereon) in respect of the Notes (on the basis that the Notes qualify (or are intended to qualify) as "tier three" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations) under the Solvency II Regulations).

Taxation:

All payments 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 any jurisdiction or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If applicable French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes or duties whatsoever levied by the Republic of France, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note in certain circumstances.

Optional Early Redemption following a Gross-Up Event:

If, by reason of a change in any French law or regulation, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts (a **Gross-Up Event**), the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and to the Conditions to Redemption and Purchase, redeem the Notes in whole, but not in part, at their Principal Amount, together with all interest accrued (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without withholding or deduction for French taxes.

Optional Early Redemption in case of Withholding Tax Event:

If the Issuer would on the next payment of principal or interest in respect of the Notes be obliged to pay Additional Amounts and the Issuer would be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts (a **Withholding Tax Event**), then the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and to the Conditions to Redemption and Purchase, redeem the Notes in whole, but not in part, at their Principal Amount, together with all interest accrued (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption, on the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date is past, as soon as practicable thereafter.

Optional Early Redemption in case of Tax Deductibility Event:

If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective 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 (a **Tax Deductibility Event**), so long as this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and to the Conditions to Redemption and Purchase, redeem the Notes in whole, but not in part, at their Principal Amount together with all interest accrued (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption, on the latest practicable date on which the Issuer could make such payment with the part of the interest payable under the Notes being tax-deductible not being reduced or, if such date is past, as soon as practicable thereafter.

Optional Early Redemption for Regulatory Reasons:

If, at any time, the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date, the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and to the Conditions to Redemption and Purchase, redeem the Notes in whole, but not in part, at their Principal Amount plus any accrued interest (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption.

Regulatory Event means that after the Issue Date, the Issuer (i) is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) is no longer permitted to treat the aggregate net proceeds of the Notes (in whole) that are outstanding as eligible for the purpose of the determination of the solvency margin or capital adequacy levels of the Issuer and/or the Group (including any grandfathering provision thereof) as at least "tier three" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations at the time) under the Solvency II Regulations, except as a result of the application of the limits on inclusion of such securities in the regulatory capital.

Exchange/Variation for Regulatory Reasons:

If at any time the Issuer determines that a Regulatory Event has occurred on or after the Issue Date, the Issuer may, as an alternative to an early redemption of the Notes, at any time, without the consent of the Noteholders, (i) exchange the Notes for new notes replacing the Notes (the **Exchanged Notes**), or (ii) vary the terms of the Notes (the **Varied Notes**), so as to cure the Regulatory Event. Any such exchange or variation is subject to the following conditions:

- (i) the Exchanged Notes or Varied Notes being Qualifying Equivalent Securities;
- (ii) the Issuer giving not less than thirty (30) nor more than forty-five (45) days' notice to the Noteholders;
- (iii) the Prior Approval of the Relevant Supervisory Authority being obtained;
- (iv) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed or admitted to trading, and (for so long as the rules of such exchange require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith, and the Exchanged or Varied Notes continue to be listed or admitted on the same stock exchange as the Notes if they were listed immediately prior to the relevant exchange/variation;
- (v) the issue of legal opinions addressed to the Fiscal Agent to the benefit of the Noteholders from one or more international law firms of good reputation confirming (x) that the Issuer has capacity to assume all rights and obligations under the Exchanged Notes or Varied Notes and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the Exchanged Notes or Varied Notes.

Any such exchange or variation shall be binding on the Noteholders and shall be notified to them as soon as practicable thereafter.

Qualifying Equivalent Securities means securities which have terms not being prejudicial to the interests of the Noteholders as determined by a representative of the Issuer in consultation with an independent investment bank 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 bank 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 for the purpose of the determination of the solvency margin or capital adequacy levels of the Issuer and/or the Group (including any grandfathering provision thereof) as at least "tier three" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations) under the Solvency II Regulations;
- (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and have the same 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 favourable to an investor than the mandatory deferral provisions of the Notes;

- (iv) shall rank at least *pari passu* with the Notes;
- (v) shall 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, provided that the relevant exchange or variation may not itself trigger any early redemption right;
- (vi) do not contain terms providing for principal loss absorption through write-down or conversion to ordinary shares; and if publicly rated by a Rating Agency immediately prior to such exchange/variation, have at least the same credit rating assigned by such Rating Agency as compared to the relevant credit rating assigned to the Notes immediately prior to such exchange/variation; and
- (vii) preserve the same rights 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 have accrued to Noteholders and not been paid.

Rating Agency means Standard & Poor's, or any other rating agency of equivalent international standing (and their respective successors or affiliates) solicited by the Issuer to grant a credit rating to the Issuer.

Clean-up Redemption: The Issuer may elect, subject to the Prior Approval of the Relevant Supervisory Authority and to the Conditions to Redemption and Purchase, to redeem all, but not some only, of the Notes at their Principal Amount plus any accrued interest (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption if 80% (eighty per cent.) or more in aggregate Principal Amount of the Notes issued on the Issue Date has been purchased and cancelled at such time.

Conditions to Redemption and Purchase: The Notes may not be redeemed or purchased pursuant to any of the redemption provisions referred to above if

(i) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing on the due date for redemption or purchase (or such redemption or purchase would itself cause a Regulatory Deficiency Redemption Deferral Event), except if, on or prior to such date, (a) the Relevant Supervisory Authority has exceptionally waived the deferral of redemption or purchase of the Notes, (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

(ii) to the extent required under the Solvency II Regulations in order for the Notes to be treated as at least "tier three" own funds regulatory capital (or, if different, whatever terminology is employed to denote such concept by the Solvency II Regulations) of the Issuer and/or the Group for the purposes of the determination of the solvency margin or capital adequacy levels of the Issuer and/or the Group, an Insolvent Insurance Affiliate Winding-up has occurred and is continuing on the date due for redemption or purchase. Notwithstanding that an Insolvent Insurance Affiliate Winding-up may have occurred and be

continuing on the date due for redemption or purchase, the Notes may still be redeemed or purchased on such date to the extent permitted under, and in accordance with, the Solvency II Regulations and provided that, on or prior to such date, the Relevant Supervisory Authority has exceptionally waived the deferral of redemption or purchase of the Notes,

(together, the **Conditions to Redemption and Purchase**).

In addition, the Notes may not be redeemed or purchased upon the occurrence of a Tax Deductibility Event, a Regulatory Event or if the conditions for Clean-up Redemption are met (as set out in the Conditions), prior to the fifth anniversary of the Issue Date and if applicable, the relevant issue date(s) of any further notes issued pursuant to the Conditions, and in the case of a Gross-Up Event or Withholding Tax Event, prior to the Scheduled Maturity Date, unless the redemption has been funded out of the proceeds of a new issuance of own funds regulatory capital of the same or higher quality as the Notes.

