IMPORTANT NOTICE

THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") WITHIN THE MEANING OF RULE 144A OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES.

IMPORTANT: Investors must read the following before continuing. The following applies to the attached Offering Memorandum (as defined herein), and investors are therefore advised to read this carefully before accessing, reading or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, investors agree to be bound by the following terms and conditions, including any modifications to them any time investors receive any information from the Issuer as a result of such access.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO MAKE SUCH AN OFFER. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS AND REGULATIONS OF OTHER JURISDICTIONS.

Confirmation of Representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the Subordinated Notes, investors must (i) in the United States, be a QIB acting for its account or for the account only of another QIB, or (ii) be a non-U.S. person outside the United States (within the meaning of Regulation S under the Securities Act). In addition, with respect to all Subordinated Notes, investors must be (a) in a Member State of the European Union, a qualified investor under Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 (the "**Prospectus Directive**") and amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in the Relevant Member State, (b) in other jurisdictions where the Prospectus Directive is not applicable, an institutional or other investor eligible to participate in a private placement of securities under applicable law. The Offering Memorandum may only be communicated in France to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, all defined in, and in accordance with, Articles L. 411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* and applicable regulations thereunder. Investors have been sent the attached Offering Memorandum on the basis that they have confirmed the foregoing to the sender, and that they consent to delivery by electronic transmission.

Recipients are reminded that the attached Offering Memorandum has been delivered to the recipient on the basis that it is a person into whose possession the attached Offering Memorandum may be lawfully delivered in accordance with the laws of jurisdiction in which the recipient is located and the recipient may not, nor is the recipient authorized to, deliver the Offering Memorandum to any other person.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The Subordinated Notes are only available to, and any invitation, offer, or agreement to subscribe, purchase or otherwise acquire such Subordinated Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

The attached Offering Memorandum has been sent to the recipient in an electronic form. The recipient is reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer or any of the Managers named herein, nor any person who controls any of them, nor any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to recipients in electronic format and the hard copy version available to recipients on request from the Issuer or any of the Managers named herein.

Offering Memorandum Supplement N° 2 dated March 29, 2016 to the
Base Offering Memorandum dated April 24, 2015

U.S.$750,000,000 4.875% Subordinated Notes due 2026
to be issued pursuant to the Issuer's
U.S.$25,000,000,000 U.S. Medium Term Note Program

This is an offering of U.S. $750,000,000 principal amount of 4.875% subordinated notes due 2026 (the "**Subordinated Notes**") of BPCE (the "**Issuer**"). The Subordinated Notes will bear interest at a rate of 4.875% per annum, payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2016.

Unless earlier redeemed or purchased and cancelled, the Subordinated Notes will mature at par on April 1, 2026. The Issuer may, at its option (subject to approval by the Relevant Regulator), redeem all, but not some only, of the Subordinated Notes at any time at their outstanding Redemption Amounts plus accrued interest upon the occurrence of a Tax Event or a Capital Event (each as defined herein).

The Subordinated Notes are subordinated debt obligations of the Issuer and rank junior to the Issuer's unsubordinated obligations and other obligations expressed to rank senior to the Subordinated Notes, and senior to certain junior securities, including the Issuer's outstanding deeply subordinated securities.

The Subordinated Notes will be issued pursuant to the Issuer's U.S.$25,000,000,000 U.S. Medium Term Notes Program (the "**Program**"). This supplement (this "**Supplement**") is a supplement to the base offering memorandum dated April 24, 2015 relating to the Program (the "**Base Offering Memorandum**", and together with this Supplement, the "**Offering Memorandum**". This Supplement should be read in conjunction with the Base Offering Memorandum. Terms defined in the Base Offering Memorandum have the same meanings when used in this Supplement, unless they are otherwise defined herein. To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in, or incorporated by reference in, the Base Offering Memorandum, the statements in this Supplement will prevail.

The Subordinated Notes constitute "Rule 144A Notes" and "Regulation S Notes" within the meaning of the Base Offering Memorandum. The Subordinated Notes will be obligations of the Issuer, and will not be guaranteed by the Guarantor, which will have no obligations in respect of the Subordinated Notes.

See "*Risk Factors*" beginning on page 14 of the Base Offering Memorandum and page 2 of this Supplement for certain considerations relevant to an investment in the Subordinated Notes.

THE SUBORDINATED NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE STATE SECURITIES LAWS OF ANY U.S. STATE AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE SUBORDINATED NOTES MAY BE OFFERED AND SOLD ONLY (A) TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT AND (B) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT. PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE SUBORDINATED NOTES MAY BE RELYING ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A UNDER THE SECURITIES ACT. FOR CERTAIN RESTRICTIONS ON RESALE AND TRANSFER, SEE "*PLAN OF DISTRIBUTION*" AND "*NOTICE TO INVESTORS RELATING TO CERTAIN U.S. LAW MATTERS*" IN THIS SUPPLEMENT.

The Subordinated Notes will be issued in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Delivery of the Subordinated Notes will be made on or about April 1, 2016 in registered book-entry form only, through the facilities of The Depository Trust Company ("**DTC**"), for the accounts of its participants, including Clearstream Banking, *société anonyme,* and Euroclear Bank S.A./N.V.

Joint Book-Running Managers

Citigroup | *Goldman, Sachs & Co.* | *J.P. Morgan*

Natixis Securities Americas LLC | *Wells Fargo Securities*

Co-Managers

BMO Capital Markets | *CIBC Capital Markets* | *Desjardins Capital Markets*

The Issuer, Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Natixis Securities Americas LLC and Wells Fargo Securities, LLC (the "**Joint Book-Running Managers**") and BMO Capital Markets Corp., CIBC World Markets Corp. and Desjardins Securities Inc. (the "**Co-Managers**," and together with the Joint Book-Running Managers, the "**Managers**") have not authorized anyone to give investors any information other than that contained in this Offering Memorandum (including this Supplement, the Base Offering Memorandum and the documents incorporated by reference), and they take no responsibility for any other information that others may give to investors. Prospective investors should carefully evaluate the information provided by the Issuer in light of the total mix of information available to them, recognizing that the Issuer can provide no assurance as to the reliability of any information not contained or incorporated by reference in this Offering Memorandum. The delivery of this Offering Memorandum at any time does not imply that the information herein is correct as of any time subsequent to its date.

The distribution of this Offering Memorandum and the offering and sale of the Subordinated Notes in certain jurisdictions may be restricted by law. The Issuer and the Managers require persons in whose possession this Offering Memorandum comes to inform themselves about and to observe any such restrictions. This Offering Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, any of the Subordinated Notes offered hereby by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

Prospective investors hereby acknowledge that (i) they have been afforded an opportunity to request from the Issuer and to review, and have received, all additional information considered by them to be necessary to verify the accuracy of, or to supplement, the information contained herein, (ii) they have had the opportunity to review all of the documents described herein, and (iii) they have not relied on the Managers or any person affiliated with the Managers in connection with any investigation of the accuracy of such information or their investment decision.

This Offering Memorandum has not been, and is not required to be, submitted to the French Financial Markets Authority (*Autorité des marchés financiers*) (the "**AMF**") or any other competent authority for approval as a "prospectus" pursuant to the Prospectus Directive (as defined herein).

In making an investment decision, prospective investors must rely on their examination of the Issuer and the terms of this offering, including the merits and risks involved. The Subordinated Notes have not been approved or recommended by any United States federal or state securities commission or any other United States, French or other regulatory authority. Furthermore, the foregoing authorities have not passed upon or endorsed the merits of the offering or confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

Certain persons participating in any offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Subordinated Notes, including stabilizing and syndicate covering transactions. For a description of these activities, see "*Plan of Distribution*" in this Supplement. Such activities, if commenced, may be terminated at any time.

The Managers for this offering include the Issuer's broker-dealer affiliate, Natixis Securities Americas LLC (the "**Broker-Dealer Affiliate**"). The Broker-Dealer Affiliate or other affiliates also may offer and sell Subordinated Notes as part of their business and may act as a principal or agent in such transactions, although a secondary market for the Subordinated Notes cannot be assured. The Issuer or the Broker-Dealer Affiliate or other affiliates may use this Offering Memorandum in connection with any of these activities, including for market-making transactions involving the Subordinated Notes after their initial sale.

It is not possible to predict whether the Subordinated Notes will trade in a secondary market or, if they do, whether such market will be liquid or illiquid. The Subordinated Notes are not expected to be listed on any stock exchange. The Managers reserve the right to enter, from time to time and at any time, into agreements with one or more holders of Subordinated Notes to provide a market for the Subordinated Notes but none of the Managers is obligated to do so or to make any market for the Subordinated Notes.

The contents of this Offering Memorandum should not be construed as investment, legal or tax advice. This Offering Memorandum, as well as the nature of an investment in any Subordinated Notes, should be reviewed by each prospective investor with such prospective investor's investment advisor, legal counsel and tax advisor.

Any reproduction or distribution of this Offering Memorandum, in whole or in part, or any disclosure of its contents or use of any of its information for purposes other than evaluating a purchase of the Subordinated Notes is prohibited without the express written consent of the Issuer.

In connection with the issue of the Subordinated Notes, the stabilizing manager(s) (the "**Stabilizing Manager(s)**") (or persons acting on behalf of any Stabilizing Manager(s)) may over-allot Subordinated Notes or effect transactions with a view to supporting the market price of the Subordinated Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager(s)) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Subordinated Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Subordinated Notes and 60 days after the date of the allotment of the relevant series of Subordinated Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

The Base Offering Memorandum contemplates that the terms and conditions of any subordinated notes offered pursuant to the Program will be set forth in a supplement. This Supplement constitutes such a supplement for purposes of the Program. Notwithstanding anything to the contrary in the Base Offering Memorandum, the terms and conditions summarized in the sections of the Base Offering Memorandum entitled "*Terms of the Notes*" in the summary and "*Description of the Notes*," and any other sections of the Base Offering Memorandum incorporating or referring to such terms and conditions, shall not be part of this Offering Memorandum for purposes of the offer and sale of the Subordinated Notes.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES OF AMERICA

The Subordinated Notes have not been and will not be registered under the Securities Act or with any securities regulatory agency of any U.S. state and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Subordinated Notes are being offered and sold in the United States only to qualified institutional buyers, as defined in Rule 144A under the Securities Act, and outside the United States only to non-U.S. persons in "offshore transactions" as defined in, and in accordance with, Regulation S under the Securities Act, as applicable.

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

See "*Notice to Investors Relating to Certain U.S. Law Matters*" and "*Plan of Distribution*" in this Supplement.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

The Subordinated Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Subordinated Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Offering Memorandum has been prepared on the basis that any offer of Subordinated Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Subordinated Notes. Accordingly any person making or intending to make an offer of Subordinated Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Manager have authorized, nor do they authorize, the making of any offer of Subordinated Notes in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

NOTICE TO PROSPECTIVE INVESTORS IN FRANCE

This Offering Memorandum has not been prepared and is not being distributed in the context of a public offering of securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411-1 of the *Code monétaire et financier* and, therefore, this Offering Memorandum, the applicable Supplement or any other offering materials relating to the Subordinated Notes have not been and will not be filed with the French *Autorité des marchés financiers* (the "**AMF**") for prior approval or submitted for clearance to the AMF and, more generally no prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Subordinated Notes that has

been approved by the AMF or by the competent authority of another Member State of the European Economic Area and notified to the AMF and to the Issuer.

The Managers: (i) have not offered or sold and will not offer or sell, directly or indirectly, any Subordinated Notes to the public in France; (ii) have not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, directly or indirectly, this Offering Memorandum or any other offering materials relating to the Subordinated Notes; and (iii) confirm that such offers, sales and distributions have been and will be made in France only to persons providing the 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 qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L. 411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* and applicable regulations thereunder. The direct or indirect distribution to the public in France of any Subordinated Notes so acquired may be made only in accordance with the provisions of Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier* and applicable regulations thereunder.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This communication has not been approved by an authorized person for the purposes of section 21 of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**"). Accordingly, this communication is only for distribution to and directed at: (i) in the United Kingdom, persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**") and high net worth entities falling within Article 49(2)(a) to (d) of the Order; (ii) persons who are outside the United Kingdom; and (iii) any other person to whom it can otherwise be lawfully distributed (all such persons together being referred to as "**Relevant Persons**"). The Subordinated Notes are only available to, and any invitation, offer, or agreement to subscribe, purchase or otherwise acquire such Subordinated Notes will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

NOTICE TO PROSPECTIVE INVESTORS IN AUSTRALIA

This Offering Memorandum does not constitute a disclosure document for the purposes of the Corporations Act 2001 of the Commonwealth of Australia (the "**Corporations Act**") and has not been, and will not be, lodged with the Australian Securities and Investment Commission. No securities commission or similar authority in Australia has reviewed this document or the merits of the Notes, and any representation to the contrary is an offence.

The Subordinated Notes will be offered to persons who receive offers in Australia only to the extent that: (a) those persons are "wholesale clients" for the purposes of Chapter 7 of the Corporations Act; and (b) such offer of the Subordinated Notes for issue or sale does not require disclosure to investors under part. 6d.2 of the Corporations Act. Any offer of the Subordinated Notes received in Australia is void to the extent that it requires disclosure to investors under the Corporations Act. In particular, offers for the issue or sale of the Subordinated Notes will only be made, and this document may only be distributed, in Australia in reliance on various exemptions from such disclosure to investors provided by section 708 of the Corporations Act and where the investors are also "wholesale clients" as described above. As the offer of the Subordinated Notes will be made in Australia without disclosure under the Corporations Act, the offer of the Notes for sale in Australia within 12 months of their issue or sale may, under section 707 of the Corporations Act, require disclosure to investors under the Corporations Act if none of the exemptions under the Corporations Act apply. Accordingly, any person to whom the Subordinated Notes are issued or sold pursuant to this Offering Memorandum must not, within 12 months after the issue, offer (or transfer, assign or otherwise alienate) those Subordinated Notes to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or unless a compliant disclosure document or product disclosure statement is prepared and lodged with the Australian Securities and Investments Commission. Disclosure to investors would not generally be required: (a) under part 6d.2 of the Corporations Act where: (i) the Subordinated Notes are offered for sale outside of Australia; (ii) the Subordinated Notes are offered for sale to categories of "professional investors" referred to in section 708(11) of the Corporations Act; (iii) the Subordinated Notes are offered to persons who are "sophisticated investors" that meet the criteria set out in section 708(8) of the Corporations Act; or (iv) the Subordinated Notes are offered through a Financial Services Licensee in satisfaction of section 708(10) of the Corporations Act; and (b) under chapter 7 of the Corporations Act where the Subordinated Notes are only offered to persons who are "wholesale clients" within the meaning of section 761G) of the Corporations Act. However, chapter 6d and chapter 7 of the Corporations Act are complex, and if in any doubt, you should confer with your professional advisors regarding the position. This Offering Memorandum is intended to provide general information only and has been prepared without taking into account any particular person's objectives, financial situation or needs. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Investors should review and consider the contents of this

Offering Memorandum and obtain financial advice specific to their situation before making any decision to make an application for the Subordinated Notes. No person referred to in this Offering Memorandum holds an Australian Financial Services License authorizing it to deal in the Notes or to provide financial product advice in relation to the Subordinated Notes. No cooling-off regime applies in respect of the Subordinated Notes. This Offering Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Subordinated Notes in Australia.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

Each of the Managers has represented and agreed that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, the Subordinated Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances that do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or that do not constitute an offer to the public within the meaning of that Ordinance; and

- 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 Subordinated Notes that 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 Subordinated Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) and any rules made under that Ordinance.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

The Subordinated Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law**"). Accordingly, each of the Managers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell the Subordinated Notes in Japan or to, or for the benefit of, a resident of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, a "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

NOTICE TO PROSPECTIVE INVESTORS IN KOREA

For institutional investors only. The Subordinated Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea and none of the Subordinated Notes may be offered or sold, directly or indirectly, in Korea or to any resident of Korea, or to any persons for reoffering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term defined in the Foreign Exchange Transaction Law of Korea and rules and regulations promulgated thereunder), except as otherwise permitted under applicable laws and regulations.

NOTICE TO PROSPECTIVE INVESTORS IN MALAYSIA

No approval from the Securities Commission of Malaysia is or will be obtained, nor will any offering memorandum be filed or registered with the Securities Commission of Malaysia, for the offering of the Subordinated Notes in Malaysia. This Offering Memorandum does not constitute and is not intended to constitute an invitation or offer for subscription or purchase of the Subordinated Notes, nor may this Offering Memorandum or any other offering material or document relating to the Subordinated Notes be published or distributed, directly or indirectly, to any person in Malaysia unless such invitation or offer falls within (a) Schedule 5 to the Capital Markets and Services Act 2007 ("**CMSA**"), (b) Schedule 6 or 7 to the CMSA as an "excluded offer or excluded invitation" or "excluded issue" within the meaning of section 229 and 230 of the CMSA, and (c) Schedule 8 so the trust deed requirements in the CMSA are not applicable. No offer or invitation in respect of the Subordinated Notes may be made in Malaysia except as an offer or invitation falling under Schedule 5, 6 or 7 and 8 to the CMSA.

NOTICE TO PROSPECTIVE INVESTORS IN THE PRC

Each of the Managers has represented and agreed that the Subordinated Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE

Each Manager has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Subordinated Notes or caused such Subordinated Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Subordinated Notes or cause such Subordinated 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 Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Subordinated 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 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 Subordinated Notes are subscribed or purchased under Section 275 of the SFA by a relevant person that is:

- a corporation (that 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

- 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 Securities pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person 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;

- where no consideration is or will be given for the transfer;

- where the transfer is by operation of law; or

- as specified in Section 276(7) of the SFA.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

The Subordinated Notes may be made available to Taiwan residents outside Taiwan but may not be marketed, offered or sold in Taiwan.

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DOCUMENTS INCORPORATED BY REFERENCE

The Base Offering Memorandum, as supplemented by this Supplement, should be read and construed in conjunction with the following documents incorporated by reference (the "**Documents Incorporated by Reference**"), which form part of this Offering Memorandum as of the date hereof.

The following documents constitute the Documents Incorporated by Reference as of the date hereof and shall supersede and replace the Documents Incorporated by Reference in the Base Offering Memorandum for purposes of the offer and sale of the Subordinated Notes:

a) the English translation of the 2015 BPCE registration document (*document de référence*) (the "**2015 BPCE Registration Document**"), a French version of which was filed with the AMF under registration number N°D.16-0134, dated March 15, 2016;

b) the English translation of chapters 4 ("*2014 Activities and Financial Information*") and 5 ("*Financial Report*") of the 2014 BPCE registration document (*document de référence*) (the "**2014 BPCE Registration Document**"), a French version of which was filed with the AMF under registration number N°D.15-0157, dated March 18, 2015; and

c) the English translation of chapter 5 ("*Financial Report*") of the 2013 BPCE registration document (*document de référence*) (the "**2013 BPCE Registration Document**"), a French version of which was filed with the AMF under registration number N°D.14-0182, dated March 21, 2014.

Notwithstanding the foregoing, the following statements shall not be deemed incorporated herein:

- the statement by Mr. François Pérol, Chairman of the Management Board of the Issuer, on page 530 of the 2015 BPCE Registration Document.

Any statement made in any document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Offering Memorandum to the extent that a statement contained in this Supplement modifies or supersedes such statement. Any statement that is modified or superseded shall not be deemed, except as modified or superseded, to constitute a part of this Offering Memorandum.

The Documents Incorporated by Reference are available on the website of the Issuer (www.bpce.fr). Unless otherwise explicitly incorporated by reference into this Offering Memorandum in accordance with paragraphs (a) to (c) above, the information contained on the website of the Issuer shall not be deemed incorporated by reference herein.

RISK FACTORS

*Prior to making an investment decision, prospective investors should consider carefully all of the information set out and incorporated by reference in this Offering Memorandum, including in particular the following risk factors and the risk factors set forth in Chapter 3 "Risk Management" of the 2015 BPCE Registration Document. This section is not intended to be exhaustive and prospective investors should make their own independent evaluations of all risk factors and also read the detailed information set out elsewhere and incorporated by reference in the Offering Memorandum. Terms defined in "*Terms and Conditions of the Notes*" shall have the same meaning where used below. References to a "*Condition*" are references to the relevant Condition in "*Terms and Conditions of the Notes*".*

Risks Relating to the Groupe BPCE, its Activities and its Organizational Structure

Please see the sections of the Base Offering Memorandum entitled "*Risk Factors—Risks Relating to the Groupe BPCE—Risks relating to the Groupe BPCE's 2014-2017 Strategic Plan,*" "*Risk Factors—Risks Relating to Groupe BPCE—Risks relating to Groupe BPCE's activities and the banking sector*," and "*Risk Factors—Risks Relating to the Groupe BPCE—Risks related to the structure of Groupe BPCE and Natixis*", as well as the risk factors set forth in Chapter 3 "Risk Management" of the 2015 BPCE Registration Document.

Potential investors should be aware that the risks relating to Natixis described in those sections are relevant because Natixis is a significant subsidiary of the Issuer. However, Natixis, New York Branch will not act as guarantor of the Subordinated Notes offered hereby, and the risks relating to Natixis, New York Branch in its capacity as Guarantor of the 3(a)(2) Notes described in the Base Offering Memorandum do not apply to the Subordinated Notes.

Risks Relating to the Subordinated Notes

*For purposes of the offer and sale of the Subordinated Notes, the following supersedes and replaces the section entitled "*Risks Relating to the Notes*" in the "*Risk Factors*" section of the Base Offering Memorandum.*

The Subordinated Notes are subordinated obligations

The Issuer's obligations under the Subordinated Notes are unsecured and subordinated and will rank junior in priority of payment to unsubordinated creditors (including depositors) of the Issuer, and creditors in respect of all other obligations expressed to rank senior to the Subordinated Notes, as more fully described in the section entitled "*Terms and Conditions of the Notes*".

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, rights of payment of the holders of the Subordinated Notes will be subordinated to the payment in full of the unsubordinated creditors (including depositors) and any other creditors that are senior to the holders of the Subordinated Notes. In the event of incomplete payment of unsubordinated creditors and any other creditors that are senior to the holders of the Subordinated Notes upon the liquidation of the Issuer, the obligations of the Issuer in connection with the Subordinated Notes will be terminated by operation of law. There is a substantial risk that investors in subordinated notes such as the Subordinated Notes will lose all or some of their investment should the Issuer become insolvent.