Should a Regulatory Deficiency Redemption Deferral Event or an Insolvent Insurance Affiliate Winding-up, to the extent applicable, occur after a notice for redemption has been made to the Noteholders, such redemption notice would become automatically void and notice shall be made promptly by the Issuer.

If practicable under the circumstances, the Issuer will give notice to the Noteholders and to the Fiscal Agent of any deferral of the redemption of the Notes. This notice will not be a condition to the deferral of redemption. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

Insolvent Insurance Affiliate Winding-up means:

- (i) the winding-up of any Insurance Undertaking within the Group; or
- (ii) the appointment of an administrator of any Insurance Undertaking within the Group,

in each case, where the Issuer has determined, acting reasonably and in consultation with the Relevant Supervisory Authority, that the assets of that Insurance Undertaking within the Group may or will not be sufficient to meet all claims of the policyholders pursuant to a contract of insurance or reinsurance of that Insurance Undertaking which is subject to a winding-up or administration process (and for these purposes, the claims of policyholders pursuant to a contract of insurance or reinsurance shall include all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up of Insurance Undertakings that reflect any right to receive or expectation of receiving benefits which policyholders may have).

Insurance Undertaking has the meaning ascribed to it in the Solvency II Directive.

Regulatory Deficiency Redemption Deferral Event means the own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer and/or the Group is not sufficient to cover its Solvency Capital Requirement or its Minimum Capital Requirement (or whatever the terminology employed by the Solvency II Regulations) whichever occurs earlier, and a redemption or repayment of principal is prohibited under the Solvency II Regulations in order for the Notes to qualify as at least "tier three" own funds

regulatory capital (or whatever terminology is employed by the Solvency II Regulations) under the Solvency II Regulations.

Solvency Capital Requirement has the meaning ascribed to it in the Solvency II Directive.

Purchase:

The Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority, purchase Notes in the open market or otherwise at any price for cancellation or holding in accordance with applicable laws and regulations. Notes so purchased by the Issuer may 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.

All Notes redeemed or purchased for cancellation by the Issuer will forthwith be cancelled (together with rights to interest any other amounts relating thereto) by transfer to an account in accordance with the rules and procedures of Euroclear France. Any Notes so cancelled may not be resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

Representation of Noteholders:

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

Admission to trading:

Application has been made for the Notes to be admitted to trading on Euronext Paris.

Rating:

The Notes are rated BBB+ by Standard & Poor's.

Clearing:

The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, *société anonyme* and Euroclear Bank SA/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, France, Hong Kong, Singapore, Switzerland and Italy.

Governing Law:

French law.

DOCUMENTS ON DISPLAY

For so long as the Notes are outstanding:

1. the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection and, in the case of documents listed under (iii) to (vii), collection free of charge, at the office of the Fiscal Agent and the Paying Agents:
 - (i) the Fiscal Agency Agreement;
 - (ii) the constitutive documents (*statuts*) of CNP Assurances;
 - (iii) the 2016 Interim Accounts (as defined in the section “Information Incorporated by Reference”);
 - (iv) the 2015 Registration Document (as defined in the section “Information Incorporated by Reference”);
 - (v) the 2014 Registration Document (as defined in the section “Information Incorporated by Reference”);
 - (vi) a copy of this Prospectus together with any supplement to this Prospectus; and
 - (vii) all reports, letters and other documents, balance sheets, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus in respect of the issue of the Notes.
2. a copy of this Prospectus together with any supplement to this Prospectus and any document incorporated by reference (a) may be obtained, free of charge, at the registered office of the Issuer during normal business hours and (b) will be available on the websites of the Issuer (www.cnp.fr), (save for the 2016 Interim Accounts) the *Autorité des marchés financiers* (www.amf-france.org) and www.info-financiere.fr.

INFORMATION INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the following documents which have been previously published and filed with the AMF and which are incorporated into, and shall be deemed to form part of, this Prospectus:

- (1) the sections referred to in the table below included in the *Document de Référence* 2015 in the French language of the Issuer filed with the AMF under n°D.16-0275 on 5 April 2016 and which includes the audited consolidated financial statements of the Issuer for the year ended 31 December 2015, the audited non consolidated financial statements of the Issuer for the year ended 31 December 2015 and the reports of the statutory auditors thereon (the **2015 Registration Document**); and
- (2) the sections referred to in the table below included in the *Document de Référence* 2014 in the French language of the Issuer filed with the AMF under n°D.15-308 on 9 April 2015 and which includes the audited consolidated financial statements of the Issuer for the year ended 31 December 2014, the audited non consolidated financial statements of the Issuer for the year ended 31 December 2014 and the reports of the statutory auditors thereon (the **2014 Registration Document**).
- (3) the *Rapport Financier Semestriel* 2016 in the French language of the Issuer, which includes the unaudited consolidated financial statements for the six months ended 30 June 2016 and the limited review report of the statutory auditors thereon (the **2016 Interim Accounts**).

Such documents shall be deemed to be incorporated into, and form part of this Prospectus, save that any statement contained in this Prospectus or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference into this Prospectus (a) may be obtained, free of charge, at the registered office of the Issuer during normal business hours and (b) will be available on the website of the Issuer (www.cnp.fr), (save for the 2016 Interim Accounts) the AMF (www.amf-france.org) and www.info-financiere.fr.

A free English translation of the 2015 Registration Document and the 2014 Registration Document are available on the website of the Issuer (www.cnp.fr). These documents are free translations of the corresponding French language documents and are furnished for information purposes only and are not incorporated by reference into this Prospectus. The only binding versions are the French language versions.

The cross-reference list below set out the relevant page references and where applicable, the sections, for the information incorporated herein by reference. Any information incorporated by reference into this Prospectus but not listed in the cross-reference table below is given for information purposes only.

Rule	Prospectus Regulation – Annex IX	Reference (page number)
3.	RISK FACTORS	
3.1.	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk	148 to 159 and 277 to 289 of the 2015 Registration Document

Rule	Prospectus Regulation – Annex IX	Reference (page number)
	Factors"	
4.	INFORMATION ABOUT THE ISSUER	
4.1.	<u>History and development of the Issuer</u>	8 of the 2015 Registration Document
4.1.1	the legal and commercial name of the issuer	348 of the 2015 Registration Document
4.1.2	the place of registration of the issuer and its registration number	
4.1.3	the date of incorporation and the length of life of the issuer, except where indefinite	
4.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office	
4.1.5	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency	23 of the 2015 Registration Document 27 of the 2016 Interim Accounts
5.	BUSINESS OVERVIEW	
5.1.	<u>Principal activities</u>	
5.1.1	A description of the issuer's principal activities stating the main categories of products sold and/or services performed	2 to 6, 9 to 15, 23 to 27 and 31 of the 2015 Registration Document
5.1.2	The basis for any statements in the registration document made by the issuer regarding its competitive position.	2, 10 to 14, 20 to 22 and 26 of the 2015 Registration Document
6.	ORGANISATIONAL STRUCTURE	
6.1.	If the issuer is part of a group, a brief description of the group and of the issuer's position within it	2, 9 to 15, 27, 31, 32, 94, 95, 139, 140 and 191 to 200 of the 2015 Registration Document
6.2	If the Issuer is dependant upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Not Applicable

Rule	Prospectus Regulation – Annex IX	Reference (page number)
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
9.1.	<p>Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>	16 and 17, 270 to 276, 290 to 312 of the 2015 Registration Document
9.2.	<p><u>Administrative, Management, and Supervisory bodies conflicts of interests</u></p> <p>Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated</p> <p>In the event that there are no such conflicts, a statement to that effect</p>	322 and 323 of the 2015 Registration Document
10.	MAJOR SHAREHOLDERS	
10.1.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused	91, 353, 358 to 365 of the 2015 Registration Document
10.2.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	Not Applicable

Rule	Prospectus Regulation – Annex IX	Reference (page number)
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
11.1.	<p>Historical Financial Information</p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:</p> <p>(a) the balance sheet (b) the income statement (c) the accounting policies and explanatory notes</p>	<p>56 to 161, 164 to 217 of the 2014 Registration Document</p> <p>58 to 159, 162 to 216 of the 2015 Registration Document</p> <p>16 to 89 of the 2016 Interim Accounts</p>
11.3.	<u>Auditing of historical annual financial information</u>	
11.3.1.	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers, must be reproduced in full and the reasons given.	<p>162, 163, 218 and 219 of the 2014 Registration Document</p> <p>160, 161, 218 and 219 of the 2015 Registration Document</p> <p>90 of the 2016 Interim Accounts</p>
11.4	Age of the latest financial information	
11.4.1	The last year of audited financial information may not be older than 18 months from the date of the registration document.	160, 161, 218 and 219 of the 2015 Registration Document
11.5.	<u>Legal and arbitration proceedings</u> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering	368 of the 2015 Registration Document

Rule	Prospectus Regulation – Annex IX	Reference (page number)
	at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement	
12.	MATERIAL CONTRACTS	
	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued	20 to 22 and 336 to 345 of the 2015 Registration Document

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes will be as follows:

The issue outside the Republic of France of the €1,000,000,000 1.875 per cent. Tier 3 notes due 20 October 2022 (the **Notes**) of CNP Assurances (the **Issuer**) was decided by Frédéric Lavenir, Chief Executive Officer (*Directeur Général*) of the Issuer on 14 October 2016 acting pursuant to the resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 16 February 2016. The Issuer has entered into a fiscal agency agreement (the **Fiscal Agency Agreement**) dated 18 October 2016 with BNP Paribas Securities Services as fiscal agent and principal paying agent. The fiscal agent and the principal paying agent for the time being and the paying agents are referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent** and the **Paying Agents** (which expression shall include the Principal Paying Agent and any future paying agent duly appointed by the Issuer in accordance with the Fiscal Agency Agreement), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Fiscal Agency Agreement, and are collectively referred to as the **Agents**. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Paying Agents. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below. The provisions of Article 1195 of the French *Code civil* shall not apply to these Conditions.

1. Form, Denomination and Title

The Notes are issued on 20 October 2016 (the **Issue Date**) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. 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*). 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 (**Euroclear France**), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**).

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

For the purposes of these Conditions:

Noteholder means any person whose name appears in the account of the relevant Account Holder as being entitled to the Notes.

2. Status of the Notes

2.1 Subordinated Obligations

The status of the Notes will be and may change as follows:

Condition 2.1(i) below will apply in respect of the Notes from the Issue Date and for so long as any Existing Ordinary Subordinated Obligation is outstanding. Upon the date of redemption or repurchase and cancellation of all of the Existing Ordinary Subordinated Obligations (inclusive) (the **Existing Ordinary Subordinated Obligation Redemption Event**), Condition 2.1(ii) will automatically replace and supersede paragraph (i) in respect of the Notes without the need for any action from the Issuer or consent from any Noteholders.

- (i) **Prior to the Existing Ordinary Subordinated Obligation Redemption Event:** The obligations of the Issuer under the Notes in respect of principal, interest and other amounts constitute direct, unconditional, unsecured Ordinary Subordinated Obligations and rank and shall at all times rank without any preference among themselves (save for certain obligations required to be preferred by French law) equally and rateably with any other existing or future Ordinary Subordinated Obligations, in priority to all present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, but behind subordinated Obligations expressed to rank senior to Ordinary Subordinated Obligations, if any, and behind Unsubordinated Obligations.
- (ii) **As from the Existing Ordinary Subordinated Obligation Redemption Event (inclusive):** The obligations of the Issuer under the Notes in respect of principal, interest and other amounts will constitute direct, unconditional, unsecured Senior Subordinated Obligations and rank and shall at all times rank without any preference among themselves (save for certain obligations required to be preferred by French law) equally and rateably with any other existing or future Senior Subordinated Obligations, in priority to all present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, Ordinary Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, but behind subordinated Obligations expressed to rank senior to Senior Subordinated Obligations, if any, and behind Unsubordinated Obligations.

Existing Ordinary Subordinated Obligation means:

(i) any note of any of the series listed below, provided that should any such series be amended in any way which would result in allowing the Issuer to issue subordinated obligations ranking senior to such series, then such series would, from the effective date of such amendment, be deemed to no longer constitute an Existing Ordinary Subordinated Obligation,

- €750,000,000 Fixed to Floating Rate Subordinated Notes due 2040 (ISIN: FR0010941484) (first call date: 14 September 2020),

- €700,000,000 Fixed to Floating Rate Subordinated Notes due 2041 (ISIN: FR0011033851) (first call date: 30 September 2021),

- GBP300,000,000 Fixed to Floating Rate Subordinated Notes due 2041 (ISIN: FR0011034065) (first call date: 30 September 2021),

- €500,000,000 Fixed to Fixed Reset Rate Subordinated Notes due 2045 (ISIN: FR0011949403) (first call date: 5 June 2025),

- US\$500,000,000 Reset Undated Subordinated Notes (ISIN: FR0011345552) (first call date: 18 October 2018),

- US\$500,000,000 Undated Reset Rate Subordinated Notes (ISIN: FR0011538461) (first call date: 18 July 2019),

- €500,000,000 Undated Fixed to Fixed Reset Rate Subordinated Notes (ISIN: FR0012317758) (first call date: 18 November 2024),

and

(ii) any of the loans listed below, provided that should any such loans be amended in any way which would result in allowing the Issuer to issue subordinated obligations ranking senior to such loans, then such loans would, from the effective date of such amendment, be deemed to no longer constitute an Existing Ordinary Subordinated Obligation,

- €200,000,000 dated subordinated loan agreement dated 23 June 2003 (first call date: 24 June 2013),

- €90,000,000 undated subordinated loan agreement dated 2 November 2004 (first call date: 15 November 2016),

- €93,000,000 undated subordinated loan agreement dated 2 November 2004 (first call date: 15 November 2016).