The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Subordinated Notes

There is no restriction on the amount of debt that the Issuer may issue that ranks senior to the Subordinated Notes or on the amount of securities that it may issue that rank *pari passu* with the Subordinated Notes. The issue of any such debt or securities may reduce the amount recoverable by the holders of the Subordinated Notes upon liquidation of the Issuer.

The Subordinated Notes do not provide for any events of default

In no event will Holders of the Subordinated Notes be able to accelerate the maturity of their Subordinated Notes. Accordingly, in the event that any payment on the Subordinated Notes is not made when due, the Holders will have claims only for amounts then due and payable on their Subordinated Notes.

The Subordinated Notes are subject to early redemption upon the occurrence of a Special Event

Subject as provided herein, in particular to the provisions of Condition 6.6 (*Conditions to Redemption and Purchase Prior to Maturity Date*) the Issuer may, at its option (subject to approval by the Relevant Regulator), redeem all, but not some only, of the Subordinated Notes at any time at their outstanding Redemption Amount plus accrued and unpaid interest, upon the occurrence of a Capital Event or a Tax Event.

The early redemption feature upon the occurrence of a Special Event may limit the market value of the Subordinated Notes. During any period when the Issuer may elect to redeem the Subordinated Notes, the market value of the Subordinated Notes generally will not rise substantially above the price at which they can be redeemed. In addition, Holders will not receive a make-whole amount or any other compensation in the case of an early redemption of the Subordinated Notes.

If the Issuer redeems the Subordinated Notes in any of the circumstances mentioned above, there is a risk that the Subordinated Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Subordinated Notes or when prevailing interest rates may be relatively low, in which latter case Holders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other Western and other industrialized countries. There can be no assurance that events in France, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Subordinated Notes or that economic and market conditions will not have any other adverse effect.

There will be no prior market for the Subordinated Notes

There is currently no existing market for the Subordinated Notes, and there can be no assurance that any market will develop for the Subordinated Notes or that Holders will be able to sell their Subordinated Notes in the secondary market. No assurance can be given that a liquid trading market for the Subordinated Notes will develop and the Subordinated Notes are not expected to be listed on any stock exchange. There is no obligation on the part of any party to make a market in the Subordinated Notes.

Moreover, although pursuant to Condition 6.4 (*Purchase*) the Issuer can purchase Subordinated Notes at any time (subject to regulatory approval), the Issuer is not obligated to do so. Purchases made by the Issuer could affect the liquidity of the secondary market of the Subordinated Notes and thus the price and the conditions under which investors can negotiate these Subordinated Notes on the secondary market.

The Subordinated Notes are complex instruments that may not be suitable for certain investors

Each potential investor in the Subordinated Notes should determine the suitability of such investment in light of its own circumstances and have sufficient financial resources and liquidity to bear the risks of an investment in the Subordinated Notes, including the possibility that the entire principal amount of the Subordinated Notes could be lost. A potential investor should not invest in the Subordinated Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Subordinated Notes will perform under changing conditions, the resulting effects on the market value of the Subordinated Notes, and the impact of this investment on the potential investor's overall investment portfolio.

The Subordinated Notes are not insured by the FDIC

The Subordinated Notes are not deposit liabilities of the Issuer, and are not insured by the United States Federal Deposit Insurance Corporation ("FDIC") or any governmental or deposit insurance agency.

The Subordinated Notes may be subject to mandatory write-down or conversion to equity under European and French laws relating to bank recovery and resolution

The European Bank Recovery and Resolution Directive (the "**BRRD**") and the Single Resolution Mechanism, as transposed into French law by a decree-law dated August 20, 2015, provide resolution authorities with the power to write down capital instruments such as the Subordinated Notes or to convert them to equity or other instruments, if the issuing institution or the group to which it belongs is failing or

likely to fail (and there is no reasonable prospect that another measure would avoid such failure within a reasonable time period), becomes non-viable, or requires extraordinary public support (subject to certain exceptions). The BRRD provides that capital instruments such as the Subordinated Notes must be written down or converted before a resolution procedure is initiated or if doing so is necessary for the Issuer to remain viable. The terms and conditions of the Subordinated Notes contain provisions giving effect to this write-down and conversion power. See Condition 16 (*Statutory Write-Down or Conversion*) in "Terms and Conditions of the Notes."

The write down or conversion requirements could result in the full or partial write down or conversion to equity (or other instruments) of the Subordinated Notes. In addition, if the Issuer's financial condition, or that of its group, deteriorates, or is perceived to deteriorate, the existence of the write-down and conversion powers could cause the market value of the Subordinated Notes to decline more rapidly than would be the case in the absence of such powers.

For further information about the BRRD and related matters, see the section entitled "*Government Supervision and Regulation of Credit Institutions in France*".

Transactions in the Subordinated Notes could be subject to a future European financial transaction tax ("FTT")

On February 14, 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**").

If adopted in its current form, the Commission's Proposal would subject certain transactions in securities such as the Subordinated Notes to a financial transactions tax. It would call for the Participating Member States to impose a tax of generally at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Subordinated Notes would be subject to higher costs, and the liquidity of the market for the Subordinated Notes may be diminished.

In December 2015, a joint statement was issued by Participating Member States (excluding Estonia) indicating an intention to make decisions on the remaining open issues by the end of June 2016.

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 Subordinated Notes are advised to seek their own professional advice in relation to the consequences of the FTT.

The EU Savings Directive is applicable to the Subordinated Notes

EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") requires an EU Member State to provide to the tax authorities of another EU Member State details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual resident in or certain limited types of entities established in, that other EU Member State, except that, for a transitional period, Austria instead imposes a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period it elects otherwise. Luxembourg operated such a withholding system until December 31, 2014, but has elected out of the withholding system in favor of automatic exchange of information with effect from January 1, 2015.

The Savings Directive was however repealed generally effective January 1, 2016 in the case of Member States other than Austria and will be repealed generally from January 1, 2017 in the case of Austria.

The repeal of the Savings Directive is to prevent overlap with the new mandatory automatic exchange of financial account information to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation (as amended) (the "**DAC**"). The DAC is generally broader in scope than the Savings Directive, although it does not impose withholding taxes. The repeal of the Savings Directive will also be subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before the effective dates of the repeal.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive. Some of those measures have been revised to be aligned with the DAC, and other such measures may be similarly revised in the future.

Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive and the DAC on their investment. See "Taxation—EU Savings Directive."

If a payment under a Subordinated Note were to be made and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive as amended from time to time or any law implementing or complying with, or introduced in order to conform to, such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Subordinated Note, as the case may be, as a result of the imposition of such withholding tax.

Each holder of a Subordinated Note is responsible under the Terms and Conditions of the Subordinated Notes for supplying to the Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the Savings Directive as amended, supplemented or replaced or any law implementing or complying with, or introduced in order to conform to, such Directive.

The terms of the Subordinated Notes contain very limited covenants

There is no negative pledge in respect of the Subordinated Notes. The Issuer is generally permitted to sell or otherwise dispose of any or substantially all of its assets to another corporation or other entity under the terms of the Subordinated Notes. If the Issuer decides to dispose of a large amount of its assets, investors in the Subordinated Notes will not be entitled to declare an acceleration of the maturity of the Subordinated Notes, and those assets will no longer be available to support the Subordinated Notes.

In addition, the Subordinated Notes do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer's ability to service its debt obligations, including those of the Subordinated Notes.

The Issuer will not be required to redeem the Subordinated Notes if it is prohibited by French law from paying additional amounts

In the event that the Issuer is required to withhold amounts in respect of French taxes from payments of interest on the Subordinated Notes, the terms and conditions of the Subordinated Notes provide that, subject to certain exceptions, the Issuer will pay additional amounts so that the holders of the Subordinated Notes will receive the amount they would have received in the absence of such withholding. Under French tax law, there is some uncertainty as to whether the Issuer may pay such additional amounts. French debt instruments typically provide that, if an issuer is required to pay additional amounts but is prohibited by French law from doing so, the issuer must redeem the debt instruments in full. Under Article 63 of the CRD IV Regulation, however, mandatory redemption clauses are not permitted in a Tier 2 instrument such as the Subordinated Notes. As a result, the terms and conditions of the Subordinated Notes do not provide for mandatory redemption. Accordingly, if the Issuer is prohibited by French law from paying additional amounts, holders will receive less than the full amount due under the Subordinated Notes, and the market value of the Subordinated Notes will be adversely affected.

Return on the Subordinated Notes may be limited or delayed by the insolvency of the Issuer.

Application of French insolvency law could have an adverse impact on the Issuer's ability to make payments on the Subordinated Notes and French insolvency laws may not be as favorable to holders of the Subordinated Notes as the insolvency laws of the United States and other countries.

Under French insolvency law, holders of debt securities (*obligations*) are automatically grouped into a single assembly of holders (the "**Assembly**") if a safeguard procedure (*procédure de sauvegarde*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganization procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly will comprise all holders of debt securities (*obligations*) issued by the Issuer (including the Subordinated Notes), whether or not under a debt issuance program (such as the Program) and regardless of their ranking and their governing law. The Assembly will deliberate on the proposed safeguard plan (*projet de plan de sauvegarde*), proposed accelerated safeguard plan (*projet de plan de*

sauvegarde accélérée), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or proposed judicial reorganization plan (*projet de plan de redressement*) prepared in relation to the Issuer and may further agree to:

- partially or totally reschedule payments which are due and/or write off debts and/or convert debts into equity (including with respect to amounts owed under the Subordinated Notes); and/or
- establish an unequal treatment between holders of debt securities (including the holders of the Subordinated Notes) as appropriate under the circumstances.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the amount of debt securities held by the holders attending such Assembly or represented thereat who have cast a vote at such Assembly). No quorum is required to hold the Assembly.

The receiver (*administrateur judiciaire*) is allowed to take into account the existence of voting or subordination agreements entered into by a holder of notes, or the existence of an arrangement providing that a third party will pay the holder's claims, in full or in part, in order to reduce such holder's voting rights within the Assembly. The receiver must disclose the method used to compute such voting rights. In the event of a disagreement regarding such method, the interested holder or the receiver may dispute such computation before president of the competent commercial court.

For the avoidance of doubt, the provisions relating to the Meetings of Holders set out in Condition 11 (*Meetings of Noteholders, Modification and Waiver*) of the Terms and Conditions of the Subordinated Notes will not be applicable in these circumstances.

Please refer to the risk factor "*The Subordinated Notes may be subject to mandatory write down or conversion to equity under European and French laws relating to bank recovery and resolution*" for a description of resolution measures which can be implemented under French law.

Credit ratings are subject to revision, suspension or withdrawal at any time, and a change in the credit ratings of the Subordinated Notes could affect the market value and reduce the liquidity of the Subordinated Notes.

A credit rating is not a recommendation to buy, sell or hold the Subordinated Notes and may be subject to revision, suspension or withdrawal by the relevant rating agency at any time. There can be no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant. In the event that a rating initially assigned to the Subordinated Notes is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Subordinated Notes, and the market value of the Subordinated Notes may be adversely affected. In addition, the Issuer's credit ratings do not always mirror the risk related to individual Subordinated Notes under the Program. Real or anticipated changes in the Issuer's credit ratings generally will also affect the market value of the Subordinated Notes.

In addition, the credit rating agencies may change their methodologies for rating securities with features similar to the Subordinated 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 Subordinated Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and/or the ratings of the Subordinated Notes were to be subsequently lowered, revised, suspended or withdrawn, this may have a negative impact on the trading price of the Subordinated Notes.

USE OF PROCEEDS

The Issuer will use the net proceeds it receives from this offering of the Subordinated Notes for general corporate purposes.

CAPITALIZATION

The table below sets forth the consolidated capitalization of Groupe BPCE as of December 31, 2015. This table shall supersede and replace the capitalization table in the Base Offering Memorandum.

(in millions of euros)	**December 31, 2015**
Debt securities in issue	223,413
Subordinated debt	18,139
Total debt	**241,552**
Shareholders' Equity (group share):	
Share capital and reserves	21,096
Consolidated reserves	31,172
Gains or losses recorded directly in equity	2,122
Net income	3,242
Total shareholders' equity (group share)	**57,632**
Minority interests	7,561
Total capitalization	**306,745**

The table below sets forth the consolidated capitalization of BPCE SA Group as of December 31, 2015. This table shall supersede and replace the capitalization table in the Base Offering Memorandum.

(in millions of euros)	**December 31, 2015**
Debt securities in issue	214,071
Subordinated debt	18,374
Total debt	**232,445**
Shareholders' Equity (group share):	
Share capital and reserves	12,582
Consolidated reserves	5,073
Gains or losses recorded directly in equity	1,539
Net income	803
Total shareholders' equity (group share)	**19,997**
Minority interests	7,467
Total capitalization	**259,909**

Since December 31, 2015 through March 18, 2016, the Issuer's (parent company only) "debt securities in issue," for which the maturity date as of March 18, 2016 is more than one year, did not decrease by more than €1.1 billion, and "subordinated debt," for which the maturity date as of March 18, 2016 is more than one year, did not decrease by more than €0.6 billion.

GOVERNMENT SUPERVISION AND REGULATION OF CREDIT INSTITUTIONS IN FRANCE

This section shall supersede and replace the section entitled "Government Supervision and Regulation of Credit Institutions in France" *in the Base Offering Memorandum.*

French Banking Regulatory and Supervisory Bodies

French banking law is mostly set forth in directly applicable EU regulations and in the French *Code monétaire et financier* which mainly derives from EU directives and guidelines. The French *Code monétaire et financier* sets forth the conditions under which credit institutions, including banks, may operate, and vests related supervisory and regulatory powers in certain banking regulatory and supervisory bodies.

The French Supervisory Banking Authorities

In France, the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**") was created in September 2013 to supervise financial institutions and insurance firms and be in charge of ensuring the protection of consumers and the stability of the financial system. On October 15, 2013, the European Union adopted Regulation (EU) No 1024/2013 establishing a single supervisory mechanism for credit institutions of the euro-zone and opt-in countries (the "**ECB Single Supervisory Mechanism**"), which has conferred specific tasks on the European Central Bank (the "**ECB**") concerning policies relating to the prudential supervision of credit institutions. This European regulation has given to the ECB, in conjunction with the relevant national regulatory authorities, direct supervisory authority for certain European credit institutions and banking groups, including the Groupe BPCE.

Since November 4, 2014, the ECB has fully assumed supervisory tasks and responsibilities within the framework of the ECB Single Supervisory Mechanism, in close cooperation, in France, with the ACPR (each of the ACPR and the ECB is hereinafter referred to as a "**Supervisory Banking Authority**"), as follows:

- The ECB is exclusively competent to carry out, for prudential supervisory purposes, the following tasks in relation to all credit institutions, regardless of the significance of the credit institution concerned:
    - to authorize credit institutions and to withdraw authorization of credit institutions; and
    - to assess notifications of the acquisition and disposal of qualifying holdings, in other credit institutions, except in the case of a bank resolution.
- The other supervisory tasks are performed by both the ECB and the ACPR, their respective supervisory roles and responsibilities being allocated on the basis of the significance of the supervised entities, with the ECB directly supervising significant banks, such as the Groupe BPCE, while the ACPR is in charge of the supervision of the less significant entities. These supervisory tasks include, *inter alia*, the following:
    - to ensure compliance with all prudential requirements laid down in general EU banking rules for credit institutions in the areas of own funds requirements, securitization, large exposure limits, liquidity, leverage, reporting and public disclosure of information on such matters;
    - to carry out supervisory reviews, including stress tests and their possible publication, and the basis of this supervisory review, to impose where necessary on credit institutions higher prudential requirements to protect financial stability under the conditions provided by EU law;

- to impose robust corporate governance practices (including the fit and proper requirements for the persons responsible for the management process, internal control mechanisms, remuneration policies and practices) and effective internal capital adequacy assessment processes; and
- to carry out supervisory tasks in relation to recovery plans, and early intervention where credit institutions or group does not meet or is likely to breach the applicable prudential requirements, including structural changes required to prevent financial stress or failure but excluding, however, resolution measures.

- The ACPR may apply requirements for capital buffers to be held by credit institutions at the relevant level, in addition to own funds requirements (including countercyclical buffer rates). If deemed necessary, the ECB may, instead of the ACPR but by cooperating closely with it, apply such higher requirements.

Supervisory framework

With respect to the banking sector, and for the purposes of carrying out the tasks conferred on it, the relevant Supervisory Banking Authority makes individual decisions, grants banking and investment firm licenses, and grants specific exemptions as provided in applicable banking regulations. It supervises the enforcement of laws and regulations applicable to banks and other credit institutions, as well as investment firms, and controls their financial standing.

Banks are required to submit periodic (either monthly or quarterly) accounting reports to the relevant Supervisory Banking Authority concerning the principal areas of their activities. The main reports and information filed by institutions with the relevant Supervisory Banking Authority include periodic regulatory reports, collectively referred to as *états périodiques réglementaires*. They include, among other things, the institutions' accounting and prudential (regulatory capital) filings, which are usually submitted on a quarterly basis, as well as internal audit reports filed once a year, all of the documents examined by the institution's management in its twice-yearly review of the business and operations and the internal audit findings and the key information that relates to the credit institution's risk analysis and monitoring. The relevant Supervisory Banking Authority may also request additional information that it deems necessary and may carry out on-site inspections (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements). These reports and controls allow close monitoring of the condition of each bank and also facilitate computation of the total deposits of all banks and their use.

The relevant Supervisory Banking Authority may order financial institutions to comply with applicable regulations and to cease conducting activities that may adversely affect the interests of its clients. The relevant Supervisory Banking Authority may also require a financial institution to take measures to strengthen or restore its financial situation, improve its management methods and/or adjust its organization and activities to its development goals. When a financial institution's solvency or liquidity, or the interests of its clients are or could be threatened, the relevant Supervisory Banking Authority is entitled to take certain provisional measures, including: submitting the institution to special monitoring and restricting or prohibiting the conduct of certain activities (including deposit-taking), the making of certain payments, the disposal of assets, the distribution of dividends to its shareholders, and/or the payment of variable compensation. The relevant Supervisory Banking Authority may also require credit institutions to maintain regulatory capital and/or liquidity ratios higher than those required under applicable law and submit to specific liquidity requirements, including restrictions in terms of asset/liability maturities mismatch.

Where regulations have been violated, the relevant Supervisory Banking Authority may impose administrative sanctions, which may include warnings, fines, suspension or dismissal of managers and deregistration of the bank, resulting in its winding up. The relevant Supervisory Banking Authority also

has the power to appoint a temporary administrator to manage provisionally a bank that it deems to be mismanaged. Insolvency proceedings may be initiated against banks or other credit institutions, or investment firms only after prior approval of the relevant Supervisory Banking Authority.

The Resolution Authority

In France, the ACPR is in charge of implementing measures for the prevention and resolution of banking crises. See "*—Resolution Measures*" below.

As from January 1, 2016, a single resolution board (the "**Single Resolution Board**") established by Regulation (EU) No 806/2014 of the European Parliament and of the Council of July 15, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism and a single resolution fund (the "**Single Resolution Mechanism Regulation**"), together with national authorities, are in charge of resolution planning and preparation of resolution decisions for cross-border credit institutions and banking groups as well as credit institutions and banking groups directly supervised by the ECB, such as the Groupe BPCE.

Since January 1, 2015, certain of the powers of the ACPR with respect to resolution planning have already been transferred to the Single Resolution Board (each of the ACPR and the Single Resolution Board is hereinafter referred to as a "**Resolution Authority**"), which is intended to act in close cooperation with the national resolution authorities, including the ACPR for France, which will remain responsible *inter alia* for implementing the resolution plan according to the Single Resolution Board's instructions.

Other French Banking Regulatory and Supervisory Bodies

The Financial Sector Consultative Committee (*Comité consultatif du secteur financier*) is made up of representatives of credit institutions, financing companies, electronic money institutions, payment institutions, investment firms and insurance companies and insurance brokers and client representatives. This committee is a consultative organization that studies the relations between the abovementioned entities and their respective clientele and proposes appropriate measures in this area.

The Consultative Committee on Financial Legislation and Regulations (*Comité consultatif de la législation et de la réglementation financières*) reviews, at the request of the French Minister of Economy, any draft bills or regulations, as well as any draft European regulations relating to the insurance, banking, electronic money, payment service and investment service industries other than those draft regulations issued by the AMF.

In addition, all French credit institutions are required to belong to a professional organization or central body affiliated with the French Credit Institutions and Investment Firms Association (*Association française des établissements de crédit et des entreprises d'investissement*), which represents the interests of credit institutions, financing companies, electronic money institutions, payment institutions and investment firms in particular with the public authorities, provides consultative advice, disseminates information, studies questions relating to banking and financial services activities and makes recommendations in connection therewith. BPCE is a member of the French Banking Association (*Fédération bancaire française*) which is itself affiliated to the French Credit Institutions and Investment Firms Association.

Banking Regulations

In France, credit institutions such as the Issuer must comply with the norms of financial management set by the Minister of Economy, the purpose of which is to ensure the creditworthiness and liquidity of French credit institutions. These banking regulations are mainly derived from EU directives and regulations. New

banking regulations implementing the Basel III reforms were adopted on June 26, 2013: Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**") and Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms (the "**CRD IV Regulation**" and together with the CRD IV Directive, "**CRD IV**"). The CRD IV Regulation (with the exception of some of its provisions, which will enter into effect at later dates) became directly applicable in all EU member states including France on January 1, 2014. The CRD IV Directive became effective on January 1, 2014 (except for capital buffer provisions which became applicable from January 1, 2016) and was implemented under French law by the banking reform dated February 20, 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*).

Credit institutions such as the Issuer must comply with minimum capital ratio requirements. In addition to these requirements, the principal regulations applicable to credit institutions such as the Issuer concern risk diversification and liquidity, monetary policy, restrictions on equity investments and reporting requirements. As of the date hereof, in the various countries in which the Issuer or its subsidiaries operate, they comply with the specific regulatory ratio requirements in accordance with procedures established by the relevant supervisory authorities.

French credit institutions are required to maintain minimum capital to cover their credit, market, counterparty and operational risks. Since January 1, 2014, pursuant to the CRD IV Regulation, credit institutions, such as the Groupe BPCE are required to maintain a minimum total capital ratio of 8%, a minimum tier 1 capital ratio of 6% and a minimum common equity tier 1 ratio of 4.5%, each to be obtained by dividing the institution's relevant eligible regulatory capital by its risk-weighted assets. The Supervisory Banking Authority may also require French credit institutions to maintain capital in excess of the requirements described above. In addition, they will have to comply with certain common equity tier 1 buffer requirements, including a capital conservation buffer of 2.5% that will be applicable to all institutions as well as other common equity tier 1 buffers to cover countercyclical and systemic risks. These buffer requirements will be implemented progressively until 2019.