Dated Junior Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured, dated and junior subordinated obligations of the Issuer and which rank and will at all times rank equally and rateably with any other existing or future Dated Junior Subordinated Obligations, in priority to present and future Equity Securities and Undated Junior Subordinated Obligations but behind *prêts participatifs* granted to, and *titres participatifs* issued, by the Issuer, Ordinary Subordinated Obligations, Senior Subordinated Obligations and Unsubordinated Obligations.

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

Obligations means any payment obligation expressed to be assumed by or imposed on, the Issuer under or arising as a result of any contract, agreement, document, instrument or conduct or relationship or by operation of law (including any bonds or notes).

Ordinary Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured and subordinated obligations of the Issuer and which rank and will at all times rank (i) equally and rateably with any other existing or future Ordinary Subordinated Obligations, (ii) in priority to present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer, and (iii) behind subordinated Obligations expressed to rank senior to Ordinary Subordinated Obligations (including any Senior Subordinated Obligations) if any, and behind Unsubordinated Obligations.

Senior Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured and subordinated obligations of the Issuer and which rank and will at all times rank (i) equally and rateably with any other existing or future Senior Subordinated Obligations, (ii) in priority to present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, Ordinary Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer, and (iii) behind subordinated Obligations expressed to rank senior to Senior Subordinated Obligations if any, and behind Unsubordinated Obligations.

Undated Junior Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured, undated and junior subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer, including bonds or notes which subordination provisions are governed by the provisions of Article L.228-97 of the French *Code de commerce* and which rank and will at all times rank equally and rateably with any other existing or future Undated Junior Subordinated Obligations, in priority to present and future Equity Securities but behind all existing and future Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued

by the Issuer, and to Ordinary Subordinated Obligations, Senior Subordinated Obligations and Unsubordinated Obligations.

Unsubordinated Obligations means any Obligations (including any bonds or notes) which constitute direct and unsubordinated Obligations of the Issuer and which rank and will at all times rank equally and rateably with any other existing or future Unsubordinated Obligations, but in priority to present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, Ordinary Subordinated Obligations, Senior Subordinated Obligations and subordinated Obligations expressed to rank senior to Senior Subordinated Obligations (if any). For the avoidance of doubt, the Unsubordinated Obligations include but are not limited to the claims of the policyholders of the Issuer.

2.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of *redressement judiciaire*, the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any reason, the rights of the Noteholders in respect of principal and interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) will be subordinated to the payments of claims of other creditors of the Issuer (other than subordinated claims) including insurance companies and entities referred to in article R.322-132 of the French *Code des assurances* reinsured by the Issuer, holders of insurance policies issued by such entities and creditors with respect to Unsubordinated Obligations.

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 related interest will be terminated.

Pursuant to article L.327-2 of the French Code des assurances, 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.

3. Negative Pledge

There will be no negative pledge in respect of the Notes.

4. Interest

4.1 General

The Notes shall bear interest on their Principal Amount from (and including) the Issue Date, to (but excluding) the Scheduled Maturity Date (as defined below), at a fixed rate of 1.875 per cent. *per annum* (the **Rate of Interest**), payable annually in arrear on 20 October in each year (each, an **Interest Payment Date**), commencing on 20 October 2017;

provided, however, that if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the payment of interest relating to the Interest Period which ends on (but excluding) such Interest Payment Date will be postponed to the next Business Day.

For the purpose hereof:

Business Day means any day (other than a Saturday or a Sunday) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business

(including dealing in foreign exchange and foreign currency deposits) in Paris and a day on which the TARGET 2 System is operating.

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

TARGET 2 System means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

Scheduled Maturity Date means 20 October 2022, if the Conditions to Redemption and Purchase are satisfied and otherwise as soon as the Conditions to Redemption and Purchase are satisfied thereafter.

4.2 Interest Amount

Subject to the provisions of Condition 4.5, the amount of interest (the **Interest Amount**) payable on each Note and on each Interest Payment Date will be €1,875 per Principal Amount. If interest is required to be calculated for a period of less than one year it will be calculated on an Actual/Actual (ICMA) basis, the result being rounded if necessary, to the nearest cent (half a cent being rounded upwards).

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.

Interest Period means the period from and including an Interest Payment Date (or, if none, the Issue Date) to but excluding the next (or first) Interest Payment Date.

4.3 Interest Accrual

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 the payment. In such event, the Notes will continue to bear interest at the Rate of Interest specified in Condition 4.1 on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholders.

4.4 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, by the Fiscal Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agent and all Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Fiscal Agent in

connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

4.5 Interest Deferral

On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to the day ending immediately prior to such Interest Payment Date, subject to the provisions of the following paragraphs. The interest to be paid will be calculated on the basis of the Principal Amount of the Notes.

(i) *Mandatory Interest Deferral Dates*

On any Mandatory Interest Deferral Date (as defined below), the Issuer will be obliged, by notice to (x) the Noteholders in accordance with Condition 11 and (y) the Fiscal Agent pursuant to sub-paragraph (iv) below, to defer payment of all (but not some only) of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment.

Any interest not paid on a Mandatory Interest Deferral Date and deferred in accordance with this paragraph shall so long as it remains outstanding constitute **Arrears of Interest** and shall be payable as outlined below. In the case of Notes exchanged in accordance with Condition 5.4, any Arrears of Interest (together with any Additional Interest Amount, as defined below) accrued on the Notes originally issued will be transferred to, and assumed by the Issuer under, such Exchanged Notes (as defined in Condition 5.4).

(ii) *Arrears of Interest*

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

- (A) the next Interest Payment Date which is not a Mandatory Interest Deferral Date; or
- (B) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (C) the date upon which a judgment is made by a competent court for the judicial liquidation of the Issuer (*liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganisation (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the nominal amount of the Notes at a rate which corresponds to the Rate of Interest from time to time applicable to the Notes and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this provision and shall be calculated by the Fiscal Agent applying the Rate of Interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions hereof. 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.

(iii) *Definitions*

In this Condition and for the purposes of the Conditions:

Group means the Issuer, together with its fully consolidated subsidiaries taken as a whole from time to time.

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

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which the Noteholders and the Principal Paying Agent have received written notice from the Issuer pursuant to sub-paragraph (iv) (*Notice of Deferral and Payment of Arrears of Interest*) below confirming that (i) a Regulatory Deficiency Interest Deferral Event has occurred and such Regulatory Deficiency Interest Deferral Event 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 in itself cause a Regulatory Deficiency Interest Deferral Event.

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

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 the Solvency II Regulations.

Regulatory Deficiency Interest Deferral Event means any event including, without limitation, any event which causes the Issuer and/or the Group's Minimum Capital Requirement (or whatever the terminology employed by the Solvency II Regulations) to be breached and such breach is an event which under the Solvency II Regulations requires the Issuer to defer payment of interest (or, if applicable, Arrears of Interest and any Additional Interest Amounts thereon) in respect of the Notes (on the basis that the Notes qualify (or are intended to qualify) as "tier three" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations) under the Solvency II Regulations).

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer and/or the Group, in the event that the Issuer and/or the Group is required to comply with certain applicable solvency margins or capital adequacy levels. The current Relevant Supervisory Authority is the *Autorité de contrôle prudentiel et de résolution*.

Solvency II Directive means Directive 2009/138/EC of the European Union of 25 November 2009 (as amended, as the case may be) on the taking-up and pursuit of the business of insurance and reinsurance, 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 the Solvency II Directive).

Solvency II Regulations means the solvency margin, capital adequacy regulations or any other regulatory capital rules which are applicable in France (or if the Issuer and/or the Group 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 by the French 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) and the guidelines and recommendations from time to time of the European Insurance and Occupational Pensions Authority (or any successor authority), 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/or the 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).

(iv) *Notice of Deferral and Payment of Arrears of Interest*

The Issuer shall give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 11 and to the Fiscal Agent:

- (A) of any Mandatory Interest Deferral Date and specifying that interest will not be paid due to a Regulatory Deficiency Interest Deferral Event continuing on the next Interest Payment Date, provided that if the Regulatory Deficiency Interest Deferral Event occurs less than five (5) Business Days before such Interest Payment Date, the Issuer shall give notice of the interest deferral as soon as practicable under the circumstances before such Mandatory Interest Deferral Date; and
- (B) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable.

So long as the Notes are listed on the regulated market of Euronext Paris and the rules of such stock exchange so require, notice of any such deferral or suspension shall also be given as soon as reasonably practicable to such stock exchange.

5. Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition.

5.1 Redemption at maturity

Subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.8, unless previously redeemed or purchased and cancelled as provided for 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 Amounts thereon), on the Scheduled Maturity Date.

5.2 Optional Early Redemption for Taxation Reasons

- (1) If, by reason of a change in any French law or regulation, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts as specified in Condition 7 (a **Gross-Up Event**), the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.8, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem the Notes in whole, but not in part, at their Principal Amount, together with all interest accrued (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without withholding or deduction for French taxes.
- (2) If the Issuer would on the next payment of principal or interest in respect of the Notes be obliged to pay Additional Amounts as specified under Condition 7 and the Issuer would be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts contained in

Condition 7 (a **Withholding Tax Event**), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.8 and upon giving not less than seven (7) calendar days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem the Notes in whole, but not in part, at their Principal Amount, together with all interest accrued (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption, on the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date is past, as soon as practicable thereafter.

- (3) If, an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective 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 (a **Tax Deductibility Event**), so long as this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.8, redeem the Notes in whole, but not in part, at their Principal Amount together with all interest accrued (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption, on the latest practicable date on which the Issuer could make such payment with the part of the interest payable under the Notes being tax-deductible not being reduced or, if such date is past, as soon as practicable thereafter. The Issuer shall give the Fiscal Agent notice of any such redemption not less than thirty (30) nor more than forty-five (45) calendar days before the date fixed for redemption and the Fiscal Agent shall promptly thereafter publish a notice of redemption in accordance with Condition 11.

5.3 **Optional Early Redemption for Regulatory Reasons**

If, at any time, the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date, the Issuer may, subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.8, redeem the Notes in whole, but not in part, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 11, at their Principal Amount plus any accrued interest (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption.

For the purpose of this Condition 5.3 and Condition 5.4 below, **Regulatory Event** means that after the Issue Date, the Issuer (i) is subject to regulatory supervision by the Relevant Supervisory Authority, and (ii) is no longer permitted to treat the aggregate net proceeds of the Notes (in whole) that are outstanding as eligible for the purpose of the determination of the solvency margin or capital adequacy levels of the Issuer and/or the Group (including any grandfathering provision thereof) as at least "tier three" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations at the time) under the Solvency II Regulations, except as a result of the application of the limits on inclusion of such securities in the regulatory capital.

5.4 **Exchange/Variation for Regulatory Reasons**

If at any time the Issuer determines that a Regulatory Event has occurred on or after the Issue Date, the Issuer may, as an alternative to Condition 5.3 above, at any time, without the consent of the Noteholders, (i) exchange the Notes for new notes replacing the Notes (the **Exchanged Notes**), or (ii) vary the terms of the Notes (the **Varied Notes**), so as to cure the Regulatory Event. Any such exchange or variation is subject to the following conditions:

- (i) the Exchanged Notes or Varied Notes being Qualifying Equivalent Securities;

- (ii) the Issuer giving not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Noteholders in accordance with Condition 11;
- (iii) the Prior Approval of the Relevant Supervisory Authority being obtained;
- (iv) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed or admitted to trading, and (for so long as the rules of such exchange require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith, and the Exchanged Notes or Varied Notes continue to be listed or admitted on the same stock exchange as the Notes if they were listed immediately prior to the relevant exchange/variation; and
- (v) the issue of legal opinions addressed to the Fiscal Agent for the benefit of the Noteholders from one or more international law firms of good reputation confirming (x) that the Issuer has capacity to assume all rights and obligations under the Exchanged Notes or Varied Notes and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the Exchanged Notes or Varied Notes.

Any such exchange or variation shall be binding on the Noteholders and shall be notified to them in accordance with Condition 11 as soon as practicable thereafter.