French credit institutions must satisfy, on a consolidated basis, certain restrictions relating to concentration of risks (*ratio de contrôle des grands risques*). The aggregate of a French credit institution's loans and a portion of certain other exposures (*risques*) to a single customer (and related entities) may not exceed 25% of the credit institution's eligible capital and, with respect of exposures to certain financial institution, the higher of 25% of the credit institutions eligible capital and € 150 million. Certain individual exposures may be subject to specific regulatory requirements.

Each French credit institution is required to calculate, as of the end of each month, the ratio of the weighted total of certain of its short-term and liquid assets to the weighted total of its short-term liabilities. This liquidity ratio (*coefficient de liquidité*) is required to exceed 100% at all times. French credit institutions are entitled to opt for the "advanced" approach with respect to liquidity risk, upon request to the relevant Banking Authority and under certain conditions. Under the advanced approach, the credit institution is able to use its internal methodologies to determine the liquidity risk and ensure that it has sufficient liquidity at all times to honor its commitments. The CRD IV Regulation introduces liquidity requirements from 2015, after an initial observation period. Institutions will be required to hold liquid assets, the total value of which would cover the net liquidity outflows that might be experienced under gravely stressed conditions over a period of 30 calendar days. This liquidity coverage ratio ("**LCR**") will be phased-in gradually, starting at 60% in 2015 and reaching 100% in 2018. Until the LCR is fully introduced, EU member states may maintain or introduce national liquidity requirements.

Under the CRD IV Regulation, it is expected that each institution will be required to maintain a leverage ratio beginning on January 1, 2018, at the level that will be implemented by the Council and European Parliament following an initial observation period that began January 1, 2015, during which institutions will

be required to disclose their leverage ratio. The leverage ratio is defined as an institution's tier 1 capital divided by its total exposure measure.

The Issuer's commercial banking operations in France are also significantly affected by monetary policies established from time to time by the ECB in coordination with the *Banque de France*. Commercial banking operations, particularly in their fixing of short-term interest rates, are also affected in practice by the rates at which the *Banque de France* intervenes in the French domestic interbank market.

French credit institutions are subject to restrictions on equity investments and, subject to various specified exemptions for certain short-term investments and investments in financial institutions and insurance companies, "qualifying shareholdings" held by credit institutions must comply with the following requirements: (a) no "qualifying shareholding" may exceed 15% of the regulatory capital of the concerned credit institution and (b) the aggregate of such "qualifying shareholdings" may not exceed 60% of the regulatory capital of the concerned credit institution. An equity investment is a "qualifying shareholding" for the purposes of these provisions if (i) it represents more than 10% of the share capital or voting rights of the company in which the investment is made or (ii) it provides, or is acquired with a view to providing, a "significant influence" (*influence notable*, presumed when the credit institution controls at least 20% of the voting rights) in such company. Further, the ECB must authorize certain participations and acquisitions.

French regulations permit only licensed credit institutions to engage in banking activities on a regular basis. Similarly, institutions licensed as banks may not, on a regular basis, engage in activities other than banking, bank-related activities and a limited number of non-banking activities determined pursuant to the regulations issued by the French Minister of Economy. A regulation issued in November 1986 and amended from time to time sets forth an exhaustive list of such non-banking activities and requires revenues from those activities to be limited in the aggregate to a maximum of 10% of total net revenues.

Finally, the CRD IV Regulation imposes disclosure obligations on credit institutions relating to risk management objectives and policies, governance arrangements, capital adequacy requirements and remuneration policies that have a material impact on the risk profile and leverage. In addition, the French *Code monétaire et financier* imposes additional disclosure requirements to credit institutions, including disclosure relating to certain financial indicators, their activities in non-cooperative states or territories, and more generally, certain information on their overseas operations.

Examination

In addition to the resolution powers set out below, the principal means used by the relevant Banking Authority to ensure compliance by large deposit banks with applicable regulations is the examination of the detailed periodic (monthly or quarterly) financial statements, *états périodiques réglementaires* and other documents that these banks are required to submit to the relevant Banking Authority. In the event that any examination were to reveal a material adverse change in the financial condition of a bank, an inquiry would be made, which could be followed by an inspection. The relevant Banking Authority may also inspect banks (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements) on an unannounced basis.

Deposit Guarantees

All credit institutions operating in France are required by law to be a member of the deposit and resolution guarantee fund (*Fonds de garantie des dépôts et de résolution*), except branches of European Economic Area banks that are covered by their home country's guarantee system. Domestic customer deposits denominated in euros and currencies of the European Economic Area are covered up to an amount of €100,000 and securities up to an aggregate value of €70,000, in each case per customer and per credit

institution. The contribution of each credit institution is calculated on the basis of the aggregate deposits and of the risk exposure of such credit institution.

Additional Funding

The governor of the *Banque de France*, as chairman of the ACPR, after requesting the opinion of the ECB, can request that the shareholders of a credit institution in financial difficulty fund the institution in an amount that may exceed their initial capital contribution. However, unless they have agreed to be bound by an express undertaking to the ACPR, credit institution shareholders have no legal obligation in this respect and, as a practical matter, such a request would likely be made to holders of a significant portion of the institution's share capital.

Internal Control Procedures

French credit institutions are required to establish appropriate internal control systems, including with respect to risk management and the creation of appropriate audit trails. French credit institutions are required to have a system for analyzing and measuring risks in order to assess their exposure to credit, market, global interest rate, intermediation, liquidity and operational risks. Such system must set forth criteria and thresholds allowing the identification of significant incidents revealed by internal control procedures. Any fraud generating a gain or loss of a gross amount superior to 0.5% of the tier 1 capital is deemed significant provided that such amount is greater than €10,000.

With respect to credit risks, each credit institution must have a credit risk selection procedure and a system for measuring credit risk that permit, *inter alia*, centralization of the institution's on- and off-balance sheet exposure and for assessing different categories of risk using qualitative and quantitative data. With respect to market risks, each credit institution must have systems for monitoring, among other things, its proprietary transactions that permit the institution to record on at least a day-to-day basis foreign exchange transactions and transactions in the trading book, and to measure on at least a day-to-day basis the risks resulting from trading positions in accordance with the capital adequacy regulations. The institution must prepare an annual report for review by the institution's board of directors and the relevant Banking Authority regarding the institution's internal procedures and the measurement and monitoring of the institution's exposure.

Compensation Policy

French credit institutions and investment firms are required to ensure that their compensation policy is compatible with sound risk management principles. A significant portion of the compensation of employees whose activities may have a significant impact on the institution's risk exposure must be performance-based and a significant fraction of this performance-based compensation must be non-cash and deferred. Under the CRD IV Directive as implemented under French law, the aggregate amount of variable compensation of the above-mentioned employees cannot exceed the aggregate amount of their fixed salary; the shareholders' meeting may, however, decide to increase this cap to two times their fixed salary. The cap of variable compensation will apply to compensation awarded for services or performance as from the year 2014.

Money Laundering

French credit institutions are required to report to a special government agency (TRACFIN) placed under the authority of the French Minister of Economy all amounts registered in their accounts that they suspect come from drug trafficking or organized crime, from unusual transactions in excess of certain amounts, as well as all amounts and transactions that they suspect to be the result of offence punishable by a minimum sentence of at least one-year imprisonment or that could participate in the financing of terrorism.

French credit institutions are also required to establish "know your customer" procedures allowing identification of the customer (as well as the beneficial owner) in any transaction and to have in place systems for assessing and managing money laundering and terrorism financing risks in accordance with the varying degree of risk attached to the relevant clients and transactions.

Resolution Measures

On May 15, 2014, the European Parliament and the Council of the European Union adopted Directive 2014/59/EU of the European Parliament and of the Council, establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**"). The stated aim for the BRRD is to provide relevant resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

The BRRD was implemented in France through a decree of law (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) dated August 20, 2015.

Resolution

Under the decree-law, the Resolution Authority (see *"—The Resolution Authority*" above) may commence resolution proceedings in respect of an institution when the Resolution Authority determines that:

- the institution is failing or likely to fail;
- there is no reasonable prospect that another action will prevent the failure within a reasonable time; and
- a resolution measure is required, and a liquidation procedure would fail, to achieve the objectives of the resolution: (i) to ensure the continuity of critical functions, (ii) to avoid a significant adverse effect on the financial system, (iii) to protect public funds by minimizing reliance on extraordinary public financial support, and (iv) to protect client funds and assets, and in particular those of depositors.

Failure of an institution means that it does not respect requirements for continuing authorization, it is unable to pay its debts or other liabilities when they fall due, it requires extraordinary public financial support (subject to limited exceptions), or the value of its liabilities exceeds the value of its assets.

After resolution proceedings are commenced, the Resolution Authority may use one or more of several resolution tools with a view to recapitalizing or restoring the viability of the institution, as described below. Resolution tools are to be implemented so that shareholders bear losses first, then holders of capital instruments qualifying as additional tier 1 and tier 2 instruments, such as the Subordinated Notes, and thereafter creditors bear losses in accordance with the order of their claims in normal insolvency proceedings, subject to certain exceptions. French law also provides for certain safeguards when certain resolution tools and measures are implemented including the "no creditor worse off than under normal insolvency proceedings" principle, whereby creditors of the institution under resolution should not incur greater losses than they would have incurred had the institution been wound up under a liquidation proceeding.

Write-Down and Conversion of Capital Instruments

Capital instruments such as the Subordinated Notes may be written down or converted to equity or other instruments either in connection with (and prior to) the opening of a resolution proceeding, or in certain other cases described below (without a resolution proceeding).

The Resolution Authority must write down capital instruments such as the Subordinated Notes, or convert them to equity or other instruments, if it determines that the conditions for the initiation of a resolution procedure have been satisfied, the viability of the issuing institution or its group depends on such write-down or conversion, or the issuing institution or its group requires extraordinary public support (subject to certain exceptions). The principal amount of capital instruments such as the Subordinated Notes may also be written down or converted to equity or other instruments if (i) the issuing institution or the group to which it belongs is failing or likely to fail and the write-down or conversion is necessary to avoid such failure, (ii) the viability of the institution depends on the write-down or conversion (and there is no reasonable perspective that another measure, including a resolution measure, could avoid the failure of the issuing institution or its group in a reasonable time), or (iii) the institution or its group requires extraordinary public support (subject to certain exceptions). The failure of an issuing institution is determined in the manner described above. The failure of a group is considered to occur or be likely if the group breaches its consolidated capital ratios or if such a breach is likely to occur in the near term, based on objective evidence (such as the incurrence of substantial losses that are likely to deplete the group's own funds).

If one or more of these conditions is met, common equity tier 1 instruments are first written down, transferred to creditors or, if the institution enters resolution and its net assets are positive, significantly diluted by the conversion of other capital instruments and eligible liabilities. Once this has occurred, other capital instruments (first additional tier 1 instruments, then tier 2 instruments such as the Subordinated Notes) are either written down or converted to common equity tier 1 instruments or other instruments (which are also subject to possible write-down).

The Bail-In Tool

Once a resolution procedure is initiated, the powers provided to the Resolution Authority include the "**Bail-in Tool**", meaning the power to write down liabilities such as eligible liabilities of a credit institution in resolution, or to convert them to equity. Eligible liabilities include subordinated debt instruments not qualifying as capital instruments and senior unsecured debt instruments. The Bail-in Tool may also be applied to any liabilities that are capital instruments and that remain outstanding at the time the Bail-in Tool is applied.

Before the Resolution Authority may exercise the Bail-in Tool in respect of eligible liabilities, capital instruments must first be written down or converted to equity or other instruments, in the following order of priority: (i) common equity tier 1 instruments are to be written down first, (ii) other capital instruments (additional tier 1 instruments) are to be written down or converted into common equity tier 1 instruments, and (iii) tier 2 capital instruments (such as the Subordinated Notes) are to be written down or converted to common equity tier 1 instruments. Once this has occurred, the Bail-in Tool may be used to write down or convert eligible liabilities as follows: (i) subordinated debt instruments other than capital instruments are to be written down or converted into common equity tier 1 instruments in accordance with the hierarchy of claims in normal insolvency proceedings, and (ii) other eligible liabilities are to be written down or converted into common equity tier 1 instruments, in accordance with the hierarchy of claims in normal insolvency proceedings. Instruments of the same ranking are generally written down or converted to equity on a pro rata basis.

As a result of the foregoing, even if Tier 2 instruments such as the Subordinated Notes are not fully written down or converted prior to the opening of a resolution procedure, if the Resolution Authority decides to implement the Bail-in Tool as part of the implementation of resolution, the principal amount of Tier 2 instruments must first be fully written down or converted to equity. In addition, common equity Tier 1 instruments into which Tier 2 instruments were previously converted would also be subject to write-down prior to the application of the Bail-in Tool.

To ensure that the Bail-in Tool will be effective if it is ever needed, as from January 1, 2016, institutions are required to maintain a minimum level of own funds and eligible liabilities, calculated as a percentage of their total liabilities and own funds. The percentage is determined for each institution by the Resolution Authority. This minimum level is known as the "minimum requirement for own funds and eligible liabilities or "**MREL**".

Other resolution measures

In addition to the Bail-In Tool, the Resolution Authority is provided with broad powers to implement other resolution measures with respect to failing institutions or, under certain circumstances, their groups, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a temporary administrator (*administrateur spécial*) and the issuance of new equity or own funds.

When using its powers, the Resolution Authority must take into account the situation of the concerned group or institution under resolution and potential consequences of its decisions in the concerned Member States.

Recovery and resolution plans

Each institution or group must prepare a recovery plan (*plan préventif de rétablissement*) that will be reviewed by the Supervisory Banking Authority. This obligation should not arise with respect to an entity within the group that is already supervised on a consolidated basis. The Resolution Authority is in turn required to prepare a resolution plan (*plan préventif de résolution*) for such institution or group:

a) Recovery plans must set out measures contemplated in case of a significant deterioration of an institution's financial situation. Such plans must be updated on a yearly basis (or immediately following a significant change in an institution's organization or business). The Supervisory Banking Authority must assess the recovery plan to determine whether the implementation of the arrangements proposed is reasonably likely to maintain or restore the viability and financial position of the institution or of the group, also review whether the plan could impede the resolution powers if a resolution is commenced, and, as necessary, can require modifications or request changes in an institution's organization.

b) Resolution plans prepared by the Resolution Authority must set out, in advance of any failure, how the various resolution powers set out above are to be implemented for each institution, given its specific circumstances. Such plans must also be updated on a yearly basis (or immediately following a significant change in an institution's organization or business).

The Single Resolution Fund

As of January 1, 2016, the Single Resolution Mechanism Regulation provides for the establishment of a single resolution fund that may be used by the Single Resolution Board to support a resolution plan (the

"**Single Resolution Fund**"). The Single Resolution Fund has replaced national resolution funds implemented pursuant to the BRRD with respect to significant banks such as the Issuer. This Single Resolution Fund is financed by contributions raised from banks. On December 19, 2014, the Council adopted an implementing act to calculate the contributions of banks to the Single Resolution Fund, which provides for annual contributions to the Single Resolution Fund to be made by banks based on their liabilities, excluding own funds and covered deposits, and adjusted for risks.

TLAC

On November 9, 2015, the Financial Stability Board proposed that "Global Systemically Important Banks" (including Groupe BPCE) maintain significant amounts of liabilities that are subordinated (by law, contract or structurally) to certain priority liabilities, such as guaranteed or insured deposits and derivatives. These so-called "TLAC" (or "total loss absorbing capacity") requirements are intended to ensure that losses are absorbed by shareholders and creditors, other than creditors in respect of priority liabilities, rather than being borne by government support systems. The TLAC requirement will be determined individually for each Global Systemically Important Bank, with a minimum TLAC equal to at least (i) 16% of risk-weighted assets beginning January 1, 2019, and 18% of risk-weighted assets beginning January 1, 2022, and (ii) 6% of the Basel III leverage ratio denominator beginning January 1, 2019, and 6.75% beginning January 1, 2022. The TLAC requirements will, if adopted and implemented in France, apply in addition to capital requirements applicable to Groupe BPCE. The TLAC requirements are also expected to apply in addition to the MREL requirements described above.

TERMS AND CONDITIONS OF THE NOTES

*This section shall supersede and replace the section entitled "*Terms of the Notes*" in the summary of the Base Offering Memorandum, and the section entitled* "Description of the Notes" *in the Base Offering Memorandum.*

The terms and conditions of the Subordinated Notes (the ***Conditions****) will be as follows:*

1. Introduction

1.1 *Subordinated Notes*: The issue of the US dollar ("**USD**") $750,000,000 4.875% Subordinated Notes due 2026 (the "**Subordinated Notes**," which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 12 (*Further Issues*) and forming a single Series with the Subordinated Notes) of BPCE (the "**Issuer**") was authorized by a decision of Roland Charbonnel, *Directeur des Emissions et de la Communication Financière* of the Issuer, adopted on March 29, 2016 and executed on March 30, 2016, acting pursuant to a resolution of the Management Board (*Directoire*) of the Issuer dated April 27, 2015.

1.2 *Issue and Agency Agreement*: The Subordinated Notes are issued in accordance with a Fiscal Agency Agreement dated as of April 9, 2013, (as supplemented, amended and/or replaced from time to time, the "**Fiscal Agency Agreement**") among the Issuer, Natixis, New York Branch and The Bank of New York Mellon as fiscal agent (the "**Fiscal Agent**," which expression includes any successor fiscal agent appointed from time to time in connection with the Subordinated Notes) and paying agent (the "**Paying Agent**," which expression includes any successor paying agent appointed from time to time in connection with the Subordinated Notes). References below to the "**Agents**" shall be to the Fiscal Agent and/or the Paying Agent, as the case may be. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Agents. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

2. Interpretation

2.1 *Definitions*: In these Conditions the following expressions have the following meanings:

"**ACPR**" has the meaning set forth in Condition 16.2;

"**Agents**" has the meaning set forth in Condition 1.2;

"**Amounts Due**" has the meaning set forth in Condition 16.1;

"**Applicable Banking Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in France including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy then in effect of, and as applied by, the Relevant Regulator;

"**August 20, 2015 Decree Law**" has the meaning set forth in Condition 16.2;

"**Bail-In Power**" has the meaning set forth in Condition 16.2;

"**BRRD**" has the meaning set forth in Condition 16.2;

"**Business Day**" means 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 New York City;

"**Calculation Amount**" means USD $1,000;

"**Capital Event**" means that, by reason of a change in the criteria set out in the Applicable Banking Regulations for Tier 2 Capital which was not reasonably foreseeable by the Issuer at the Issue Date, the Subordinated Notes cease to comply with such criteria and are fully

excluded from the Tier 2 Capital of the Issuer; *provided* that such exclusion is not as a result of any applicable limits on the amount of Tier 2 Capital;

"**Conditions**" has the meaning set forth in Condition 1.2;

"**CRD IV**" means, taken together, the (i) CRD IV Directive and (ii) CRD IV Regulation;

"**CRD IV Directive**" means the Directive (2013/36/EU) of the European Parliament and of the Council on access to the activity of credit institutions and prudential supervision of credit institutions and investment firms dated June 26, 2013 and published in the Official Journal of the European Union on June 27, 2013, as amended or replaced from time to time;

"**CRD IV Regulation**" means the Regulation (2013/575) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated June 26, 2013 and published in the Official Journal of the European Union on June 27, 2013, as amended or replaced from time to time;

"**Day Count Fraction**" means, (i) in respect of interest payable on a scheduled Interest Payment Date, 0.5, and (ii) in respect of interest payable other than on a scheduled Interest Payment Date, shall be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed;

"**DTC**" means The Depository Trust Company or any successor in interest thereto;

"**DTC Business Day**" has the meaning set forth in Condition 7.2;

"**FATCA**" the meaning set forth in Condition 7.3;

"**Fiscal Agency Agreement**" has the meaning set forth in Condition 1.2;

"**Fiscal Agent**" has the meaning set forth in Condition 1.2;

"**Global Note**" has the meaning set forth in Condition 3.1;

"**Holders**" or "**Noteholders**" has the meaning set forth in Condition 3.1;

"**Interest Payment Date**" means April 1 and October 1 of each year from (and including) October 1, 2016;

"**Interest Period**" means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Issue Date**" means April 1, 2016;

"**Issuer**" has the meaning set forth in Condition 1.1;

"**Maturity Date**" means April 1, 2026;

"**Outstanding**" means, in relation to the Subordinated Notes, all the Subordinated Notes issued other than (a) those which have been repaid in full in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption monies (including all interest accrued on such Subordinated Notes to the date for such redemption and any interest payable after such date) have been duly paid as provided in these Conditions, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) those mutilated or defaced certificated Subordinated Notes which have been surrendered in exchange for replacement Subordinated Notes, (f) (for the purpose only of determining how many Subordinated Notes are outstanding and without prejudice to their status for any other purpose) those certificated Subordinated Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Subordinated Notes have been issued, and (g) any Global Note to the extent that it has been exchanged for certificated Subordinated Notes, provided that for the purpose of determining how many and which Subordinated Notes are outstanding for the purposes of Condition 11 (*Meetings of Noteholders, Modification and Waiver*), those

Subordinated Notes, if any, that are for the time being held by or for the benefit of the Issuer or any subsidiary of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"**Paying Agent**" has the meaning set forth in Condition 1.2;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality;

"**Rate of Interest**" means 4.875% per annum;

"**Record Date**" the meaning set forth in Condition 7.2;

"**Redemption Amount**" means, in respect of any Subordinated Note, its principal amount and "**Redemption Amounts**" means the principal amounts of all of the Subordinated Notes together;

"**Register**" means the register maintained by the Registrar in accordance with the Fiscal Agency Agreement.

"**Registrar**" means The Bank of New York Mellon as Registrar, or any successor registrar appointed in accordance with the terms of the Fiscal Agency Agreement.