For the purposes of these Conditions:

Qualifying Equivalent Securities means securities which have terms not being prejudicial to the interests of the Noteholders as determined by a representative of the Issuer in consultation with an independent investment bank 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 bank 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 for the purpose of the determination of the solvency margin or capital adequacy levels of the Issuer and/or the Group (including any grandfathering provision thereof) as at least "tier three" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations) under the Solvency II Regulations;
- (ii) shall bear at least the same interest rate from time to time to that applying to the Notes and have the same 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 favourable to an investor than the mandatory deferral provisions of the Notes;
- (iv) shall rank at least *pari passu* with the Notes;
- (v) shall 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, provided that the relevant exchange or variation may not itself trigger any early redemption right;
- (vi) do not contain terms providing for principal loss absorption through write-down or conversion to ordinary shares; and if publicly rated by a Rating Agency immediately prior to such exchange/variation, have at least the same credit rating assigned by such Rating Agency

as compared to the relevant credit rating assigned to the Notes immediately prior to such exchange/variation; and

- (vii) preserve the same rights 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 have accrued to Noteholders and not been paid.

Rating Agency means Standard & Poor's, or any other rating agency of equivalent international standing (and their respective successors or affiliates) solicited by the Issuer to grant a credit rating to the Issuer.

5.5 Clean-up Redemption

The Issuer may elect, subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.8, to redeem all, but not some only, of the Notes at their Principal Amount plus any accrued interest (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption if 80% (eighty per cent.) or more in aggregate Principal Amount of the Notes issued on the Issue Date, and if applicable, on the relevant issue date(s) of any further notes issued pursuant to Condition 12, has been purchased and cancelled at the time of such election.

5.6 Purchases

The Issuer may at any time, subject to the Prior Approval of the Relevant Supervisory Authority and Condition 5.8, purchase Notes in the open market or otherwise at any price for cancellation or holding in accordance with applicable laws and regulations. Notes so purchased by the Issuer may 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.

5.7 Cancellation

All Notes which are redeemed or purchased for cancellation by the Issuer pursuant to this Condition 5 will forthwith be cancelled (together with rights to interest any other amounts relating thereto) by transfer to an account in accordance with the rules and procedures of Euroclear France.

Any Notes so cancelled may not be resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

5.8 Conditions to Redemption and Purchase

The Notes may not be redeemed or purchased pursuant to any of the redemption provisions referred to above if

- (i) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing on the due date for redemption or purchase (or such redemption or purchase would itself cause a Regulatory Deficiency Redemption Deferral Event), except if, on or prior to such date, (a) the Relevant Supervisory Authority has exceptionally waived the deferral of redemption or purchase of the Notes, (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
- (ii) to the extent required under the Solvency II Regulations in order for the Notes to be treated as at least “tier three” own funds regulatory capital (or, if different, whatever terminology is employed to denote such concept by the Solvency II Regulations) of the Issuer and/or the Group for the purposes of the determination of the solvency

margin or capital adequacy levels of the Issuer and/or the Group, an Insolvent Insurance Affiliate Winding-up has occurred and is continuing on the date due for redemption or purchase. Notwithstanding that an Insolvent Insurance Affiliate Winding-up may have occurred and be continuing on the date due for redemption or purchase, the Notes may still be redeemed or purchased on such date to the extent permitted under, and in accordance with, the Solvency II Regulations and provided that, on or prior to such date, the Relevant Supervisory Authority has exceptionally waived the deferral of redemption or purchase of the Notes,

(together, the **Conditions to Redemption and Purchase**).

In addition, the Notes may not be redeemed or purchased pursuant to Conditions 5.2(3), 5.3, 5.5 and 5.6 respectively, prior to the fifth anniversary of the Issue Date, and if applicable, the relevant issue date(s) of any further notes issued pursuant to Condition 12, and in the case of a redemption pursuant to Conditions 5.2(1) and 5.2(2), prior to the Scheduled Maturity Date, unless the redemption or purchase has been funded out of the proceeds of a new issuance of own funds regulatory capital of the same or higher quality as the Notes.

Should a Regulatory Deficiency Redemption Deferral Event or an Insolvent Insurance Affiliate Winding-up, to the extent applicable, occur after a notice for redemption has been made to the Noteholders, such redemption notice would become automatically void and notice thereof shall be made promptly by the Issuer in accordance with Condition 11.

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 11 and to the Fiscal Agent of any deferral of the redemption of the Notes. This notice will not be a condition to the deferral of redemption. Any delay or failure by the Issuer to give such notice shall not affect the deferral described above.

Insolvent Insurance Affiliate Winding-up means:

- (i) the winding-up of any Insurance Undertaking within the Group; or
- (ii) the appointment of an administrator of any Insurance Undertaking within the Group,

in each case, where the Issuer has determined, acting reasonably and in consultation with the Relevant Supervisory Authority, that the assets of that Insurance Undertaking within the Group may or will not be sufficient to meet all claims of the policyholders pursuant to a contract of insurance or reinsurance of that Insurance Undertaking which is subject to a winding-up or administration process (and for these purposes, the claims of policyholders pursuant to a contract of insurance or reinsurance shall include all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up of Insurance Undertakings that reflect any right to receive or expectation of receiving benefits which policyholders may have).

Insurance Undertaking has the meaning ascribed to it in the Solvency II Directive.

Regulatory Deficiency Redemption Deferral Event means the own funds regulatory capital (or whatever the terminology employed by the Solvency II Regulations) of the Issuer and/or the Group is not sufficient to cover its Solvency Capital Requirement or Minimum Capital Requirement (or whatever the terminology employed by the Solvency II Regulations) whichever occurs earlier, and a redemption or repayment of principal is prohibited under the Solvency II Regulations in order for the Notes to qualify as at least "tier three" own funds regulatory capital (or whatever terminology is employed by the Solvency II Regulations) under the Solvency II Regulations.

Solvency Capital Requirement has the meaning ascribed to it in the Solvency II Directive.

6. Payments

6.1 Method of Payment

Payments of principal, interest (including, for the avoidance of doubt, any Additional Interest Amounts) and other amounts in respect of the Notes will be made in Euro, by transfer to a Euro denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a country within the TARGET 2 System. Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments made to such Account Holders in favour of Noteholders will 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, the Fiscal Agent or the Paying Agents shall be liable to any Noteholder or other person for any commission, costs, losses or expenses in relation to, or resulting from, the credit or transfer of Euro, or any currency conversion or rounding effect in connection with such payment being made in Euro.

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments to the Issuer, the relevant Paying Agent, the relevant Account Holder or, as the case may be, the person shown in the records of Euroclear France, Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes, but without prejudice to the provisions of Condition 7.