"**Regulated Entity**" has the meaning set forth in Condition 16.2;

"**Regulation S Global Note**" has the meaning set forth in Condition 3.1;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders in accordance with Condition 13 (*Notices*);

"**Relevant Regulator**" means the European Central Bank and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer;

"**Relevant Resolution Authority**" has the meaning set forth in Condition 16.2;

"**Rule 144A Global Note**" has the meaning set forth in Condition 3.1;

"**Securities Act**" means the Securities Act of 1933, as amended;

"**Senior Obligations**" means all unsecured and unsubordinated obligations of the Issuer, and all other obligations expressed to rank senior to the Subordinated Notes, as provided by their terms or by law;

"**Special Event**" means either a Tax Event or a Capital Event;

"**SRB**" has the meaning set forth in Condition 16.2;

"**SRM**" has the meaning set forth in Condition 16.2;

"**Subordinated Notes**" has the meaning set forth in Condition 1.1;

"**Tax Deductibility Event**" has the meaning set forth in Condition 6.3;

"**Tax Event**" means a Tax Deductibility Event or a Withholding Tax Event, as the case may be;

"**Tax Jurisdiction**" has the meaning set forth in Condition 8.1;

"**Taxes**" has the meaning set forth in Condition 8.1;

"**Tier 2 Capital**" means capital which is treated by the Relevant Regulator as a constituent of tier 2 under Applicable Banking Regulations from time to time (and shall also include any successor

or substitute term applicable pursuant to Applicable Banking Regulations) for the purposes of the Issuer;

"**USD**" has the meaning set forth in Condition 1.1;

"**Withholding Tax Event**" has the meaning set forth in Condition 6.3.

2.2 *Interpretation*: In these Conditions:

(i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions; and

(ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions.

3. Form, Denomination, Title and Transfer

3.1 *Form, Denomination and Title*

The Subordinated Notes are in fully registered form, in minimum denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof. The Subordinated Notes sold in reliance on Rule 144A under the Securities Act will be represented by one or more permanent global notes (together the "**Rule 144A Global Note**") and the Subordinated Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act will be represented by one or more permanent global notes (together, the "**Regulation S Global Note**" and, together with the Rule 144A Global Note, the "**Global Notes**"). The Global Notes will be registered in the name of DTC or its nominee and deposited with a custodian for DTC, as described in the Fiscal Agency Agreement.

The Issuer shall procure that there shall at all times be a Fiscal and Paying Agent and one or more Paying Agent, which can be the Fiscal Agent and Paying Agent, for so long as any Subordinated Note is Outstanding. The Issuer has appointed the Registrar at its office specified below to act as registrar of the Subordinated Notes. The Issuer shall cause to be kept at the specified office of the Registrar, for the time being at 101 Barclay Street, New York, New York 10286, a Register with respect to the Issuer on which shall be entered, among other things, the name and address of the Holders of Subordinated Notes and particulars of all transfers of title to Subordinated Notes.

References to "**Noteholders**" and "**Holders**" mean the person or entity in whose name Subordinated Notes are registered in the Register maintained for this purpose pursuant to the Fiscal Agency Agreement. For so long as DTC or its nominee is the registered owner or Holder of a Global Note of a Series, DTC or such nominee, as the case may be, will be considered the sole Holder of the Subordinated Notes represented by such Global Note for all purposes under the Fiscal Agency Agreement and the Subordinated Notes, except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Subordinated Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC and, as participants in DTC, Euroclear and/or Clearstream, Luxembourg.

The Subordinated Notes will not be issued in certificated form, and beneficial interests in the Global Notes may not be exchanged for definitive certificated Subordinated Notes, except as set forth under Condition 3.2 (*Transfers and Exchanges of Subordinated Notes*).

3.2 *Transfers and Exchanges of Subordinated Notes*

(i) *Transfers of interests in Global Notes*

Transfers of beneficial interests in Global Notes will be effected by DTC, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Subordinated Notes in certificated form only in authorized denominations and only in accordance with the terms and conditions specified in the Fiscal Agency Agreement.

(ii) *Transfers of Subordinated Notes in Certificated Form*

Subject to the provisions of paragraph (iv) below and to compliance with all applicable legal and regulatory restrictions, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, including the transfer restrictions contained therein, a Subordinated Note in certificated form may be transferred in whole or in part (in authorized denominations). In order to effect any such transfer (A) the Holder or Holders must (1) surrender the Subordinated Note for registration of the transfer of the Subordinated Note (or the relevant part of the Subordinated Note) at the specified office of the Registrar, with the form of transfer thereon duly executed by the Holder or Holders thereof or his, her or their attorney or attorneys duly authorized in writing and (2) complete and deposit such other certifications specified in the Fiscal Agency Agreement and as may be required by such Registrar and (B) such Registrar must, after due and careful inquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 6 to the Fiscal Agency Agreement). Subject as provided above, the Registrar will, within three (3) business days (being for this purpose a day on which banks are open for business in the city where the specified office of such Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Subordinated Note in certificated form of a like aggregate nominal amount to the Subordinated Note (or the relevant part of the Note) transferred. In the case of the transfer of only part of a Subordinated Note in certificated form, a new Subordinated Note in certificated form in respect of the balance of the Subordinated Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) *Costs of Registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular, uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(iv) *Exchanges of Interests in Global Notes for Certificated Subordinated Notes*

Beneficial interests in Global Notes will not be exchangeable for certificated Subordinated Notes and will not otherwise be issuable as certificated Subordinated Notes unless:

(i) DTC notifies the Issuer that it is unwilling or unable to continue as depositary and the Issuer does not appoint a successor within ninety (90) days; or

(ii) DTC ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended and the Issuer does not appoint a successor within ninety (90) days.

If any of the events described in the preceding paragraph occurs, the Issuer will issue definitive Subordinated Notes in certificated form in an amount equal to a Holder's beneficial interest in the Subordinated Notes. Certificated Subordinated Notes will be issued only in authorized denominations, and will be registered in the name of the person DTC specifies in a written instruction to the Registrar of the Subordinated Notes.

4. Status of the Subordinated Notes

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

The principal and interest of the Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer ranking (i) junior to all present and future Senior Obligations, (ii) *pari passu* without any preference among themselves, (iii) *pari passu* with any other present and future direct, unconditional, unsecured and subordinated obligations of the Issuer (other than those that constitute Senior Obligations) and (iv) senior to any present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and deeply subordinated obligations of the Issuer (*engagements dits "super subordonnés"* or *engagements subordonnés de dernier rang*).

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the Holders of the Subordinated Notes shall be subordinated to the payment in full of creditors (including depositors) in respect of Senior Obligations and, subject to such payment in full, the Noteholders shall be paid in priority to any *prêts participatifs* granted to the Issuer, any *titres participatifs* issued by it and any deeply subordinated obligations of the Issuer (*engagements dits "super subordonnés"* or *engagements subordonnés de dernier rang*).

In the event of incomplete payment of Senior Obligations, the obligations of the Issuer in connection with the Subordinated Notes will be terminated.

The Noteholders shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

It is the intention of the Issuer that the Subordinated Notes shall, for supervisory purposes, be treated as Tier 2 Capital, but that the obligations of the Issuer and the rights of the Noteholders under the Subordinated Notes shall not be affected if the Subordinated Notes no longer qualify as Tier 2 Capital.

There is no negative pledge in respect of the Subordinated Notes.

5. Interest

5.1 *Interest Rate*: The Subordinated Notes bear interest at the Rate of Interest from (and including) the Issue Date. Interest shall be payable semi-annually in arrears on each Interest Payment Date, subject in any case as provided in Condition 7 (*Payments*). The amount of interest payable per Calculation Amount in respect of any Subordinated Note for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount, and the Day Count Fraction. Accordingly, the amount of interest payable per Calculation Amount of Subordinated Notes on each Interest Payment date shall be US$ 24.375.

5.2 *Accrual of Interest*: Each Subordinated Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of:

(i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder; and

(ii) the day which is seven (7) days after the Fiscal Agent has notified the Holders in accordance with Condition 13 (*Notices*) that it has received all sums due in respect of the Subordinated Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

6. Redemption and Purchase

6.1 *Maturity Date*: Unless previously redeemed or purchased and cancelled as provided below, the Subordinated Notes will be redeemed on the Maturity Date at their Redemption Amount.

6.2 *Redemption Upon the Occurrence of a Capital Event:* Upon the occurrence of a Capital Event, the Issuer may, at its option (but subject to the provisions of Condition 6.6 (*Conditions to Redemption and Purchase Prior to Maturity Date*)) at any time and having given not more than forty-five (45) nor less than thirty (30) calendar days' notice to the Holders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Subordinated Notes at their Redemption Amounts, together with accrued and unpaid interest (if any) thereon.

6.3 *Redemption Upon the Occurrence of a Tax Event*:

(i) If by reason of any change in the laws or regulations of any Tax Jurisdiction, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, becoming effective on or after the Issue Date (if the Tax Jurisdiction is France) or after the date on which the relevant taxing jurisdiction becomes a Tax Jurisdiction (if the Tax Jurisdiction is not France), the tax regime of any payments under the Subordinated Notes is modified and such modification results in the part of the interest payable by the Issuer under the Subordinated Notes that is tax-deductible being reduced (a "**Tax Deductibility Event**"), the Issuer may, at its option (but subject to the provisions of Condition 6.6 (*Conditions to Redemption and Purchase Prior to Maturity Date*)), at any time, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the outstanding Subordinated Notes at their Redemption Amounts together with accrued interest (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable not being impacted by the reduction in tax deductibility giving rise to the Tax Deductibility Event.

(ii) If by reason of a change in the laws or regulations of any Tax Jurisdiction, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, becoming effective on or after the Issue Date (if the Tax Jurisdiction is France) or after the date on which the relevant taxing jurisdiction becomes a Tax Jurisdiction (if the Tax Jurisdiction is not France), the Issuer would on the occasion of the next payment of principal or interest due in respect of the Subordinated Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 (*Taxation*) (a "**Withholding Tax Event**"), the Issuer may, at its option (but subject to the provisions of Condition 6.6. (*Conditions to Redemption and Purchase Prior to Maturity Date*)), at any time, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the outstanding Subordinated Notes at their Redemption Amounts together with accrued interest (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for such taxes and provided further that the obligation to pay such additional amounts could not have been avoided by reasonable measures available to the Issuer.

The Issuer will not give notice under this Condition 6.3 unless it has demonstrated to the satisfaction of the Relevant Regulator that the change referred to in paragraphs (i) or (ii) above is material and was not reasonably foreseeable at the time of issuance of the Subordinated Notes.

6.4 *Purchase*: The Issuer may at any time on or after the fifth anniversary of the Issue Date (but subject to the provisions of Condition 6.6 (*Conditions to Redemption and Purchase Prior to Maturity Date*)) purchase Subordinated Notes in the open market or otherwise and at any price in accordance with applicable laws and regulations. Subordinated Notes purchased by or on behalf of the Issuer may be held in accordance with Article L.213-1-A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Subordinated Notes for a maximum period of one year from the date of purchase in accordance with Article D. 213-1-A of the French *Code monétaire et financier*.

The Issuer or any agent on its behalf shall have the right at all times to purchase the Subordinated Notes for market making purposes provided that: (a) the prior written approval of the Relevant Regulator shall be obtained; and (b) the total principal amount of the Subordinated Notes so purchased does not exceed the lower of (x) 10% of the initial aggregate principal amount of the Subordinated Notes and any further Subordinated Notes issued under Condition 12 (*Further Issues*), or (y) 3% of the Tier 2 Capital of the Issuer from time to time outstanding.

6.5 *Cancellation*: All Subordinated Notes which are redeemed or (subject to Condition 6.4 (*Purchases*)) purchased will forthwith (but subject to the provisions of Condition 6.6 (*Conditions to Redemption and Purchase Prior to Maturity Date*)) be cancelled.

6.6 *Conditions to Redemption and Purchase Prior to Maturity Date*: The Subordinated Notes may only be redeemed, purchased or cancelled (as applicable) pursuant to Condition 6.2 (*Redemption Upon the Occurrence of a Capital Event*), Condition 6.3 (*Redemption upon the occurrence of a Tax Event*) or Condition 6.4 (*Purchase*), as the case may be, if:

(i) the Relevant Regulator has given its prior written approval to such redemption, purchase or cancellation (as applicable); in this respect, article 78 of the CRD IV Regulation provides that the Relevant Regulator shall grant permission for a redemption or repurchase of the Subordinated Notes provided that either of the following conditions is met, as applicable to the Subordinated Notes:

a) on or before such redemption or repurchase of the Subordinated Notes, the Issuer replaces the Subordinated Notes with instruments qualifying as Tier 2 Capital instruments of an equal or higher quality on terms that are sustainable for the Issuer's income capacity; or

b) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the tier 1 capital and the Tier 2 Capital of the Issuer would, following such redemption or repurchase, exceed the capital ratios required under CRD IV by a margin that the Relevant Regulator may consider necessary on the basis set out in CRD IV for it to determine the appropriate level of capital of an institution; and

(ii) in the case of a redemption as a result of a Special Event, the Issuer has delivered a certificate to the Fiscal Agent (with copies thereof being available at the Fiscal Agent's specified office during its normal business hours) not less than five (5) Business Days prior to the date set for redemption that such Special Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

7. Payments

7.1 *Principal*: Payments of principal in respect of the Subordinated Notes shall, subject as mentioned below, be made against presentation and surrender of the Subordinated Notes at the specified office of any Paying Agent and in the manner provided in Condition 7.2 below.

7.2 *Interest*: Interest on the Subordinated Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the Interest Payment Date or in case of Subordinated Notes to be cleared through The Depositary Trust Company ("**DTC**"), on the first DTC business day before the due date for payment thereof (the "**Record Date**"). For the purpose of this Condition 7.2, "**DTC business day**" means any day on which DTC is open for business. Payments of interest on each Subordinated Note shall be made in U.S. dollars by

check drawn on a United States bank and mailed to the Holder (or to the first named of joint holders) of such Subordinated Note at its address appearing in the Register. Upon application by the Holder to the specified office of any Paying Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial center of the country of that currency. Payments in respect of Global Notes shall be made by wire transfer in U.S. Dollars to the account of DTC or its nominee.

7.3 *Payments Subject to Fiscal Laws*: All payments in respect of the Subordinated Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations or orders of courts of competent jurisdiction in respect of such payments, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code or any regulations or agreements thereunder or official interpretations thereof, or any agreements, law, regulation or other official guidance implementing an intergovernmental approach thereto (collectively, "**FATCA**"). No commissions or expenses shall be charged to the Holders in respect of such payments.

7.4 *Payments on Business Days*: If the due date for payment of any amount in respect of any Subordinated Note is not a Business Day, the Holder shall not be entitled to payment of the amount due until the next succeeding Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

8. Taxation

8.1 *Withholding Tax*: All payments of principal and interest by the Issuer hereunder shall be made free and clear of and without withholding or deduction for any and all present or future taxes, levies, imposts or charges (all such taxes, levies, imposts and charges being hereinafter referred to as "**Taxes**"), except as required by law. If the Issuer shall be required by the laws of a Tax Jurisdiction to deduct any Taxes from or in respect of any sum payable hereunder, the Issuer, shall pay such additional amounts as may be necessary in order that the Holder of each Subordinated Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding or deduction; provided, however, that the Issuer shall not be liable to pay any such additional amounts with respect to any Subordinated Note:

(i) to or on behalf of a Holder or beneficial owner who is subject to such Taxes in respect of such Subordinated Note by reason of the Holder or beneficial owner being connected with the Tax Jurisdiction otherwise than by reason only of the holding of such Subordinated Note or receipt of payments thereon;

(ii) presented for payment (where presentation is required) more than thirty (30) days after the Relevant Date, except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of thirty (30) days;

(iii) where such withholding or deduction is imposed pursuant to FATCA;

(iv) where such withholding or deduction would not have been so imposed but for the failure to comply, following a timely request by the Issuer, with any applicable certification, identification, documentation, information or other reporting requirement concerning the nationality, residence, identity or connection with a Tax Jurisdiction of the Holder or beneficial owner if, without regard to any tax treaty, such compliance is required under the tax laws or regulations of a Tax Jurisdiction or any political subdivision or taxing authority thereof or therein to establish an entitlement to an exemption from such withholding or deduction; or

(v) presented for payment (where presentation is required) by or on behalf of a Holder who

would be able to avoid such withholding or deduction by presenting the relevant Subordinated Note to another Paying Agent in a Member State of the European Union.

As used herein, "**Tax Jurisdiction**" means the Republic of France or any other jurisdiction in which the Issuer or any of its successors, following a merger or similar event, is or becomes organized or resident for tax purposes, or any political subdivision or taxing authority in or of any of the foregoing.

As used herein the "**Relevant Date**" in relation to any Subordinated Note means whichever is the later of:

(i) the date on which the payment in respect of such Subordinated Note first became due and payable; or

(ii) if the full amount of the moneys payable on such a date in respect of such Subordinated Note has not been received by the Paying Agent on or prior to the due date, the date on which notice is duly given to the Noteholders that such moneys have been so received.

References herein to principal and/or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition 8.

8.2 *Supply of Information:* Each Holder of Subordinated Notes shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be reasonably required by the latter in order for it to comply with the identification and reporting obligations imposed on it by European Council Directive 2003/48/EC, as amended, supplemented or replaced, or any law implementing or complying with, or introduced in order to conform to, such Directive.

9. Agents

In acting under the Fiscal Agency Agreement and in connection with the Subordinated Notes, the Fiscal Agent and the Paying Agent act solely as agent of the Issuer and no such Agent assumes any obligations towards or relationship of agency or trust for or with any of the Holders and it shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Fiscal Agency Agreement or other agreement entered into with respect of its appointment or incidental thereto. The Issuer's obligation to indemnify the Agents in accordance with Section 20 of the Fiscal Agency Agreement shall survive the exercise of the Bail-In Power or write-down with respect to the Subordinated Notes.

10. Event of Default

There are no events of default under the Subordinated Notes which would lead to an acceleration of the Subordinated Notes if certain events occur. However, if any judgment were issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer were liquidated for any other reason prior to the Maturity Date, then the Subordinated Notes would become immediately due and payable, subject as described in Condition 4 (*Status of the Subordinated Notes*).

11. Meetings of Noteholders, Modification and Waiver

11.1 As the Subordinated Notes are being issued outside of the Republic of France within the meaning of Article L.228-90 of the French *Code de Commerce* and as the Subordinated Notes are governed by and construed in accordance with the laws of the State of New York (save for Condition 4 (*Status of the Subordinated Notes*) which is governed by and construed with in accordance with French law), the provisions of the French *Code de commerce* relating to the *masse* will not apply to the Noteholders.

11.2 *Modification and Amendment:* The Issuer may, with the consent of the Holders of greater than 50% in aggregate principal amount of the outstanding Subordinated Notes and the prior approval of the Relevant Regulator, modify and amend the provisions of such Subordinated Notes, including to grant waivers of future compliance or past default by the Issuer, and if so required, the Issuer will instruct the Agents to give effect to any such amendment, as the case

may be, at the sole expense of the Issuer. However, no such amendment or modification will apply, without the consent of each Noteholder affected thereby and without the prior approval of the Relevant Regulator, to Subordinated Notes owned or held by such Noteholder with respect to the following matters:

(i) to change the stated maturity of the principal of, any installment of or interest on such Subordinated Notes;

(ii) to reduce the principal amount of, the amount of the principal that would be due and payable upon a redemption of, or the rate of interest on such Subordinated Notes;

(iii) to change the currency or place of payment of principal or interest on such Subordinated Notes; and

(iv) to impair the right to institute suit for the enforcement of any payment in respect of such Subordinated Notes.

In addition, no such amendment or notification may, without the consent of each affected Noteholder and without the prior approval of the Relevant Regulator, reduce the percentage of principal amount of Subordinated Notes of such Series outstanding necessary to make these modifications or amendments to such Subordinated Notes or to reduce the quorum requirements or the percentages of votes required for the adoption of any action at a Noteholder meeting.

11.3 The prior approval of the Relevant Regulator will be required, but no consent of the Noteholders is or will be required, for any modification or amendment requested by the Issuer or by the Fiscal and Paying Agent or with the consent of the Issuer to:

(i) add to the Issuer's covenants for the benefit of the Noteholders; or

(ii) surrender any right or power of the Issuer in respect of the Subordinated Notes or the Fiscal Agency Agreement; or

(iii) cure any ambiguity in any provision, or correct any defective provision, of the Subordinated Notes; or

(iv) change the terms and conditions of the Subordinated Notes or the Fiscal Agency Agreement in any manner that the Issuer deems necessary or desirable so long as any such change does not, and will not, adversely affect the rights or interest of any affected Noteholder.

11.4 The Issuer may at any time ask for written consent or call a meeting of the Noteholders to seek their approval of the modification of or amendment to, or obtain a waiver of, any provision of the Subordinated Notes. This meeting will be held at the time and place determined by the Issuer and specified in a notice of such meeting furnished to the Noteholders. This notice must be given at least thirty (30) days and not more than sixty (60) days prior to the meeting.

11.5 If at any time the holders of at least 10% in principal amount for the then Outstanding Subordinated Notes request the Issuer to call a meeting of the Holders of such Subordinated Notes for any purpose, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Issuer will call the meeting for such purpose. This meeting will be held at the time and place determined by the Issuer and specified in a notice of such meeting furnished to the Noteholders. This notice must be given at least thirty (30) days and not more than sixty (60) days prior to the meeting.

11.6 Noteholders who hold greater than 50% in principal amount of the then Outstanding Subordinated Notes will constitute a quorum at a Noteholders' meeting. In the absence of a quorum, a meeting may be adjourned for a period of at least twenty (20) days. At the reconvening of a meeting adjourned for lack of quorum, Holders of 25% in principal amount of the then outstanding Subordinated Notes of such Series shall constitute a quorum. Notice of the reconvening of any meeting may be given only once, but must be given at least ten (10) days and not more than fifteen (15) days prior to the meeting.

11.7 At any meeting when there is a quorum present, Holders of greater than 50% in principal amount of the then Outstanding Subordinated Notes may approve the modification or amendment of, or a waiver of compliance for, any provision of the Subordinated Notes except for specified matters requiring the consent of each Noteholder, as set forth above. Modifications, amendments or waivers made at such a meeting will be binding on all current and future Noteholders.

11.8 *Supplemental Agreements*: Subject to the terms of this Condition 11, the Issuer and the Fiscal Agent may enter into an agreement or agreements supplemental to the Fiscal Agency Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Fiscal Agency Agreement. Upon the execution of any supplemental agreement under the Fiscal Agency Agreement, the Fiscal Agency Agreement shall be modified in accordance therewith, and such supplemental agreement shall form a part of the Fiscal Agency Agreement for all purposes. The Fiscal Agent may, but shall not be obligated to, enter into any such supplemental agreement which affects the Fiscal Agent's own rights, duties or immunities under the Fiscal Agency Agreement or otherwise. If the Issuer shall so determine, new Subordinated Notes, modified so as to conform, in the opinion of the Fiscal Agent and the Issuer, to any such supplemental agreement may be prepared and executed by the Issuer and authenticated and delivered by the Fiscal Agent in exchange for the Subordinated Notes.