6.2 Payments on Business Days

If any due date for payment of principal, interest or other amounts in respect of any Note is not a Business Day, then the holder of such Note shall not be entitled to payment of the amount due until the next following Business Day and will not be entitled to any interest or other sums with respect to such postponed payment.

6.3 Fiscal Agent and Paying Agents

The names of the initial Agents and their specified offices are set out below:

Fiscal Agent and Principal Paying 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 or a Paying Agent and/or appoint additional or other Paying 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 and a Principal Paying Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 11 and, so long as the Notes are listed on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty-five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 11.

7. Taxation

All payments 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 any jurisdiction or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If applicable French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature levied by the Republic of France, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, as the case may be (i) 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) where such withholding or deduction is required to be made pursuant to Council Directives 2003/48/EC and 2015/2060/EU.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Additional Amounts, any Arrears of Interest and any Additional Interest Amounts.

8. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

9. Enforcement Events

There are 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), in the event that a judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason.

10. Representation of the Noteholders

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the *Masse*).

In accordance with Article L.228-90 of the French *Code de commerce*, the *Masse* will be governed by the provisions of the *Code de commerce* applicable to the *Masse* (with the exception of the provisions of Articles L.228-48, L.228-59 and L.228-65 II and Articles R.228-63, R.228-67 and R.228-69), subject to the following provisions:

(a) *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 a representative (the **Representative**) and in part through a general assembly of 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.

(b) ***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 *Conseil d'Administration* (Board of Directors), its *Directeurs Généraux* (general managers), its statutory auditors, its employees and their ascendants, descendants and spouses;
- (ii) companies possessing at least ten (10) per cent. of the share capital of the Issuer or 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, their respective managers (*gérants*), general managers, members of their board of directors, management board or supervisory board, their statutory auditors, and their ascendants, descendants and spouses;
- (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

The alternative representative (the **Alternative Representative**) shall be:

Gilbert Labachotte
8 Boulevard Jourdan
75014 Paris
France

In the event of death, incompatibility, resignation or revocation of the Representative, such Representative will be replaced by the Alternative Representative. The Alternative Representative shall have the same powers as the Representative.

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

The Representative will be entitled to a remuneration of €500 (VAT excluded) per year payable by the Issuer in arrear on each Interest Payment Date with the first payment on the first Interest Payment Date.

All interested parties will at all times have the right to obtain the names and the addresses of the Representative and the Alternative Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

(c) ***Powers of the Representative***

The Representative shall, in the absence of any decision to the contrary of the general assembly of the 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 valid, must be brought against the Representative or by it.

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

(d) ***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 the Principal Amount of the 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 (*mandataire*) 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 11 not less than fifteen (15) calendar days prior to the date of the general assembly.

Each Noteholder has the right to participate in meetings of the *Masse* in person, by proxy, by correspondence or if the *statuts* of the Issuer so specify, by visioconference or by any other means of telecommunication allowing the participation of the Noteholders. Each Note carries the right to one vote.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in general assemblies will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant general assembly.

(e) ***Powers of General Assemblies***

A general assembly is empowered to deliberate on the fixing of the remuneration, dismissal or replacement of the Representative and the Alternative Representative and may also 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.

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 the liabilities (*charges*) of the Noteholders nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares. Any amendment to the Conditions is subject to the Prior Approval of the Relevant Supervisory Authority.

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 Principal Amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-thirds (2/3) majority of votes cast by the Noteholders attending such meeting or represented thereat.

Decisions of the general assembly must be published in accordance with the provisions set out in Condition 11 not more than ninety (90) calendar days from the date thereof.

(f) ***Information to the Noteholders***

Each Noteholder or representative thereof will have the right, during the fifteen (15) 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 Paying Agents and at any other place specified in the notice of meeting.

(g) ***Expenses***

The Issuer will pay all reasonable 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.

For the avoidance of doubt, in this Condition 10 "outstanding" shall not include those Notes purchased by the Issuer pursuant to Article L.213-1-A of the French *Code monétaire et financier* that are held by it and not cancelled.

11. Notices

- (a) Notices required to be given to the Noteholders may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared; except that so long as the Notes are listed and admitted to trading on Euronext Paris and the rules of such regulated market so require, notices shall also be published in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos* or such other newspaper as the Fiscal Agent shall deem necessary to give fair and reasonable notice to the Noteholders).
- (b) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication.

12. Further Issues

Having previously informed the Relevant Supervisory Authority, the Issuer may, from time to time without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) 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 notes will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

13. Governing Law and Jurisdiction

The Notes are governed by the laws of France.

Any claim against the Issuer in connection with any Notes may be brought before any competent court in Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, after deduction of the commission referred to in the section entitled “Subscription and Sale” will be used for general corporate purposes.

DESCRIPTION OF THE ISSUER

For a general description of the Issuer and the Group, please refer to the sections of the 2015 Registration Document referred to in the cross-reference table appearing in section "Information Incorporated by Reference" above.

TAXATION

The following is a general description of certain withholding tax considerations relating to the holding Notes. It is based on the legislation as in effect on the date of this Prospectus and is subject to any change in law and interpretation hereof that may take effect after such date (potentially with a retroactive effect). It does not purport to be a complete analysis of all tax considerations relating to the Notes. It is included herein solely for information purposes and is not intended to be, nor should it be construed to be, legal or tax advice. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to subscribing, acquiring, holding and disposing of Notes and the consequences of such actions under the tax laws of those countries. This summary does not apply when payments of interest and other revenues with respect to the Notes are made by a paying agent (within the meaning of Council Directive 2003/48/EC) established in Austria.

France

The following is a summary of certain French withholding tax considerations relevant to holders of the Notes who do not concurrently hold shares of the Issuer.

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *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% withholding tax will be applicable by virtue of Article 125 A III of the French *Code général des impôts* (subject to certain exceptions and to the provisions of an applicable double tax treaty).

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other 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 into a bank account opened in a financial institution established in such 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% or 75% (subject to the provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion nor the withholding tax set out under Article 119 *bis* 2 of the *Code général des impôts* that may be levied as a result of such Deductibility Exclusion 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**) and (ii) in respect of the Deductibility Exclusion that the relevant interest or other assimilated revenues relates to genuine transactions and are not abnormal or exaggerated in amount. Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 no. 550 and no. 990, BOI-RPPM-RCM-30-10-20-40-20140211 no. 70 and no. 80 and BOI-IR-DOMIC-10-20-20-60-20150320 no. 10, 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.