12. Further Issues

The Issuer may from time to time, without the consent of the Holders, with prior notice to the Relevant Regulator, create and issue further Subordinated Notes having the same Terms and Conditions as the Subordinated Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the issue price thereof) so as to form a single Series with the Subordinated Notes; provided that such additional notes will be issued with no more than *de minimis* original issue discount for U.S. federal income tax purposes or be part of a qualified reopening for U.S. federal income tax purposes.

13. Notices

Notices to Holders will be provided to the addresses of the Holders that appear on the Register. So long as the Subordinated Notes are in the form of Global Notes held through DTC, notices shall be given through the facilities, and in accordance with the procedures, of DTC.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Subordinated Notes are for the time being listed or by which they have been admitted to trading.

14. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Subordinated Notes shall be prescribed and become void unless made within 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

15. Governing Law and Jurisdiction

15.1 *Governing Law*: The Subordinated Notes and the Fiscal Agency Agreement shall be governed by, and construed in accordance with the laws of the State of New York, except for Condition 4 (*Status of the Subordinated Notes*), which shall be governed by, and construed in accordance with, French law.

15.2 *Submission to Jurisdiction and Consent to Service of Process in New York*: The Issuer consents to the jurisdiction of the courts of the State of New York and the U.S. courts located in The City of New York, Borough of Manhattan, with respect to any action that may be brought in connection with the Subordinated Notes. The Issuer has appointed CT Corporation System as its agent upon whom process may be served in any action brought against it in any U.S. or New York State court in the Borough of Manhattan, City of New York, in connection with the Subordinated Notes.

16. Statutory Write-Down or Conversion

16.1 *Acknowledgement*

By its acquisition of the Subordinated Notes, each Noteholder (which, for the purposes of this Condition 16, includes each holder of a beneficial interest in the Subordinated Notes) acknowledges, accepts, consents and agrees:

a) to be bound by the effect of the exercise of the Bail-in Power (as defined below) by the Relevant Resolution Authority (as defined below), which may include and result in any of the following, or some combination thereof:

i. the reduction of all, or a portion, of the Amounts Due (as defined below);

ii. the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Subordinated Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Subordinated Notes any such shares, other securities or other obligations of the Issuer or another person;

iii. the cancellation of the Subordinated Notes;

iv. the amendment or alteration of the maturity of the Subordinated Notes or amendment of the amount of interest payable on the Subordinated Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;

b) that the terms of the Subordinated Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.

For these purposes, the "**Amounts Due**" are the principal amount of the Subordinated Notes, and any accrued and unpaid interest on the Subordinated Notes.

16.2 *Bail-in Power*

For these purposes, the "**Bail-in Power**" is any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, "**BRRD**"), including without limitation pursuant to French decree-law No. 2015-1024 dated August 20, 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended from time to time, the "**August 20, 2015 Decree Law**"), Regulation (EU) No 806/2014 of the European Parliament and of the Council of July 15, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (as amended from time to time, "**SRM**"), or otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), canceled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution or otherwise.

A reference to a "**Regulated Entity**" is to any entity referred to in Section I of Article L. 613-34 of the French Commercial Code as modified by the August 20, 2015 Decree Law, which includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France.

A reference to the "**Relevant Resolution Authority**" is to the *Autorité de contrôle prudentiel et de resolution* ("**ACPR**"), the Single Resolution Board ("**SRB**") established pursuant to the SRM, and/or any other authority entitled to exercise or participate in the exercise of any Bail-in Power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the SRM).

16.3 *Payment of Interest and Other Outstanding Amounts Due*

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of its group.

16.4 *No Event of Default*

Neither a cancellation of the Subordinated Notes, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Subordinated Notes will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Noteholder to any remedies (including equitable remedies), which are hereby expressly waived.

16.5 *Notice to Noteholders*

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Subordinated Notes, the Issuer will provide a written notice to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Fiscal Agent for informational purposes, although the Fiscal Agent shall not be required to send such notice to Noteholders.

16.6 *Duties of the Fiscal Agent*

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority, (a) the Fiscal and Principal Paying Agent shall not be required to take any directions from Noteholders, and (b) the Fiscal Agency Agreement shall impose no duties upon the Fiscal Agent whatsoever, in each case with respect to the exercise of any Bail-in Power by the Relevant Resolution Authority.

16.7 *Proration*

If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless the Fiscal Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Subordinated Notes pursuant to the Bail-in Power will be made on a pro-rata basis.

16.8 *Conditions Exhaustive*

The matters set forth in this Condition 16 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Subordinated Note.

BOOK-ENTRY PROCEDURES AND SETTLEMENT

*Please see the section of the Base Offering Memorandum entitled "*Book-Entry Procedures and Settlement*." Investors should note that, contrary to the statements in such section, beneficial interests in the Global Notes may not be exchanged for certificated notes upon an Event of Default, because there are no Events of Default in respect of the Subordinated Notes.*

TAXATION

French Taxation

This section shall supplement and, to the extent inconsistent, shall supersede and replace the section entitled "Taxation—French Taxation—Taxation of Interest Income and other revenues" *in the Base Offering Memorandum.*

The Savings Directive was implemented into French law under Article 242 *ter* of the French General Tax Code, which imposes on paying agents an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Pursuant to Article 125 A III of the French General Tax Code, payments of interest and other revenues made by the Issuer on the Subordinated Notes are not subject to withholding tax unless such payments are made outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"), in which case a 75% withholding tax is applicable subject to exceptions, certain of which are set forth below, and to more favorable provisions of any applicable double tax treaty. The 75% withholding tax is applicable irrespective of the tax residence of the holder of the Subordinated Notes. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, according to Article 238 A of the French General Tax Code, interest and other revenues will not be deductible from the Issuer's taxable income if they are paid to or accrued by persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest or other revenues may be recharacterized as constructive dividends pursuant to Articles 109 et seq. of the French General Tax Code, 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 same Code, at a rate of 30% or 75%, subject to more favorable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French General Tax Code nor, to the extent that they relate to genuine transactions and are not in an abnormal or exaggerated amount, the non-deductibility of the interest and other revenues and the withholding tax set out under Article 119 bis 2 that may be levied as a result of such non-deductibility, will apply in respect of the issue of the Subordinated Notes, provided that the Issuer can prove that the main purpose and effect of such issue of Subordinated Notes is not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**").

In addition, pursuant to the provisions of the administrative guidelines BOI-INT-DG-20-50-20140211, an issue of Subordinated Notes benefits from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of such issue of Subordinated Notes, if such Subordinated Notes are:

(i) offered by means of a public offer within the meaning of Article L. 411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) 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

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French

Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositaries or operators are not located in a Non-Cooperative State.

Since the Subordinated Notes are cleared through DTC, the payment of interest and other revenues on the Subordinated Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code.

EU Savings Directive

This section shall supplement and, to the extent inconsistent, shall supersede and replace the section entitled "Taxation— EU Savings Directive" *in the Base Offering Memorandum.*

Under the European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "**Savings Directive**"), Member States of the EU are required to provide to the tax authorities of another Member State, inter alia, details of interest payments within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in that other Member State.

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

However, for a transitional period, Austria applies a withholding system in relation to interest payments, unless during such period it elects otherwise. The rate of such withholding is currently 35 per cent. The beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for an exchange of information procedure. Luxembourg operated such a withholding system until December 31, 2014 but has elected out of the withholding system with effect from January 1, 2015, in favor of automatic information exchange under the Directive.

The Savings Directive was however repealed generally effective January 1, 2016 in the case of Member States other than Austria and will be repealed generally from January 1, 2017 in the case of Austria.

The repeal of the Savings Directive is to prevent overlap with the new mandatory automatic exchange of financial account information to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation (as amended) (the "**DAC**"). The DAC is generally broader in scope than the Savings Directive, although it does not impose withholding taxes. The repeal of the Savings Directive will also be subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before the effective dates of the repeal.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive. Some of those measures have been revised to be aligned with the DAC, and other such measures may be similarly revised in the future.

Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive and the DAC on their investment.

United States Taxation

This section shall supplement and, to the extent inconsistent, shall supersede and replace the section entitled "Taxation—United States Taxation" *in the Base Offering Memorandum.*

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of a Subordinated Note that is a citizen or resident of the United States or a domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of the Subordinated Notes (a "**U.S. holder**") (and, solely to the extent discussed below in "Information Reporting and Backup Withholding" and "– Foreign Account Tax Compliance Act," non-U.S. persons). This summary deals only with U.S. holders that will hold Subordinated Notes as capital assets, and does

not address all tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, partnerships and the partners therein, insurance companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Subordinated Notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction or persons that have a "functional currency" other than the U.S. dollar. Further, this summary does not address the alternative minimum tax or the Medicare tax on net investment income.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the "**Code**"), regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

Investors should consult their own tax advisors in determining the tax consequences to them of holding Subordinated Notes, including the application to their particular situation of the U.S. federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Payments of Interest

Payments of interest on a Subordinated Note will be taxable to a U.S. holder as ordinary income at the time that such payments are paid or accrued (in accordance with the U.S. holder's method of tax accounting). The Subordinated Notes are not expected to be issued with more than a *de minimis* amount of original issue discount ("**OID**") for U.S. federal income tax purposes. If the Subordinated Notes are issued with more than a *de minimis* amount of OID, a U.S. holder generally will be required to include OID in ordinary gross income on a constant-yield basis for U.S. federal income tax purposes as described in "*Taxation—United States Taxation—Original Issue Discount*" in the Base Offering Memorandum.

Purchase, Sale and Retirement of Subordinated Notes

Upon the sale, exchange or retirement of a Subordinated Note, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as such) and the U.S. holder's tax basis in such Note. A U.S. holder's tax basis in a Subordinated Note generally will equal the cost of such Subordinated Note to such U.S. holder. Gain or loss recognized by a U.S. holder generally will be long-term capital gain or loss if the U.S. holder has held the Subordinated Note for more than one year at the time of disposition. Long-term capital gains recognized by an individual U.S. holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income.

Information Reporting and Backup Withholding

The Paying Agent may be required to file information returns with the U.S. Internal Revenue Service ("**IRS**") with respect to payments made to certain U.S. holders of Subordinated Notes. In addition, certain U.S. holders may be subject to backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the Paying Agent. Persons holding Subordinated Notes who are not U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of such information reporting requirements and backup withholding tax.

Foreign Account Tax Compliance Act

Pursuant to FATCA, holders who hold the Subordinated Notes through foreign financial institutions ("**FFIs**") may be required to provide information and tax documentation regarding their identities as well as the identities of their direct and indirect owners to the FFI. This information may be reported to revenue authorities, including the IRS. In addition, certain payments on Subordinated Notes held in an account at either (i) a "non-participating foreign financial institution" ("**NPFFI**") or (ii) an FFI to which the holder fails to provide certain requested information may be subject to withholding, to the extent such payments are treated as "foreign passthru payments." Such payments may also be subject to withholding if made through an intermediary that is an NPFFI. The FATCA regulations do not currently define the term "foreign passthru payment." An NPFFI is an FFI that has not (i) entered into an agreement with the U.S. government to collect and provide to the U.S. tax authorities information about its direct and indirect U.S.

accountholders (an "**FFI agreement"**) or alternatively (ii) complied with the terms of an applicable intergovernmental agreement between the United States and the jurisdiction in which such foreign financial institution operates, and does not otherwise qualify for an exception from the requirement to enter into an FFI agreement.

FATCA withholding is not expected to apply to payments on the Subordinated Notes, provided they are not materially modified on or after the date that is six months after the date that final regulations defining the term "foreign passthru payments" are finalized. Otherwise, payments on Subordinated Notes held through an NPFFI or made to a holder who fails to provide an FFI with requested information, to the extent such payments are treated as "foreign passthru payments," may be subject to withholding under FATCA or the relevant intergovernmental agreement, but no earlier than January 1, 2019. France has entered into an intergovernmental agreement (the "**U.S.-France IGA**") with the United States relating to FATCA. It is not entirely clear whether or to what extent the U.S.-France IGA or any other relevant intergovernmental agreement will relieve the Issuer or other FFIs through which payments on the Subordinated Notes may be made from the obligation to withhold on "foreign passthru payments." FATCA is particularly complex and its application to the Subordinated Notes is uncertain at this time. Each prospective investor should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how this legislation might affect such investor in its particular circumstances.

PLAN OF DISTRIBUTION

This section shall supersede and replace the section entitled "Plan of Distribution" *in the Base Offering Memorandum.*

Pursuant to the Program Agreement dated April 9, 2013 among the Issuer and the dealers named therein (the "**Program Agreement**") and subject to the terms and conditions in the Program Agreement and the Subscription Agreement, dated March 29, 2016 among the Issuer and the Managers, each Manager named below has severally agreed to purchase from the Issuer, and the Issuer has agreed to sell to such Manager the principal amounts of the Subordinated Notes set forth opposite its name below.

Managers	Principal Amount of the Subordinated Notes
Citigroup Global Markets Inc.	$145,500,000
Goldman, Sachs & Co.	145,500,000
J.P. Morgan Securities LLC	145,500,000
Natixis Securities Americas LLC	145,500,000
Wells Fargo Securities, LLC	145,500,000
BMO Capital Markets Corp.	7,500,000
CIBC World Markets Corp.	7,500,000
Desjardins Securities Inc.	7,500,000
Total.	**$750,000,000**

The Managers initially propose to offer the Subordinated Notes for resale at the issue price that appears on the cover of this Offering Memorandum. After the initial offering, the Managers may change the issue price and any other selling terms. The Managers may offer and sell Subordinated Notes through certain of their affiliates. The offering of the Subordinated Notes by the Managers is subject to receipt and acceptance and subject to the Managers' right to reject any order in whole or in part.

The Issuer has agreed to indemnify each Manager against, or to make contributions relating to, certain liabilities in connection with the offering and sale of the Subordinated Notes, including liabilities under the Securities Act.

The Managers may from time to time purchase and sell Subordinated Notes in the secondary market, but they are not obligated to do so, and there can be no assurance that there will be a secondary market for the Subordinated Notes or liquidity in the secondary market if one develops. From time to time, the Managers may make a market for the Subordinated Notes.

Desjardins Securities Inc. is not a broker-dealer registered with the SEC, and therefore may not make sales of any Subordinated Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that Desjardins Securities Inc. intends to effect sales of the Subordinated Notes in the United States, it will do so only through one or more U.S. registered broker dealers affiliated with it, or otherwise as permitted by applicable U.S. law.

Other Relationships

The Managers for this offering include the Issuer's broker-dealer affiliate, Natixis Securities Americas LLC (the "**Broker-Dealer Affiliate**"). The Broker-Dealer Affiliate or other affiliates also may offer and sell previously-issued Subordinated Notes as part of their business and may act as a principal or agent in such transactions, although a secondary market for the Subordinated Notes cannot be assured. The Issuer or the Broker-Dealer Affiliate or other affiliates may use this Offering Memorandum in connection with any of these activities, including for market-making transactions involving the Subordinated Notes after their initial sale.

Certain of the Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates.

They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the 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 its affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to it consistent with their customary risk management policies. Typically, such 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 the Issuer's securities, including potentially the Subordinated Notes offered hereby. Any such short positions could adversely affect future trading prices of the Subordinated Notes offered hereby. The 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.

The Subordinated Notes have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Subordinated Notes are being offered and sold in the United States only to Qualified Institutional Buyers (as defined in Rule 144A) and outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Manager has agreed that:

(a) except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Subordinated Notes (x) as part of their distribution at any time or (y) otherwise until 40 days after the completion of the distribution of the Subordinated Notes (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in a transaction exempt from the registration requirements of the Securities Act, and

(b) it will send to each dealer to which it sells the Subordinated Notes during the Distribution Compliance Period a confirmation or other notice setting out the restrictions on offers and sales of the Subordinated Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Subordinated Notes within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Each purchaser of the Subordinated Notes will be deemed to have made the acknowledgements, representations and agreements as described under "*Notice to Investors Relating to Certain U.S. Law Matters*."

The Issuer does not intend to apply for the Subordinated Notes to be listed on any securities exchange or to arrange for the Subordinated Notes to be quoted on any quotation system.

Price Stabilization and Short Positions

In connection with the offering of the Subordinated Notes certain persons participating in the offering (including such Managers) may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the Manager. Stabilizing transactions involve bids to purchase the Subordinated Notes in the open market for the purpose of pegging, fixing or maintaining the prices of the Subordinated Notes. Syndicate covering transactions involve purchases of Subordinated Notes in the open market after the distribution has been completed in order to cover syndicate short positions. Overallotments, stabilizing transactions and

syndicate covering transactions may cause the prices of the Subordinated Notes to be higher than it would otherwise be in the absence of those transactions. If the Managers engage in overallotment, stabilizing or syndicate covering transactions, they may discontinue them at any time.

The Managers also may impose a penalty bid. This occurs when a particular Manager repays to the Managers a portion of the underwriting discount received by it because the Managers (or their affiliates) have repurchased Subordinated Notes sold by or for the account of such Manager in stabilizing or syndicate covering transactions.

Neither the Issuer nor any of the Managers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Subordinated Notes. In addition, neither the Issuer nor any of the Managers makes any representation that the Managers or their representatives, if any, will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice. Any stabilization action or overallotment must be conducted by the relevant Managers (or persons acting on behalf of any Managers) in accordance with all applicable laws and rules.

Selling Restrictions

Each of the Managers, and each further Manager appointed under the Program in connection with the initial distribution of the Subordinated Notes under the Subscription Agreement, has represented and agreed that:

(i) it will not offer, sell or deliver, directly or indirectly, any Subordinated Notes to the Issuer, its shareholders (Banques Populaires and Caisses d'Epargne) or its subsidiaries;

(ii) it will not offer, sell or deliver, directly or indirectly, any Subordinated Note to an undertaking in which the Issuer has participation in the form of ownership, direct or by way of control, of 20% or more of the voting rights or capital of that undertaking;

(iii) 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 ("FSMA")) received by it in connection with the issue or sale of any Subordinated Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;

(iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Subordinated Notes in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Canada

The Subordinated Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Subordinated Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in France

Each Manager has represented and agreed, and each further Manager appointed under the Program in connection with the initial distribution of the Subordinated Notes under the Subscription Agreement, has represented and agreed that:

- this Offering Memorandum has not been prepared and is not being distributed in the context of a public offering of securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411-1 of the *Code monétaire et financier* and, therefore, this Offering Memorandum or any other offering materials relating to the Subordinated Notes have not been and will not be filed with the French *Autorité des marchés financiers* (the "AMF") for prior approval or submitted for clearance to the AMF and, more generally no prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Subordinated Notes that has been approved by the AMF or by the competent authority of another Member State of the European Economic Area and notified to the AMF and to the Issuer;

- it has not offered or sold and will not offer or sell, directly or indirectly, any Subordinated Notes to the public in France;

- it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, directly or indirectly, this Offering Memorandum or any other offering materials relating to the Subordinated Notes; and

- such offers, sales and distributions have been and will be made in France only to 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 qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L. 411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* and applicable regulations thereunder. The direct or indirect distribution to the public in France of any Subordinated Notes so acquired may be made only in accordance with the provisions of Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier* and applicable regulations thereunder.

NOTICE TO INVESTORS RELATING TO CERTAIN U.S. LAW MATTERS

This section shall supersede and replace the section entitled "Notice to U.S. Investors" *in the Base Offering Memorandum.*

Because of the following restrictions on Rule 144A Notes and Regulation S Notes, purchasers are advised to read the below carefully and consult legal counsel prior to making any offer, resale, pledge or other transfer of any Rule 144A Notes or Regulation S Notes.

The Subordinated Notes have not been, and will not be, registered under the Securities Act or the state securities laws of any state of the United States or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Subordinated Notes are being offered and sold only (1) in the United States to QIBs in reliance on an exemption from the registration requirements of the Securities Act, and (2) outside the United States to non-U.S. persons in "offshore transactions" in compliance with Regulation S. The terms "United States," "non-U.S. person" and "offshore transaction" used in this section have the meanings given to them under Regulation S.

Each holder and beneficial owner of Subordinated Notes acquired in the United States in connection with their initial distribution and each transferee of such Subordinated Notes from any such holder or beneficial owner will be deemed to have represented and agreed with the Issuer as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(1) It is purchasing the Subordinated Notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is a QIB and is aware that the sale to it is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act.

(2) It understands and acknowledges that the Subordinated Notes have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

(3) A purchaser of Subordinated Notes shall not resell or otherwise transfer any of the Subordinated Notes, unless such resale or transfer is made (a) to the Issuer, (b) inside the United States to a QIB in compliance with Rule 144A, or (c) outside the United States to non-U.S. Persons in offshore transactions in compliance with Rule 903 or 904 of Regulation S under the Securities Act, or (d) in a transaction that is otherwise exempt from the registration requirements of the Securities Act.

(4) It acknowledges that neither the Issuer nor the Fiscal Agent will be required to accept for registration of transfer any Subordinated Notes acquired by it except upon presentation of evidence satisfactory to the Issuer and the Fiscal Agent that the restrictions on transfer set forth herein have been complied with.

(5) It acknowledges that each Global Note in respect of Rule 144A Notes will contain a legend substantially to the following effect:

THIS LEGEND SHALL BE REMOVED SOLELY AT THE OPTION OF THE ISSUER.

THE NOTES EVIDENCED HEREBY (THE "**NOTES**") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER, OR AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT;

(2) REPRESENTS THAT EITHER (A) IT IS NEITHER (I) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), A PLAN, ACCOUNT OR ARRANGEMENT THAT IS NOT SUBJECT TO ERISA BUT TO WHICH SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") APPLIES OR AN ENTITY TO WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE THE ASSETS OF ANY SUCH PLANS, ACCOUNTS OR ARRANGEMENTS BY REASON OF DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OR OTHERWISE (EACH, A "**PLAN**") NOR (II) AN EMPLOYEE BENEFIT PLAN THAT IS A GOVERNMENTAL PLAN (AS DEFINED IN SECTION 3(32) OF ERISA), NON-ELECTING CHURCH PLAN (AS DEFINED IN SECTION 3(33) OF ERISA) OR NON-U.S. PLAN (AS DESCRIBED IN SECTION 4(B)(4) OF ERISA) (EACH, A "**NON-ERISA ARRANGEMENT**") SUBJECT TO LOCAL, STATE, FEDERAL OR NON-U.S. LAWS THAT ARE SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAWS**") AND IT IS NOT PURCHASING OR HOLDING THE NOTES ON BEHALF OF OR WITH "PLAN ASSETS" OF ANY PLAN OR NON-ERISA ARRANGEMENT OR (B) SUCH PURCHASE AND HOLDING OF THE NOTES DOES NOT CONSTITUTE AND WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE OR IN A VIOLATION OF SIMILAR LAWS UNLESS AN EXEMPTION IS AVAILABLE WITH RESPECT TO SUCH TRANSACTIONS AND ALL OF THE CONDITIONS OF SUCH EXEMPTION HAVE BEEN SATISFIED; AND

(3) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT OFFER, SELL, PLEDGE, OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT:

A) TO THE ISSUER OR ANY AFFILIATE THEREOF;

B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT (THE ISSUER HAVING NO OBLIGATION TO EFFECT ANY SUCH REGISTRATION);

C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT;

D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 UNDER REGULATION S UNDER THE SECURITIES ACT; OR

E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH THE FOREGOING, THE ISSUER AND THE FISCAL AGENT RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

(6) It acknowledges that the Issuer, the Managers and others will rely upon the truth and accuracy of the foregoing representations and agreements and agrees that if any of the representations or agreements deemed to have been made by its purchase of the Bonds are no longer accurate, it shall promptly notify' the Issuer and the Managers. If it is acquiring the Bonds as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with

respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each such account.

(7) It acknowledges that the foregoing restrictions apply to holders of beneficial interests in the Bonds as well as to registered holders of such Bonds.

(8) It acknowledges that neither the Issuer nor the Managers nor any person representing the Issuer or the Managers has made any representation to you with respect to the Issuer or the offering of the Subordinated Notes, other than the information contained or incorporated by reference in the Offering Memorandum. It agrees that it has had access to such financial and other information concerning the Issuer and the Subordinated Notes as it has deemed necessary in connection with its decision to purchase Subordinated Notes, including an opportunity to ask the Issuer questions and request information.

(9) It represents that either (a) it is neither (i) an employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), a plan, account or arrangement subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"), including an entity such as a collective investment fund, partnership or separate account whose underlying assets include the assets of any such plan, account, arrangement (each, a "**Plan**") nor (ii) an employee benefit plan that is a governmental plan (as defined in Section 3(32) of ERISA), non-electing church plan (as defined in Section 3(33) of ERISA) or non-U.S. plan (as described in Section 4(b)(4) of ERISA) (each, a "**Non-ERISA Arrangement**") and it is not purchasing or holding the Subordinated Notes on behalf of or with "plan assets" of any Plan or Non-ERISA Arrangement or (b) such purchase and holding of the Subordinated Notes does not constitute and will not result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code or a violation of similar rules under other applicable laws or regulations.

REGISTERED OFFICE OF THE ISSUER

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France

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J.P. Morgan Securities LLC
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Natixis Securities Americas LLC
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Wells Fargo Securities, LLC
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CO- MANAGERS

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Deloitte & Associés
185 avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex
France

ANNEX A

Base Offering Memorandum dated April 24, 2015, in connection with the U.S. Medium-Term Note Program of BPCE

(the Issuer)
Up to U.S.$25,000,000,000 U.S. Medium Term Notes Program

NATIXIS, NEW YORK BRANCH
(Guarantor of the 3(a)(2) Notes)

BPCE, a French bank (the "Issuer") may offer from time to time notes (the "Notes") with terms and conditions described in this Base Offering Memorandum, in one or more Series (each, a "Series"). The specific terms of each Series of Notes will be set forth in a pricing term sheet (each a "Pricing Term Sheet") or a supplement that is supplemental to this Base Offering Memorandum.

The Notes may be offered pursuant to the exemption from registration provided by Section 3(a)(2) (the "3(a)(2) Notes") of the U.S. Securities Act of 1933, as amended (the "Securities Act"), or offered in reliance on the exemption from registration provided by Rule 144A (the "Rule 144A Notes") under the Securities Act ("Rule 144A") only to qualified institutional buyers ("QIBs"), within the meaning of Rule 144A. In addition, Notes may, if specified in the applicable Pricing Term Sheet, be offered outside the United States to non-U.S. persons (as such term is defined in Rule 904 under the Securities Act (a "non-U.S. person")) pursuant to Regulation S (the "Regulation S Notes" and, together with the 3(a)(2) Notes and the Rule 144A Notes, the "Notes") under the Securities Act ("Regulation S"). You should read this Base Offering Memorandum and any applicable supplement or Pricing Term Sheet carefully before you invest in the Notes.

The 3(a)(2) Notes will be entitled to the benefit of an unconditional guarantee (the "Guarantee") of the due payment of principal, interest and other amounts due in respect of the 3(a)(2) Notes, issued by the New York branch of Natixis (a French bank) (the "Branch"), duly licensed in the State of New York (the "Guarantor"). The Rule 144A Notes and the Regulation S Notes will not benefit from the Guarantee.

A conflict of interest (as defined by Rule 5121 of the Financial Industry Regulatory Authority, Inc. ("FINRA")) may exist as Natixis Securities Americas LLC, an affiliate of the Issuer and of the Guarantor, may participate in the distribution of the Notes. For further information, see "Plan of Distribution."

Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 14 of this Base Offering Memorandum and page 116 of the 2014 BPCE Registration Document incorporated by reference herein, and any risk factors that may be described in any documents incorporated by reference herein at a future date.

The 3(a)(2) Notes and the Guarantee are not required to be, and have not been, registered under the Securities Act in reliance on the exemption from the registration requirements thereof provided in Section 3(a)(2) of the Securities Act. The Rule 144A Notes and Regulation S Notes are not required to be, and have not been, registered under the Securities Act, or the state securities laws of any state of the United States or the securities laws of any other jurisdiction. The Rule 144A Notes and Regulation S Notes may not be offered or sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Prospective purchasers are hereby notified that the sellers of the Rule 144A Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers and resales, see "Notice to Investors Regarding Certain U.S. Legal Matters."

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Notes or determined that this Base Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense. Under no circumstances shall this Base Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these Notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such jurisdiction.

The Notes constitute unconditional liabilities of the Issuer, and the Guarantee constitutes an unconditional obligation of the Guarantor. None of the Notes or the Guarantee is insured by the Federal Deposit Insurance Corporation or any other governmental or deposit insurance agency.

The Notes are being offered on a continuous basis through the dealers named in this Base Offering Memorandum or through any other dealers named in an applicable Pricing Term Sheet (the "Dealers"). One or more dealers may purchase Notes from the Issuer for resale to investors and other purchasers at a fixed offering price set forth in the relevant Pricing Term Sheet or at varying prices reflecting prevailing market conditions. In addition, if agreed to by the Issuer and a Dealer, such Dealer may utilize reasonable efforts to place the Notes with investors on an agency basis.

Unless otherwise specified in the relevant Pricing Term Sheet, each Note will be represented initially by a global security (a "Global Note") registered in the name of a nominee of The Depository Trust Company (together with any successor, "DTC"). Beneficial interests in Global Notes represented by a global security will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Notes will not be issuable in definitive form, except under the circumstances described under "Book-Entry Procedures and Settlement."

Arranger

NATIXIS SECURITIES AMERICAS LLC

Dealers

Barclays	*BofA Merrill Lynch*	*Citigroup*
Goldman, Sachs & Co.	*J.P. Morgan*	*Morgan Stanley*
Natixis Securities Americas LLC	*Wells Fargo Securities*	

Base Offering Memorandum dated April 24, 2015

The Issuer and the Guarantor have not, and the Dealers have not, authorized anyone to give investors any information other than that contained in this Base Offering Memorandum (including the documents incorporated by reference and any future supplement hereto) and the applicable Pricing Term Sheet, and they take no responsibility for any other information that others may give to investors. Prospective investors should carefully evaluate the information provided by the Issuer and the Guarantor in light of the total mix of information available to them, recognizing that the Issuer and the Guarantor can provide no assurance as to the reliability of any information not contained or incorporated by reference in this Base Offering Memorandum, any supplement hereto, or any Pricing Term Sheet. The delivery of this Base Offering Memorandum at any time does not imply that the information herein is correct as of any time subsequent to its date.

The distribution of this Base Offering Memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Guarantor and the Dealers require persons in whose possession this Base Offering Memorandum comes to inform themselves about and to observe any such restrictions. This Base Offering Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, any of the Notes offered hereby by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

Prospective investors hereby acknowledge that (i) they have been afforded an opportunity to request from the Issuer and to review, and have received, all additional information considered by them to be necessary to verify the accuracy of, or to supplement, the information contained herein, (ii) they have had the opportunity to review all of the documents described herein, and (iii) they have not relied on the Dealers or any person affiliated with the Dealers in connection with any investigation of the accuracy of such information or their investment decision.

This Base Offering Memorandum has not been, and is not required to be, submitted to the French Financial Markets Authority (*Autorité des marchés financiers*) (the "AMF") or any other competent authority for approval as a "prospectus" pursuant to the Prospectus Directive (as defined below).

In making an investment decision, prospective investors must rely on their examination of the Issuer and the Guarantor and the terms of this offering, including the merits and risks involved. The Notes have not been approved or recommended by any United States federal or state securities commission or any other United States, French or other regulatory authority. Furthermore, the foregoing authorities have not passed upon or endorsed the merits of the offering or confirmed the accuracy or determined the adequacy of this Base Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

Certain persons participating in any offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes, including stabilizing and syndicate covering transactions. For a description of these activities, see "Plan of Distribution." Such activities, if commenced, may be terminated at any time.

The Issuer expects that the Dealers for any offering will include its broker-dealer affiliate, Natixis Securities Americas LLC (the "Broker-Dealer Affiliate"). The Broker-Dealer Affiliate or other affiliates also may offer and sell previously issued Notes as part of their business and may act as a principal or agent in such transactions, although a secondary market for the Notes cannot be assured. The Issuer or the Broker-Dealer Affiliate or other affiliates may use this Base Offering Memorandum in connection with any of these activities, including for market-making transactions involving the Notes after their initial sale.

It is not possible to predict whether the Notes will trade in a secondary market or, if they do, whether such market will be liquid or illiquid. The Dealers reserve the right to enter, from time to time and at any time, into agreements with one or more holders of Notes to provide a market for the Notes but none of the Dealers is obligated to do so or to make any market for the Notes.

After a distribution of a Series of Notes is completed, because of certain regulatory restrictions arising from its affiliation with the Issuer, the Broker-Dealer Affiliate may not be able to make a market in such Series of Notes or, except on a limited, unsolicited basis, effect any transactions for the account of any customer in such Series of Notes. Other Dealers unaffiliated with the Issuer will not be subject to such prohibitions.

The Notes are not expected to be listed on any stock exchange unless otherwise stated in the applicable Pricing Term Sheet.

The contents of this Base Offering Memorandum should not be construed as investment, legal or tax advice. This Base Offering Memorandum, as well as the nature of an investment in any Notes, should be reviewed by each prospective investor with such prospective investor's investment advisor, legal counsel and tax advisor.

Any reproduction or distribution of this Base Offering Memorandum, in whole or in part, or any disclosure of its contents or use of any of its information for purposes other than evaluating a purchase of the Notes is prohibited without the express written consent of the Issuer.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory agency of any state or other jurisdiction of the United States. The 3(a)(2) Notes are being offered in reliance on the exemption from registration provided by Section 3(a)(2) of the Securities Act. The Rule 144A Notes and the Regulation S Notes may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Rule 144A Notes are being offered and sold in the United States only to qualified institutional buyers, as defined in Rule 144A under the Securities Act, and the Regulation S Notes are being offered and sold outside the United States only to non-U.S. persons in "offshore transactions" as defined in, and in accordance with, Regulation S under the Securities Act, as applicable. See "Notice to Investors Regarding Certain U.S. Legal Matters" and "Plan of Distribution."

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Base Offering Memorandum has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

NOTICE TO PROSPECTIVE INVESTORS IN FRANCE

This Offering Memorandum has not been prepared and is not being distributed in the context of a public offering of securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411-1 of the

Code monétaire et financier and, therefore, this Offering Memorandum or any other offering materials relating to the Notes have not been and will not be filed with the French *Autorité des marchés financiers* (the "**AMF**") for prior approval or submitted for clearance to the AMF and, more generally no prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Notes that has been approved by the AMF or by the competent authority of another Member State of the European Economic Area and notified to the AMF and to the Issuer.

The Managers: (i) have not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France; (ii) have not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Memorandum or any other offering materials relating to the Notes; and (iii) confirm that such offers, sales and distributions have been and will only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), or qualified investors (*investisseurs qualifiés*) investing for their own account, all as defined in Articles L. 411-2 and D. 411-1 of the French *Code monétaire et financier* and applicable regulations thereunder. The direct or indirect distribution to the public in France of any Notes so acquired may be made only in accordance with the provisions of Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier* and applicable regulations thereunder.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

The Managers have 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

The Managers have complied and will comply with all applicable provisions of the FSMA with respect to anything done by each of them in relation to any Notes in, from or otherwise involving the United Kingdom.

NOTICE TO RESIDENTS OF AUSTRALIA

This Base Offering Memorandum does not constitute a disclosure document for the purposes of the Corporations Act 2001 of the Commonwealth of Australia (the "Corporations Act") and has not been, and will not be, lodged with the Australian Securities and Investment Commission. No securities commission or similar authority in Australia has reviewed this document or the merits of the Notes, and any representation to the contrary is an offence. The Notes will be offered to persons who receive offers in Australia only to the extent that: (a) those persons are "wholesale clients" for the purposes of Chapter 7 of the Corporations Act; and (b) such offer of the Notes for issue or sale does not require disclosure to investors under part. 6d.2 of the Corporations Act. Any offer of the Notes received in Australia is void to the extent that it requires disclosure to investors under the Corporations Act. In particular, offers for the issue or sale of the Notes will only be made, and this document may only be distributed, in Australia in reliance on various exemptions from such disclosure to investors provided by section 708 of the Corporations Act and where the investors are also "wholesale clients" as described above. As the offer of the Notes will be made in Australia without disclosure under the Corporations Act, the offer of the Notes for sale in Australia within 12 months of their issue or sale may, under section 707 of the Corporations Act, require disclosure to investors under the Corporations Act if none of the exemptions under the Corporations Act apply. Accordingly, any person to whom the Notes are issued or sold pursuant to this Base Offering Memorandum must not, within 12 months after the issue, offer (or transfer, assign or otherwise alienate) those Notes to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or unless a compliant disclosure document or product disclosure statement is prepared and lodged with the Australian Securities and Investments Commission. Disclosure to investors would not generally be required: (a) under part 6d.2 of the

Corporations Act where: (i) the Notes are offered for sale outside of Australia; (ii) the Notes are offered for sale to categories of "professional investors" referred to in section 708(11) of the Corporations Act; (iii) the Notes are offered to persons who are "sophisticated investors" that meet the criteria set out in section 708(8) of the Corporations Act; or (iv) the Notes are offered through a Financial Services Licensee in satisfaction of section 708(10) of the Corporations Act; and (b) under chapter 7 of the Corporations Act where the Notes are only offered to persons who are "wholesale clients" within the meaning of section 761G) of the Corporations Act. However, chapter 6d and chapter 7 of the Corporations Act are complex, and if in any doubt, you should confer with your professional advisors regarding the position. This Base Offering Memorandum is intended to provide general information only and has been prepared without taking into account any particular person's objectives, financial situation or needs. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Investors should review and consider the contents of this Base Offering Memorandum and obtain financial advice specific to their situation before making any decision to make an application for the Notes. No person referred to in this Base Offering Memorandum holds an Australian Financial Services License authorizing it to deal in the Notes or to provide financial product advice in relation to the Notes. No cooling-off regime applies in respect of the Notes. This Base Offering Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Notes in Australia.

NOTICE TO RESIDENTS OF THE PEOPLE'S REPUBLIC OF CHINA (EXCLUDING HONG KONG, MACAU AND TAIWAN)

The Notes may not be offered or sold, directly or indirectly, within the borders of the People's Republic of China ("**PRC**," which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan). The offering material or information contained herein relating to the Notes, which has not been and will not be submitted to or approved/verified by or registered with any relevant governmental authorities in the PRC (including but not limited to the China Securities Regulatory Commission), may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC. The offering material or information contained herein relating to the Notes does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. The Notes may only be offered or sold to PRC investors that are authorized to engage in the purchase of Notes of the type being offered or sold, including but not limited to those that are authorized to engage in the purchase and sale of foreign exchange for itself and on behalf of its customers and/or purchase and sale of government bonds or financial bonds and/or purchase and sale of debt securities denominated in foreign currency other than stocks. PRC investors are responsible for obtaining all relevant approvals/licenses, verification and/or registrations themselves from relevant governmental authorities (including but not limited to the China Securities Regulatory Commission), and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

NOTICE TO RESIDENTS OF HONG KONG

No person may 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 the Notes, which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of Hong Kong) and any rules made under that Ordinance.

NOTICE TO RESIDENTS OF JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan ("**FIEA**"). Accordingly, the Notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

For the primary offering of the Notes, the Notes and the solicitation of an offer for acquisition thereof have not been and will not be registered under paragraph 1, article 4 of the FIEA. As the primary offering, the Notes may

only be offered, sold, resold or otherwise transferred, directly or indirectly to, or for the benefit of, (i) a person who is not a resident of Japan or (ii) a Qualified Institutional Investor ("**QII**") defined in article 10 of the cabinet ordinance concerning definitions under article 2 of the FIEA (ordinance no. 14 of 1993, as amended). A person who purchased or otherwise obtained the Notes as a QII cannot resell or otherwise transfer the Notes in Japan to any person except another QII. A person who purchased or otherwise obtained the Notes as a non-QII may only resell or otherwise transfer all the Notes held by such person at that time to one person.

NOTICE TO RESIDENTS OF KOREA

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "FSCMA"). The Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea and its Enforcement Decree) except as otherwise permitted under applicable Korean laws and regulations. Furthermore, a holder of the Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of the Notes except (i) in the case where the Notes are issued as bonds other than equity-linked bonds, such as convertible bonds, bonds with warrants and exchangeable bonds, and where the other relevant requirements are further satisfied, the Notes may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified institutional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, or (ii) as otherwise permitted under applicable Korean laws and regulations. Each Dealer severally but not jointly undertakes, and each further Dealer appointed under the Medium Term Notes Program will be required to undertake, to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells the Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

NOTICE TO RESIDENTS OF MALAYSIA

No approval from the Securities Commission of Malaysia is or will be obtained, nor will any offering memorandum be filed or registered with the Securities Commission of Malaysia, for the offering of the Notes in Malaysia. This Base Offering Memorandum does not constitute and is not intended to constitute an invitation or offer for subscription or purchase of the Notes, nor may this Base Offering Memorandum or any other offering material or document relating to the Notes be published or distributed, directly or indirectly, to any person in Malaysia unless such invitation or offer falls within (a) Schedule 5 to the Capital Markets and Services Act 2007 ("**CMSA**"), (b) Schedule 6 or 7 to the CMSA as an "excluded offer or excluded invitation" or "excluded issue" within the meaning of section 229 and 230 of the CMSA, and (c) Schedule 8 so the trust deed requirements in the CMSA are not applicable. No offer or invitation in respect of the Notes may be made in Malaysia except as an offer or invitation falling under Schedule 5, 6 or 7 and 8 to the CMSA.

NOTICE TO RESIDENTS OF SINGAPORE

Offers made under the institutional investor exemption and/or the 275 exemption.

This Base Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, this Base Offering Memorandum 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 SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

(i) 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

(ii) 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:

(1) to an institutional investor under Section 274 of the SFA 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;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

NOTICE TO RESIDENTS OF TAIWAN

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the Notes in Taiwan.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with sales of Rule 144A Notes, for as long as any of the Rule 144A Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish, upon the request of a holder of Rule 144A Notes or of a beneficial owner of an interest therein, or to a prospective purchaser of such Rule 144A Notes or beneficial interests designated by a holder of Rule 144A Notes or a beneficial owner of an interest therein, to such holder, beneficial owner or prospective purchaser, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act, if at the time of such request, the Issuer is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

LIMITATIONS ON ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a bank incorporated under the laws of France, and many of its assets are located in France. Many of its subsidiaries, legal representatives and executive officers and certain other parties named herein reside in France, and substantially all of the assets of these persons are located in France. As a result, it may not be possible, or it may be difficult, for a holder or beneficial owner of the Notes located outside of France to effect service of process upon the Issuer or such persons in the home country of the holder or beneficial owner or to enforce against such persons judgments obtained in non-French courts, including those judgments predicated upon the civil liability provisions of the U.S. federal or state securities laws.

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EXCHANGE RATE AND CURRENCY INFORMATION

The following table shows the period-end, average, high and low the Noon Buying Rates in New York City for cable transfers payable in foreign currencies as certified by the Federal Reserve Bank of New York (the "Noon Buying Rates") for the euro, expressed in dollars per one euro, for the periods and dates indicated. On April 24, 2015, the exchange rate as published by Bloomberg at approximately 11:59 p.m. (Paris time) was $1.0855 per one euro.

	Noon Buying Rate			
	Period End	**Average(*)**	**High**	**Low**
Year:				
2009	1.3231	1.3276	1.3751	1.2970
2010	1.2973	1.3931	1.4875	1.2926
2011	1.3919	1.4695	1.6010	1.2446
2012	1.3186	1.2859	1.3463	1.2062
2013	1.3779	1.3281	1.3816	1.2774
2014	1.2101	1.3296	1.3927	1.2101
2015 (through April 17)	1.0780	1.1161	1.2015	1.0524
Month:				
January 2015	1.1290	1.1615	1.2015	1.1279
February 2015	1.1197	1.1350	1.1462	1.1197
March 2015	1.0741	1.0819	1.1212	1.0524
April 2015 (through April 17)	1.0780	1.0765	1.1008	1.0582

* The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for annual averages; on each business day of the month (or portion thereof) for monthly average.

Source: Federal Reserve Bank of New York.

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in exchange rates that may occur at any time in the future. No representations are made herein that the euro or U.S. dollar amounts referred to herein could have been or could be converted into dollars or euros, as the case may be, at any particular rate.

PRESENTATION OF FINANCIAL INFORMATION

In this Base Offering Memorandum, references to "euro," "EUR" and "€" refer to the lawful currency of the European Union introduced at the start of the third stage of European economic and monetary union on January 1, 1999 pursuant to the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam. References to "$," "U.S.$" and "U.S. dollars" are to United States dollars. References to "cents" are to United States cents. BPCE publishes its consolidated financial statements in euros. See "Exchange Rate and Currency Information."