Pursuant to Article 125 A I of the French *Code général des impôts*, where the paying agent (*établissement payeur*) is established in France and subject to certain limited exceptions, interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% 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% on such interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

SUBSCRIPTION AND SALE

Subscription Agreement

BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Merrill Lynch International, Natixis and Nomura International plc (the **Joint Lead Managers**) have entered into a Subscription Agreement dated 18 October 2016 (the **Subscription Agreement**) according to which the Joint Lead Managers have jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Notes at an issue price equal to 99.719 per cent. of the principal amount of the Notes, less a management and underwriting commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Notes.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

Selling Restrictions for the jurisdictions outside the European Economic Area

United States

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

Each Joint Lead Manager has agreed that it has not offered or sold, and will not offer or sell, the Notes (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after completion of the distribution of the Notes as determined, and certified to the Issuer by the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each 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. Terms used in the preceding sentence have the meanings given to them by Regulation S.

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

In addition, until forty (40) 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.

Hong-Kong

Each Joint Lead Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**)) other than (i) to "professional investors" as defined in the SFO and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong (Winding Up and Miscellaneous Provisions) or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

Singapore

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

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Share and Debentures) Regulations 2005 of Singapore.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss

Exchange or any other regulated trading facility in Switzerland and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Selling Restrictions for the jurisdictions inside the European Economic Area

Public Offer Selling Restriction under the Prospectus Directive

Each Joint Lead Manager has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in a Member State of the European Economic Area (EEA) except that it may make an offer of Notes to the public in that Member State of the EEA:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Lead Managers; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State of the EEA by any measure implementing the Prospectus Directive in that Member State of the EEA and the expression “**Prospectus Directive**” means Directive 2003/71/EC, as amended.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Notes in 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 Joint Lead Managers has represented and agreed that (in connection with the initial distribution of the Notes only) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it 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 such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, 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*.

Italy

The offering of the Notes has not been registered with **CONSOB** (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

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

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

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

General

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes. Neither the Issuer nor any of the Joint Lead Managers represents that Notes may at any time lawfully be resold 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 resale.

Each Joint Lead Manager has agreed that it will (to the best of its knowledge and belief) comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any other offering material relating to the Notes and obtain any consent, approval or permission required for the purchase, offer or sale of the Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and none of the Issuer or any other Joint Lead Manager shall have responsibility therefore.

GENERAL INFORMATION

- (1) Admission to trading: Application has been made to the AMF to approve this document as a prospectus and this Prospectus has received visa n°16-489 from the AMF on 18 October 2016. Application has been made for the Notes to be admitted to trading on the regulated market (within the meaning of Directive 2004/39/EC) of Euronext Paris with effect from 20 October 2016.
- (2) Corporate authorisations: The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the issue of the Notes.

The issue of the Notes has been authorised by the resolution of the *Conseil d'administration* of the Issuer, on 16 February 2016, delegating its powers to issue up to an amount of €1,300,000,000, in euros or in other currencies, of notes to the Chief Executive Officer (*Directeur Général*) of the Issuer for a period of one (1) year and a decision of Frédéric Lavenir, Chief Executive Officer (*Directeur Général*) of the Issuer dated 14 October 2016.

- (3) Trend information: There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2015 being the date of its last published audited financial statements.
- (4) Significant change in the Issuer's and the Group's financial or trading position: There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2016 being the date of its last published financial statements.
- (5) Legal and arbitration proceedings: Except as disclosed or incorporated by reference into this Prospectus (page 368 of the 2015 Registration Document), there has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of twelve (12) months immediately preceding the date of this Prospectus which have had in the recent past a significant effect on the Issuer's or the Group's financial position or profitability.
- (6) Clearing and settlement: The Notes have been accepted for clearance through Euroclear France (acting as central depository), Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (ISIN) for the Notes is FR0013213832. The Common Code for the Notes is 150664993.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is Euroclear Bank SA/NV, 1 boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 avenue JF Kennedy, L-1855 Luxembourg.

- (7) Auditors: The statutory auditors of the Issuer are Mazars and PricewaterhouseCoopers Audit.

Mazars and PricewaterhouseCoopers Audit have audited and rendered an unqualified report on the consolidated financial statements of the Issuer for the financial year ended 31 December 2014 and 31 December 2015 and have rendered an unqualified limited review report on the unaudited consolidated interim financial statements for the six months ended 30 June 2016.

Mazars and PricewaterhouseCoopers Audit are members of the professional body *compagnie régionale des commissaires aux comptes de Versailles* and are regulated by the *Haut Conseil du Commissariat aux Comptes*.

- (8) Expenses: The estimated costs for the admission to trading of the Notes are €11,000 (including AMF fees).

- (9) Yield: The yield in respect of the Notes at the Issue Date is 1.925 per cent. *per annum* and is calculated on the basis of the issue price of the Notes. It is not an indication of future yield.
- (10) Joint Lead Managers' Conflicts: Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued. Any such short positions could adversely affect future trading prices of Notes issued. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
- (11) Interest of natural and legal persons involved in the issue: As far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The Joint Lead Managers are paid commissions in relation to the issue of the Notes. Any such Joint 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 and its affiliates in the ordinary course of business.
- (12) The Notes are rated BBB+ by S&P Global Ratings (**Standard & Poor's**). The Issuer's long-term senior unsecured debt is rated A by Standard & Poor's. Standard & Poor's is established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the **CRA Regulation**) and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (at <http://esma.europa.eu/page/list-registered-and-certified-CRAs>) as of the date of this Prospectus.
- (13) In connection with this issue, BNP Paribas (the **Stabilising Manager**) (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail but in doing so each Stabilising Manager shall act as principal and not as agent of the Issuer. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) days after the Issue Date and sixty (60) days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on their behalf) in accordance with all applicable laws and rules. As between the Issuer and the Stabilising Manager, any loss resulting from over-allotment and stabilisation shall be borne, and any profit arising therefrom shall be retained, by the Stabilising Manager.

PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

I declare, after taking all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this Prospectus is in accordance with the facts and that it makes no omission likely to affect its import.

The statutory auditors' report dated 5 March 2015 on the audited consolidated financial statements of the Issuer for the fiscal year ended 31 December 2014, incorporated by reference on page 45 of this Prospectus, includes an emphasis of matter paragraph without qualifying their opinion.

CNP ASSURANCES

4, place Raoul Dautry
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Duly represented by:

Antoine Lissowski, *Directeur Général Adjoint* and *Directeur Financier* of CNP Assurances, authorised signatory, pursuant to the resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 16 February 2016 and the power of attorney dated 14 October 2016

Made in Paris, on 18 October 2016



Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the **AMF**), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa no. 16-489 on 18 October 2016. This document was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply any approval of the opportunity of the operation or authentication of the accounting and financial data set out in it.

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