The audited consolidated financial information as at December 31, 2014, 2013 and 2012 and for the years ended December 31, 2014, 2013 and 2012 for Groupe BPCE and BPCE SA Group (including in the documents incorporated by reference), have been prepared in accordance with IFRS as adopted by the European Union. Certain financial information presented in the documents incorporated by reference constitute non-GAAP financial measures, which exclude certain items contained in the nearest IFRS financial measure or which include certain amounts that are not contained in the nearest IFRS financial measure.

Due to rounding, the numbers presented throughout this Base Offering Memorandum may not add up precisely, and percentages may not reflect precisely absolute figures.

Natixis is a majority-owned subsidiary of BPCE and its results of operations, including those of the Branch, are fully consolidated in the audited consolidated financial statements of Groupe BPCE and BPCE SA Group. Financial information relating to Natixis' core businesses is set forth in Note 10 of each of Groupe BPCE and BPCE SA Group's consolidated financial statements. Such financial statements appear in Section 5 of the 2014 BPCE Registration Document and the 2013 BPCE Registration Document, each incorporated by reference herein. In addition, as a French banking entity within Groupe BPCE, Natixis benefits from the mutual financial solidarity mechanism described herein and in Section 5.1, Note 1.2 of the 2014 BPCE Registration Document. As a result of the foregoing, no separate financial information for Natixis has been provided herein, except for summary financial data.

Non-GAAP Financial Measures—Certain Adjustments in Figures Presented in 2014 BPCE Registration Document

Certain figures set forth in the 2014 BPCE Registration Document are adjusted to exclude the income statement impact of certain items that are considered to be "non-operating items." These include, in particular, the impact of the revaluation of own debt (Natixis and Crédit Foncier), the first-time application of the Funding Valuation Adjustment (FVA), the impact of certain disposals and the prolonged decline in Groupe BPCE's interest in Banca Carige, the impact of the initial application of IFRS 13 (in the first half of 2013) and related changes in methodology (in the second quarter of 2014), Natixis restructuring costs, and certain other items. These items and their quantitative impact are described on pages 200, 205, 208, 236-37, 240, 249, 269, 341-43, 355, and 373 of the 2014 BPCE Registration Document.

IFRS 13 provides for Groupe BPCE to incorporate into fair value the assessment of counterparty risk for derivative assets (Credit Valuation Adjustment or CVA) and, using a symmetrical treatment, the non-performance risk for derivative liabilities (Debt Valuation Adjustment or DVA or own credit risk). IFRS 13 was applied for the first time in 2013, and the methodology was modified in 2014, in each case resulting in a significant one-time impact on the financial statements. In 2014, the valuation of non-collateralized derivatives was adjusted to reflect the financing relating to these instruments, resulting in a one-time adjustment referred to as the Funding Valuation Adjustment, or FVA. These items (like the other non-operating items described above) are excluded from certain measures because they do not reflect the results of ongoing activities of Groupe BPCE.

In addition, certain figures in the 2014 BPCE Registration Document exclude the impact of the variation in the provision for home savings plans. Certain entities in Groupe BPCE provide savings accounts and home loans at regulated rates in accordance with French laws designed to support home ownership. The difference between the regulated rates and the rate offered on non-regulated products is provisioned, on the basis of a portion of projected savings and loan balances (which are necessarily uncertain). The impact of the change in the provision is excluded from certain measures presented in the 2014 BPCE Registration Document, because these amounts are based on

French accounting rules that do not take into account hedging of the interest risk in accordance with Group BPCE's asset and liability management policies.

CERTAIN TERMS USED IN THIS BASE OFFERING MEMORANDUM

The following terms will have the meanings set forth below when used in this Base Offering Memorandum:

"**Banques Populaires**" means 18 Banques Populaires and their subsidiaries (made up of 16 regional banks, CASDEN Banque Populaire and Crédit Coopératif).

"**Caisses d'Epargne**" means the 17 Caisses d'Epargne et de Prévoyance.

"**BPCE**" means BPCE SA, a *société anonyme à Conseil de Surveillance et Directoire*, or, as the context requires, Groupe BPCE or BPCE SA Group.

"**BPCE SA Group**" means BPCE, a *société anonyme*, and its consolidated subsidiaries and associates.

"**Branch**" means the New York branch of Natixis.

"**Groupe BPCE**" means BPCE SA Group, the Banques Populaires, the Caisses d'Epargne and certain affiliated entities.

"**Guarantor**" means the Branch, as guarantor of the 3(a)(2) Notes.

"**Issuer**" means BPCE SA, a *société anonyme*, as issuer of the Notes.

"**Natixis**" means Natixis SA, a *société anonyme à Conseil d'Administration*.

DOCUMENTS INCORPORATED BY REFERENCE

The Issuer has incorporated by reference in this Base Offering Memorandum certain information that it has made publicly available, which means that it has disclosed important information to potential investors by referring them to those documents. The information incorporated by reference is an important part of this Base Offering Memorandum.

This Base Offering Memorandum should be read and construed in conjunction with the following documents incorporated by reference (the "Documents Incorporated by Reference"), which form part of this Base Offering Memorandum. The Documents Incorporated by Reference are comprised of:

a) the English translation of the 2014 BPCE registration document (*document de référence*) (the "2014 BPCE Registration Document"), a French version of which was filed with the AMF under registration number N°D.15-0157, dated March 18, 2015;

b) the English translation of chapters 4 ("Group Management Report") and 5 ("Financial Report") of the 2013 BPCE registration document (*document de référence*) (the "2013 BPCE Registration Document"), a French version of which was filed with the AMF under registration number N°D.14-0182, dated March 21, 2014;

c) the English translation chapters 4 ("Group Management Report") and 5 ("Financial Report") of the 2012 BPCE registration document (*document de référence*) (the "2012 BPCE Registration Document"), a French version of which was filed with the AMF under registration number N°D.13-0203, dated March 22, 2013;

d) the English translation of any future update to the 2014 BPCE Registration Document that may be filed with the AMF; and

e) all documents published by the Issuer and stated in a supplement or Pricing Term Sheet to be incorporated in this Base Offering Memorandum by reference.

Notwithstanding the foregoing, the following statements shall not be deemed incorporated herein:

- the statement by Mr. François Pérol, Chairman of the Management Board of the Issuer, on page 518 of the 2014 BPCE Registration Document; and

- any statement made by the Chairman of the Management Board on behalf of the Issuer referring to the *lettre de fin de travaux* included in any update to the 2014 BPCE Registration Document referred to in paragraph (d) above.

Any statement made in any document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Base Offering Memorandum to the extent that a statement contained in this document, in any supplement to this document, in any Pricing Term Sheet, or in any document incorporated by reference herein in the future, modifies or supersedes such statement. Any statement that is modified or superseded shall not be deemed, except as modified or superseded, to constitute a part of this Base Offering Memorandum.

The Documents Incorporated by Reference are available on the website of the Issuer (www.bpce.fr). Unless otherwise explicitly incorporated by reference into this Base Offering Memorandum in accordance with paragraphs (a) to (e) above, the information contained on the website of the Issuer shall not be deemed incorporated by reference herein.

FORWARD-LOOKING STATEMENTS

Many statements made or incorporated by reference in this Base Offering Memorandum are forward-looking statements that are not based on historical facts and are not assurances of future results. Many of the forward-looking statements contained in this Base Offering Memorandum may be identified by the use of forward-looking words, such as "believe," "expect," "anticipate," "should," "planned," "estimate" and "potential," among others. The Issuer may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their prospectuses, in press releases and in other written materials and in oral statements made by their officers, directors or employees to third parties. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. All forward-looking statements attributed to BPCE or a person acting on its behalf are expressly qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date they are made, and the Issuer undertakes no obligation to update publicly any of them in light of new information or future events.

These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, BPCE's actual results could differ materially from those expressed or forecast in any forward-looking statements as a result of a variety of factors, including:

- The effects of Groupe BPCE's organizational structure, including risks that BPCE may be required to contribute funds to the entities that are part of the financial solidarity mechanism that encounter financial difficulties, including some entities in which BPCE will hold no economic interest;

- The risks to Groupe BPCE inherent in banking activities including credit risks, market, liquidity and financing risks, operational risks and insurance risks;

- Risks to Groupe BPCE relating to the volatile global and European market and weak economic conditions;

- The effects of the supervisory and regulatory regimes (including tax regulation, capital adequacy requirements and proposed statutory loss absorption mechanisms) in France and other jurisdictions in which Groupe BPCE operates, which are becoming significantly more constraining as a result of the financial crisis;

- The risk that the Groupe BPCE may not achieve the financial objectives in its 2014-2017 strategic plan entitled "Strategic Plan Groupe BPCE 2014-2017: Growing Differently," described in Section 1.7 of the 2014 BPCE Registration Document (the "2014-2017 Strategic Plan");

- The risk that BPCE and the Groupe BPCE may not achieve the expected synergies underlying the 2014-2017 Strategic Plan;

- Significant interest rate or exchange rate changes that could adversely affect Groupe BPCE's net banking income or profitability;

- Substantial increases in new provisions or a shortfall in the level of previously recorded provisions;

- Potential adverse impacts on Groupe BPCE in the event of a failure of its risk management policies and hedging strategies; and

- Other factors described under "Risk Factors" in this Base Offering Memorandum, including in any documents incorporated by reference therein, and in the 2014 BPCE Registration Document.

The forward-looking financial information included in the 2014-2017 Strategic Plan has been prepared by, and is the responsibility of, BPCE's management. The statutory auditors have neither examined, compiled nor performed any procedures with respect to the accompanying prospective financial information and, accordingly, they do not express an opinion or any other form of assurance with respect thereto. The statutory auditors' reports incorporated by reference in this Base Offering Memorandum relate to the Issuer's historical financial information. They do not extend to the forward-looking financial information and should not be read to do so.

Investors should carefully consider the sections entitled "Risk Factors" beginning on page 14 of this Base Offering Memorandum and in the 2014 BPCE Registration Document incorporated by reference herein, and risk factors that may be described in any other document incorporated by reference herein in the future, for a discussion of risks that should be considered in evaluating the offer made hereby.

All forward-looking statements attributed to BPCE or a person acting on its behalf are expressly qualified in their entirety by this cautionary statement.

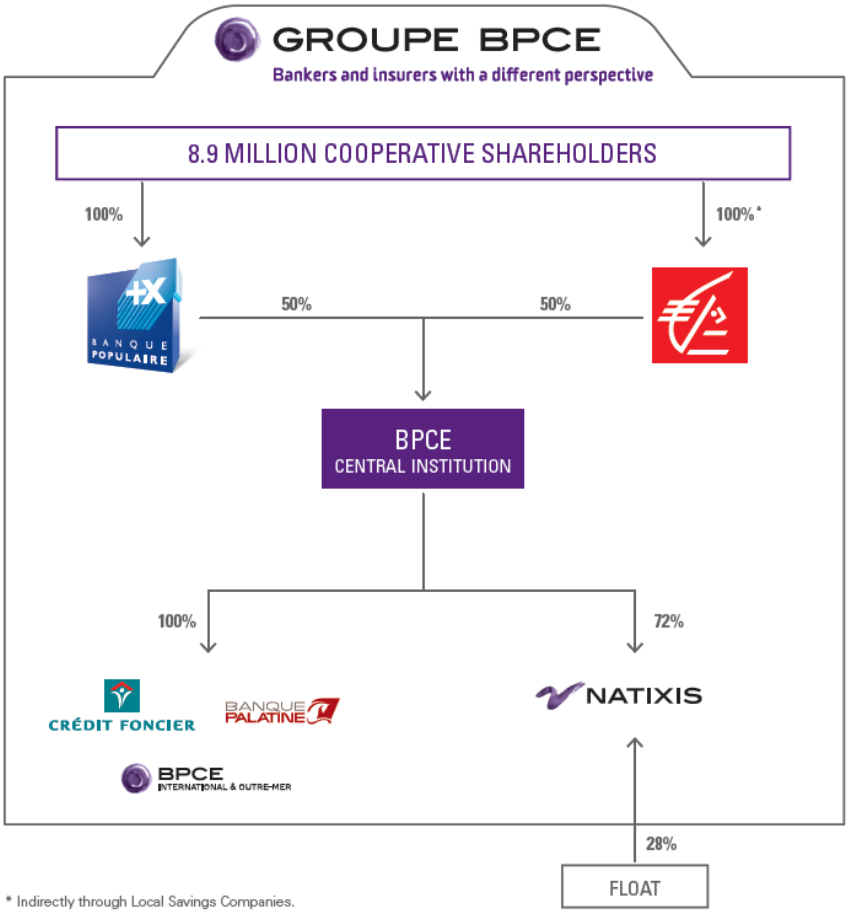
SUMMARY

The following summary does not purport to be complete and is qualified by the remainder of this Base Offering Memorandum and, in relation to the terms and conditions of any particular Series of Notes, the applicable Pricing Term Sheet. Words and expressions defined in "Description of the Notes" shall have the same meanings in this summary.

BPCE AND GROUPE BPCE

BPCE is the central institution of Groupe BPCE, a French mutual banking group. Groupe BPCE includes 35 regional banks, 18 in the Banque Populaire retail banking network, and 17 in the Caisse d'Epargne retail banking network, as well as BPCE and its subsidiaries and affiliates. BPCE's largest subsidiary is Natixis, a publicly listed French bank in which BPCE holds a 71.46% interest. Groupe BPCE's structure is illustrated in the following chart:

ORGANIZATION CHART OF GROUPE BPCE AT DECEMBER 31, 2014



As the central institution of Groupe BPCE, BPCE's role is to coordinate policies and exercise certain supervisory functions with respect to the regional banks and other affiliated French banking entities (including Natixis), and to ensure the liquidity and solvency of the entire group. The French banking entities in Groupe BPCE are covered by a mutual financial solidarity mechanism that results in BPCE's credit being effectively supported by the financial strength of the entire group (including a €1.260 billion guarantee fund and €33.8 billion of Tier One capital of the Banques Populaire and Caisse d'Epargne networks, in each case as of December 31, 2014).

BPCE is a *société anonyme à Conseil de Surveillance et Directoire* (a limited liability company with a Supervisory Board and a Management Board) and a credit institution licensed as a bank in France, with its registered office at 50 avenue Pierre Mendès France, 75013 Paris, France.

BUSINESS OF GROUPE BPCE

Groupe BPCE is one of the largest banking groups in France. As of December 31, 2014, Groupe BPCE had €1,223.3 billion of total assets, €623.3 billion of gross outstanding customer loans and €62.7 billion of consolidated shareholders' equity (€55.3 billion group share). It recorded €23.3 billion of consolidated net banking income and €2.9 billion of consolidated net income attributable to equity holders of the parent, in each case for the year ended December 31, 2014. Its activities are conducted primarily through two core business lines:

- **Commercial Banking and Insurance** (68.7% of 2014 net banking income of the core business lines). The commercial banking and insurance business line includes the activities of the Banques Populaires and Caisses d'Epargne retail banking networks, activities relating to real estate financing (mainly through Crédit Foncier de France) and insurance, international banking and certain other banking activities. This core business line includes:

    - The Banques Populaire network, which has a leading position with small and medium enterprises, professional customers as well as individuals. The Banques Populaires had outstanding customer loans of €167 billion and customer savings and deposits (including life insurance and mutual fund savings) of €217 billion as of December 31, 2014, and they recorded €6.4 billion of net banking income in 2014.

    - The Caisses d'Epargne network, which has a leading role with individual customers as well as professionals, and a strong historic presence in regional development banking (primarily public sector financing and public housing). The Caisses d'Epargne had outstanding customer loans of €211 billion and customer savings and deposits (including life insurance and mutual fund savings) of €379 billion as of December 31, 2014, and they recorded €7.1 billion of net banking income in 2014.

    - Insurance and other networks, which includes the activities of the Crédit Foncier group, Groupe BPCE's interest in CNP Assurances, subsidiaries located in French overseas territories, international subsidiaries, and Banque Palatine, a French bank that provides mainly wealth management services. This division recorded €1.6 billion of net banking income in 2014.

- **Wholesale Banking, Investment Solutions and Specialized Financial Services** (31.3% of 2014 net banking income of the core business lines). This business line is conducted by Natixis. It includes (i) corporate and investment banking for large corporate and institutional customers, (ii) investment solutions, including asset management, insurance, private banking and private equity, and (iii) specialized financial services, including factoring, leasing, consumer finance, sureties and guarantees, employee benefits planning, payments and securities services.

In addition to these core business lines, Groupe BPCE has equity investments in a number of other entities, including Nexity, a leading French real estate services company, and Coface, a world leader in credit insurance. The remainder of Groupe BPCE's business consists of corporate center activities (including BPCE's activities as the central body of Groupe BPCE).

BPCE SA GROUP

The BPCE SA Group includes BPCE and its consolidated subsidiaries and affiliates, including Natixis. The BPCE SA Group does not include the Banques Populaires and Caisses d'Epargne in the scope of consolidation since August 6, 2013, when the Banques Populaires and Caisses d'Epargne repurchased 20% non-voting equity interests in each of them, which were previously held by Natixis. The results of operations of the BPCE SA Group include those 20% interests, accounted for in the share of income from associates, through August 6, 2013.

As of December 31, 2014, BPCE SA Group had €803.8 billion of total assets, €236.8 billion of gross outstanding customer loans and €28.5 billion of consolidated shareholders' equity (€21.2 billion group share). It recorded €8.8 billion of consolidated net banking income and €724 million of consolidated net income attributable to equity holders of the parent, in each case for the year ended December 31, 2014.

THE GUARANTOR

The Guarantor of the 3(a)(2) Notes is the New York branch (the "Branch") of Natixis. As mentioned above, Natixis is the wholesale banking, investment management and specialized financial services arm of Groupe BPCE. Its shares are listed on the Paris stock exchange.

Natixis is a French *société anonyme à Conseil d'Administration* (a limited liability company with a Board of Directors) and a credit institution licensed as a bank in France, with its registered office at 30 avenue Pierre Mendès France, 75013 Paris, France.

Natixis operates the Branch pursuant to a license issued by the Superintendent of Financial Services of the State of New York (the "Superintendent") in 1976. The Branch conducts an extensive banking business serving U.S. customers and Natixis' French clients and their U.S. subsidiaries. The Branch's principal office is located at 1251 Avenue of the Americas, 3rd floor, New York, NY 10020, United States and its telephone number is (212) 872-5000.

REGULATORY CAPITAL RATIOS

As of December 31, 2014, based on CRD IV/Basel III standards, Groupe BPCE's Common Equity Tier 1 ratio stood at 12% and its total capital adequacy ratio at 15.6% (in both cases without transitional measures and after restatement to account for deferred tax assets). As of December 31, 2014, based on CRD IV/Basel III standards, Groupe BCPE's Common Equity Tier 1 ratio stood at 11.9% and its total capital adequacy ratio at 15.4% (in both cases taking account of transitional measures).

As of December 31, 2014, based on CRD IV/Basel III standards, BPCE SA Group's Tier 1 ratio stood at 10.3% and its total capital adequacy ratio at 15.5% (in both cases taking account of transitional measures).

Terms of the Notes

The following summarizes the terms of the Notes the Issuer may issue from time to time under this Base Offering Memorandum. The terms contained in the first section below are applicable to all series of Notes that may be issued hereunder. Terms specific to the 3(a)(2) Notes and the 144A Notes are indicated in the second and third sections below. For a further description of the terms and conditions of the Notes, see "Description of the Notes."

I. Terms Applicable to All Notes

Issuer	BPCE.
Arranger	Natixis Securities Americas LLC.
Dealers	Natixis Securities Americas LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC, and any other Dealer appointed by the Issuer from time to time.
Offered Amount	The Issuer may use this Base Offering Memorandum to offer an aggregate principal amount of Notes of up to U.S.$25 billion, or its equivalent in other currencies.
Maturities	Any maturity in excess of one day, or in any case such other minimum maturity as may be required from time to time by the relevant regulatory authority. No maximum maturity is contemplated.
Issue Price	Notes may be issued at par or at a discount from, or premium over, par and either on a fully paid or partly paid basis. The Notes may be offered by Dealers at a fixed price or at a price that varies depending on market conditions.
Denominations	Unless otherwise specified in the applicable Pricing Term Sheet, Notes will be issued in minimum denominations of U.S. $250,000 and multiples of U.S.$1,000 in excess thereof, subject to compliance with all legal and regulatory requirements applicable to the relevant Specified Currency (as defined in the Description of the Notes).
Currencies	Except as specified in the applicable Pricing Term Sheet, Notes will be denominated in and payments in respect of an issue of Notes will be made in, U.S. dollars.
Form of Notes	Unless otherwise specified in the applicable Pricing Term Sheet, Notes will be issued in the form of one or more fully registered global securities, without coupons, registered in the name of a nominee of DTC and deposited with a custodian for DTC. Investors may hold a beneficial interest in Notes through DTC, or through Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), in each as a participant in DTC, or indirectly through financial institutions that are participants in any of those systems.

Owners of beneficial interests in Notes generally will not be entitled to have their Notes registered in their names, will not, except in the limited circumstances described herein and/or the applicable Pricing Term Sheet, be entitled to receive certificates in their names evidencing their Notes and will not be considered the holder of any Notes under the Fiscal and Paying Agency Agreement (as defined herein) for the Notes.

Status of the Notes..... Unless otherwise specified in the applicable Pricing Term Sheet, the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Notes will, subject to such exceptions as may be provided for by applicable law, at all times rank at least equally with all other present and future unsecured and unsubordinated indebtedness and obligations of the Issuer.

In the event that the Issuer decides to issue subordinated Notes, the terms relating to the subordination will be set forth in a supplement to this Base Offering Memorandum. Unless this Base Offering Memorandum is accompanied by such a supplement, the term "Notes" as used herein does not include subordinated notes.

Fixed Rate Notes ..... Fixed rate notes ("Fixed Rate Notes") will bear interest at the rate set forth in the applicable Pricing Term Sheet. Interest on Fixed Rate Notes will be payable on the dates specified in the applicable Pricing Term Sheet and on redemption.

Interest will be calculated on the basis of the Day Count Fraction (as defined in the Description of the Notes) agreed to between the Issuer and the relevant Dealers and specified in the applicable Pricing Term Sheet.

Floating Rate Notes ..... Floating rate notes ("Floating Rate Notes") will bear interest at a rate calculated:

i. by reference to the benchmark specified in the relevant Pricing Term Sheet (LIBOR, LIBID, LIMEAN, EURIBOR or another benchmark) as adjusted for any applicable margin; or

ii. on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency (as defined in the Description of the Notes) governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or

iii. as otherwise specified in the relevant Pricing Term Sheet.

Interest periods will be specified in the relevant Pricing Term Sheet.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

	The margin, if any, in respect of the floating interest rate will be agreed to between the Issuer and the relevant Dealers, and will be set forth in the applicable Pricing Term Sheet. Interest on Floating Rate Notes will be payable and will be calculated as specified, prior to issue, in the applicable Pricing Term Sheet. Interest will be calculated on the basis of the Day Count Fraction agreed to between the Issuer and the relevant Dealers and set forth in the applicable Pricing Term Sheet.
Other Notes.....	The Issuer and the Dealers may agree to issue from time to time other types of Notes, including but not limited to linked notes, dual currency Notes, zero coupon Notes or indexed Notes. Terms applicable to any other such types of Notes will be set forth in a supplement to this Base Offering Memorandum and/or the applicable Pricing Term Sheet.
Redemption.....	The applicable Pricing Term Sheet will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons), or that such Notes will be redeemable at the option of the Issuer and/or the holders of the Notes upon giving notice to the holders of the Notes or to the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms, if any, agreed to between the Issuer and the relevant Dealers and set forth in the applicable Pricing Term Sheet. Except as set forth in the applicable Pricing Term Sheet, the Notes will be redeemable at the option of the Issuer upon the occurrence of certain changes in tax law.
Repurchase	The Issuer and any of its affiliates may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, reissued or, at the option of the Issuer, surrendered to the Registrar for cancellation (subject to any requirements of French law).
Negative Pledge.....	The terms of the Notes will contain a negative pledge provision as described under "Description of the Notes—Negative Pledge."
Events of Default.....	Events of Default in respect of the Notes will include failure to pay principal or interest, failure to comply with other obligations, in each case subject to certain grace periods described herein and cross default, as well as any merger involving the Issuer where the surviving entity does not assume the Issuer's obligations under the Notes, and certain bankruptcy, insolvency and similar events.
Bail-In.....	The Notes may be written down or converted to equity if the Issuer becomes subject to a resolution procedure under the European Bank Recovery and Resolution Directive. In such event, the Guarantee will by its terms cover only the reduced outstanding amount of the 3(a)(2) Notes.

Rating	Unless otherwise specified in the applicable Pricing Term Sheet, the Notes issued under the program are expected to be rated A2 by Moody's, A by S&P and A by Fitch. The rating, if any, of certain Series of Notes to be issued pursuant to this Base Offering Memorandum from time to time may be specified in the applicable Pricing Term Sheet. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Neither the rating agency nor the Issuer is obligated to provide you with any notice of any suspension, change or withdrawal of any rating.
Listing.....	The Issuer does not expect to list the Notes on any stock exchange or automated quotation system, although it may do so with respect to a particular Series of Notes. The Pricing Term Sheet for each issue of Notes will state whether, and on what stock exchanges, if any, the relevant Notes will be listed.
Governing Law	The Notes will be governed by, and construed in accordance with, the laws of the State of New York; except that provisions of the Notes relating to their status will be governed by, and construed in accordance with, French law.
Distribution.....	The Issuer may sell Notes (i) to or through underwriters or dealers, whether affiliated or unaffiliated, (ii) directly to one or more purchasers, (iii) through the Dealers, or (iv) through a combination of any of these methods of sale. Each Pricing Term Sheet will explain the ways in which the Issuer intends to sell a specific issue of Notes, including the names of any underwriters, agents or dealers and details of the pricing of the issue of Notes, as well as any commissions, concessions or discounts the Issuer is granting the underwriters, agents or dealers, and whether they will be offered pursuant to Section 3(a)(2) of the Securities Act or in reliance on Rule 144A and, if in reliance on Rule 144A, whether they will also be offered pursuant to Regulation S.
Fiscal and Paying Agent	The Bank of New York Mellon.
Registrar	The Bank of New York Mellon.
Calculation Agent.....	The Bank of New York Mellon, or as otherwise specified in the applicable Pricing Term Sheet.
Use of Proceeds	Unless otherwise indicated in the applicable Pricing Term Sheet, the Issuer will use the net proceeds it receives from any offering of the Notes for general corporate purposes. A portion of the net proceeds from an offering of the Notes may be on-lent to Natixis.

II. Terms Applicable to the 3(a)(2) Notes

Guarantor of the 3(a)(2) Notes	Natixis, acting through the Branch.

Guarantee.....	The obligations of the Issuer to pay principal, interest and other amounts (including any additional amounts) under the 3(a)(2) Notes will be guaranteed by the Guarantor. The Bail-In Tool may also apply to guarantee obligations such as the Guarantee. In the event of a write-down or conversion to equity of any 3(a)(2) Notes in connection with a resolution procedure related to the Issuer, the Guarantee will cover only the reduced outstanding amount of the 3(a)(2) Notes, if any. The Guarantor's obligations under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and will at all times rank *pari passu* with all present and future unsecured and unsubordinated indebtedness and obligations of the Guarantor, without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, other than statutorily preferred exceptions. Unless otherwise specified in the applicable Pricing Term Sheet, any subordinated notes will not be guaranteed by the Guarantor.
Governing law of the Guarantee.....	The Guarantee will be governed by, and construed in accordance with, the laws of the State of New York; except that the provisions of the Guarantee relating to the ranking of the Guarantor's obligations thereunder will be governed by, and construed in accordance with, French law.
Conflicts of Interest	Natixis Securities Americas LLC is a broker-dealer subsidiary of the Issuer and the Guarantor and a Dealer for the Notes offered hereby. As a result, a conflict of interest under FINRA Rule 5121 is deemed to exist, and any offer or sale of the 3(a)(2) Notes by Natixis Securities Americas LLC will be conducted in accordance with the applicable provisions of such rule. See "Plan of Distribution—The 3(a)(2) Notes—Conflicts of Interest with Respect to the 3(a)(2) Notes."
No Registration.....	The 3(a)(2) Notes and the Guarantee have not been, and are not required to be, registered under the Securities Act.

III. Terms Applicable to the Rule 144A Notes and Regulation S Notes

Transfer Restrictions.....	The Rule 144A Notes and the Regulation S Notes may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws. The Rule 144A Notes are being offered and sold in the United States only to qualified institutional buyers, as defined in Rule 144A under the Securities Act, and the Regulation S Notes are being offered and sold outside the United States only to non-U.S. persons in "offshore transactions" as defined in, and in accordance with, Regulation S under the Securities Act, as applicable. See "Notice to Investors Regarding Certain U.S. Legal Matters."
No Registration.....	The Issuer has not registered, and will not register, the Rule 144A Notes or the Regulation S Notes under the Securities Act or any state securities laws.

SUMMARY FINANCIAL DATA

The following tables present summary financial data concerning Groupe BPCE, BPCE SA Group and Natixis as of and for the years indicated, which were derived from the consolidated financial statements of Groupe BPCE, BPCE SA Group and Natixis, respectively, each of which was prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Summary Financial Data of Groupe BPCE

Summary Consolidated Historical Balance Sheet Data for Groupe BPCE

	At December 31,		
	2012	**2013**	**2014**
		(in millions of euros)	
Assets			
Financial assets at fair value through profit and loss	214,991	206,072	229,300
Available-for-sale financial assets	83,409	79,374	86,984
Loans and receivables due from banks	118,795	108,038	103,744
Loans and receivables due from customers	574,856	578,419	610,967
Held-to-maturity financial assets	11,042	11,567	11,195
Other assets	144,428	140,050	181,108
Total Assets	**1,147,521**	**1,123,520**	**1,223,298**
Liabilities and Shareholders' Equity			
Financial liabilities at fair value through profit and loss	194,793	179,832	198,598
Due to banks	111,399	88,814	85,701
Due to customers	430,519	458,189	473,540
Debt securities	230,501	214,654	250,165
Insurance companies' technical reserves	49,432	51,573	57,111
Provisions	4,927	5,251	5,608
Other liabilities	61,719	56,660	74,291
Subordinated debt	9,875	10,375	15,606
Minority interests	3,802	6,833	7,388
Shareholders' equity (Group share)	50,554	51,339	55,290
Total Liabilities and Shareholders' Equity	**1,147,521**	**1,123,520**	**1,223,298**

Summary Consolidated Income Statement Data for Groupe BPCE

	Year ended December 31,		
	2012	**2013**	**2014**
		(in millions of euros)	
Net banking income	21,946	22,826	23,257
Gross operating income/(loss)	6,011	6,691	6,927
Cost of risk	(2,199)	(2,042)	(1,776)
Operating income/(loss)	3,812	4,649	5,151
Share in income from associates	186	220	105
Minority interests	(230)	(321)	(459
Net income, group share	**2,147**	**2,669**	**2,907**

Capital Ratio Data for Groupe BPCE[(1)]

	At December 31,		
	2012	**2013**	**2014**
Total Capital adequacy ratio	12.5%	13.1%	15.4%
Tier 1 ratio	12.2%	11.4%	12.7%
Common Equity Tier 1 ratio	10.7%	10.3%	11.9%

(1) 2014 and 2013 Ratios calculated according to Basel III/CRD IV (taking into account CRR/CRD IV phase-in measures). 2012 ratios calculated according to Basel 2.5.

Summary Financial Data of BPCE SA Group

Summary Consolidated Historical Balance Sheet Data for BPCE SA Group

	At December 31,		
	2012	**2013**	**2014**
		(in millions of euros)	
Assets			
Financial assets at fair value through profit and loss	224,554	211,282	234,393
Available-for-sale financial assets	46,508	44,232	49,446
Loans and receivables due from banks	140,554	134,129	126,119
Loans and receivables due from customers	228,759	210,126	232,458
Held-to-maturity financial assets	5,197	4,751	4,295
Other assets	130,114	111,931	157,099
Total Assets	**775,686**	**716,451**	**803,810**
Liabilities and Shareholders' Equity			
Financial liabilities at fair value through profit and loss	198,296	180,820	205,086
Due to banks	153,136	123,767	119,865
Due to customers	72,028	79,778	79,619
Debt securities	216,593	203,889	239,079
Insurance companies' technical reserves	43,828	45,694	50,754
Provisions	2,223	2,373	2,712
Other liabilities	48,523	42,362	62,259
Subordinated debt	9,959	10,749	15,916
Minority interests	6,419	5,770	7,299
Shareholders' equity (Group share)	24,681	21,249	21,221
Total Liabilities and Shareholders' Equity	**775,686**	**716,451**	**803,810**

Summary Consolidated Income Statement Data for BPCE SA Group

	Year ended December 31,		
	2012	**2013**	**2014**
		(in millions of euros)	
Net banking income	8,084	8,425	8,779
Gross operating income/(loss)	1,637	1,829	2,119
Cost of risk	(1,036)	(793)	(453)
Operating income/(loss)	601	1,036	1,666
Share in income from associates	631	197[(1)]	55
Minority interests	(323)	(646)	(408)
Net income, group share	**659**	**1,555**[(2)]	**724**

(1) Includes share of income from the non-voting equity interests in the Banques Populaires and the Caisses d'Epargne through August 6, 2013, the date on which such non-voting equity interests were repurchased from Natixis. See Note 1.3 to the 2013 consolidated financial statements included in the 2013 BPCE Registration Document incorporated by reference herein.

(2) Includes income from the repurchase by the Banques Populaires and the Caisses d'Epargne of the 20% non-voting interests previously held by Natixis (€1,448 million before tax and allocation of non-controlling interests).

Capital Ratio Data for BPCE SA Group [(1)]

	At December 31,		
	2012	**2013**	**2014**
Capital adequacy ratio.....	11.7%	13.5%	15.5%
Tier 1 ratio	11.8%	11.9%	10.3%

(1) 2014 ratios calculated according to Basel III/CRD IV (taking into account phase-in measures). 2012 and 2013 ratios calculated according to Basel 2.5.

Summary Financial Data of Natixis

Summary Consolidated Historical Balance Sheet Data for Natixis

	At December 31,		
	2012[1]	**2013**	**2014**
	(in millions of euros)		
Assets			
Financial assets at fair value through profit and loss	231,870	218,324	254,560
Available-for-sale financial assets	38,485	40,678	44,816
Loans and receivables to banks	61,932	77,600	71,718
Customer loans and receivables	99,418	87,975	107,224
Held-to-maturity financial assets	3,506	3,025	2,763
Other assets	93,200	82,529	109,343
Total Assets	**528,411**	**510,131**	**590,424**
Liabilities and Shareholders' Equity			
Financial liabilities at fair value through profit and loss	200,913	186,049	220,622
Due to banks	127,754	127,657	134,988
Customer deposits	54,550	60,240	60,860
Debt securities	46,085	38,779	56,583
Insurance companies' technical reserves	42,996	44,743	50,665
Provisions for impairment	1,485	1,447	1,597
Other liabilities	30,521	30,195	40,940
Subordinated debt	4,216	3,076	4,008
Minority interests	542	45	1,289
Equity group share	19,349	17,900	18,872
Total Liabilities and Shareholders' Equity	**528,411**	**510,131**	**590,424**

Summary Consolidated Income Statement Data for Natixis

Summary Consolidated Income Statement	Year ended December 31,		
	2012[1]	**2013**	**2014**
		(in millions of euros)	
Net revenues	**6,271**	**6,848**	**7,512**
Gross operating income/(loss)	**1,224**	**1,614**	**2,073**
Provision for credit losses	(448)	(328)	(302)
Net operating income/(loss)	**776**	**1,285**	**1,771**
Share in income from associates	480	21[2]	40
Net income/(loss) for the period attributable to equity holders of the parent	**913**	**884**[3]	**1,138**

(1) The financial statements for the 2012 financial year have been restated as a result of the impact of the revised IAS 19 relating to employee benefit obligations.

(2) Includes share of income from the non-voting equity interests in the Banques Populaires and the Caisses d'Epargne through August 6, 2013, the date on which such non-voting equity interests were repurchased from Natixis. See Note 1.3 to the 2013 consolidated financial statements included in the 2013 BPCE Registration Document incorporated by reference herein.

(3) Includes income from the repurchase by the Banques Populaires and the Caisses d'Epargne of the 20% non-voting interests previously held by Natixis.

RISK FACTORS

The discussion below is of a general nature and is intended to describe various risk factors associated with an investment in any Notes issued under this Base Offering Memorandum. The factors that will be of relevance to the Notes will depend upon a number of interrelated matters including, but not limited to, the nature of the issue of Notes. Prospective purchasers should carefully consider the following discussion of risks and any risk factors in any applicable Pricing Term Sheet before deciding whether to invest in the Notes. However, these risk factors do not disclose all possible risks associated with an investment in the Notes, and additional risks may arise after the date of the offering.

The discussion below identifies certain risks that are applicable to the business of Groupe BPCE. Substantially all such risks are equally applicable to the business of Natixis. As such, any given discussion of a risk applicable to Groupe BPCE should be assumed to apply to Natixis, both as a member of Groupe BPCE as well as an individual entity, unless indicated otherwise below. However, these risk factors do not disclose all possible risks associated with Groupe BPCE and Natixis, either as a group or as individual entities, and additional risks may arise after the date of this document or an offering of Notes.

No investment should be made in the Notes until after careful consideration of all those factors that are relevant in relation to the Notes.

RISKS RELATING TO GROUPE BPCE

Risks relating to the Groupe BPCE's 2014-2017 Strategic Plan

Groupe BPCE may not realize the objectives in its 2014-2017 Strategic Plan

Groupe BPCE is implementing a 2014-2017 Strategic Plan that contemplates a number of initiatives, including four investment priorities: (i) create local banks commanding leading positions for offline and online relations; (ii) finance its customers, establish the group as a major player in savings, and move away from a "loan-based" approach to an approach based on "financing;" (iii) become a fully-fledged bancassurance specialist and (iv) accelerate the pace of the group's international expansion. The 2014-2017 Strategic Plan and its status as of December 31, 2014 are described in more detail in Section 1.7 of the 2014 BPCE Registration Document, which is incorporated by reference herein. See the section entitled "*Documents Incorporated by Reference*" in this Base Offering Memorandum. These documents contain forward-looking information, which is necessarily subject to uncertainty. In particular, in connection with the 2014-2017 Strategic Plan, Groupe BPCE announced certain financial targets, including for revenue synergies and cost reduction, as well as strategic initiatives and priorities. In addition, Natixis has publicly announced certain targets, providing additional detail on the strategic initiatives relating to its activities. The financial objectives were established primarily for purposes of planning and allocation of resources, are based on a number of assumptions, and do not constitute projections or forecasts of anticipated results. The actual results of Groupe BPCE (and of Natixis) are likely to vary (and could vary significantly) from these targets for a number of reasons, including the materialization of one or more of the risk factors described in this section. If Groupe BPCE (or Natixis) does not realize its objectives, then its financial condition and the value of the Notes could be adversely affected.

In addition, if Groupe BPCE (or Natixis) decides to dispose of certain operations, the selling price could turn out to be lower than expected and Groupe BPCE (or Natixis) might continue to bear significant risks stemming from these operations as a result of liabilities, guarantees or indemnities that it may have to grant to the buyers concerned. The ability of Groupe BPCE to realize the anticipated synergies contemplated by the 2014-2017 Strategic Plan will depend on a number of factors, many of which are beyond the control of Groupe BPCE. Groupe BPCE may fail to achieve expected synergies for any number of reasons, including disruptions caused by the unique structure of Groupe BPCE or the materialization of risks relating to ordinary banking activities. Any of these factors, among others, could result in the actual level of business development and/or cost synergies being lower than anticipated.

Risks relating to Groupe BPCE's activities and the banking sector

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

There are four main categories of risks inherent in Groupe BPCE's activities, which are summarized below. The risk factors that follow elaborate on or give specific examples of these different types of risks, and describe certain additional risks faced by Groupe BPCE.

- *Credit Risk.* Credit risk is the risk of financial loss relating to the failure of a counterparty to honor its contractual obligations. The counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. Credit risk arises in lending activities and also in various other activities where Groupe BPCE is exposed to the risk of counterparty default, such as its trading, capital markets, derivatives and settlement activities. With respect to home loans, the degree of credit risk also depends on the value of the home that secures the relevant loan. Credit risk also arises in connection with the factoring businesses of Groupe BPCE, although the risk relates to the credit of the counterparty's customers, rather than the counterparty itself.

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

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

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

  - the risk associated with asset and liability management, which is the risk to earnings arising from asset and liability mismatches in the banking book or in the insurance business. This risk is driven primarily by interest rate risk;

  - the risk associated with investment activities, which is directly connected to changes in the value of invested assets within securities portfolios, which can be recorded either in the income statement or directly in shareholders' equity; and

  - the risk associated with certain other activities, such as real estate, which is indirectly affected by changes in the value of negotiable assets.

- *Operational Risk.* Operational risk is the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Internal processes include, but are not limited to, human resources and information systems, risk management and internal controls (including fraud prevention). External events include floods, fires, windstorms, earthquakes or terrorist attacks.

- *Insurance Risk*. Insurance risk is the risk to earnings due to mismatches between expected and actual claims. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behavior, changes in public health, pandemics, accidents and catastrophic events (such as earthquakes, windstorms, industrial disasters, or acts of terrorism or war).

Recent economic and financial conditions in Europe have had and may continue to have an impact on Groupe BPCE and the markets in which it operates

European markets have recently experienced significant disruptions that have affected economic growth. Initially originating from concerns regarding the ability of certain countries in the euro-zone to refinance their debt obligations, these disruptions have created uncertainty more generally regarding the near-term economic prospects

of countries in the European Union, as well as the quality of debt obligations of sovereign debtors in the European Union. There has also been an indirect impact on financial markets in Europe and worldwide.

While Groupe BPCE's holdings of sovereign bonds affected by the crisis has been limited, Groupe BPCE has been indirectly affected by the spread of the euro-zone crisis, which has affected most countries in the euro-zone, including the group's home market of France. The credit ratings of French sovereign obligations were downgraded by certain rating agencies in recent years, in some cases resulting in the mechanical downgrading of the credit ratings by the same agencies of French commercial banks' senior and subordinated debt issues, including those of the Groupe BPCE entities. More recently, anti-austerity sentiment has led to political uncertainty in certain European countries.

If economic or market conditions in France or elsewhere in Europe were to deteriorate further, the markets in which Groupe BPCE operates could be more significantly disrupted, and its business, results of operations and financial condition could be adversely affected.

Legislative action and regulatory measures in response to the global financial crisis may materially impact Groupe BPCE and the financial and economic environment in which the group operates

Legislation and regulations have recently been enacted or proposed with a view to introducing a number of changes, some permanent, in the global financial environment. While the objective of these new measures is to avoid a recurrence of the global financial crisis, the impact of the new measures could be to change substantially the environment in which Groupe BPCE and other financial institutions operate.

The measures that have been or may be adopted include more stringent capital and liquidity requirements (particularly for large global institutions and groups such as Groupe BPCE), taxes on financial transactions, limits or taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and investment and ownership in private equity funds and hedge funds), or new ring-fencing requirements relating to certain activities, enhanced prudential standards applicable to large non-U.S.-based banking organizations, restrictions on the types of entities permitted to conduct swap activities, restrictions on certain types of activities or financial products such as derivatives, mandatory write-down or conversion into equity of certain debt instruments, enhanced recovery and resolution regimes, revised risk-weighting methodologies (particularly with respect to insurance businesses), periodic stress testing and the creation of new and strengthened regulatory bodies including the transfer of certain supervisory functions to the European Central Bank ("**ECB**"), which became effective on November 4, 2014. Some of the new measures are proposals that are under discussion and that are subject to revision and interpretation, and need adapting to each country's framework by national regulators. For further information, see "*Government Supervision and Regulation of Credit Institutions in France*" and "*Supervision and Regulation of the Branch and Natixis in the United States*."

As a result of some of these measures, Groupe BPCE has reduced, and may further reduce, the size of certain of its activities in order to allow it to comply with the new requirements. These measures may also increase compliance costs. This could lead to reduced consolidated revenues and profits in the relevant activities, the reduction or sale of certain operations and asset portfolios, and asset-impairment charges.

Certain of these measures may also increase the Issuer's funding costs. For example, on November 10, 2014, the Financial Stability Board proposed that "Global Systemically Important Banks" (including the Issuer) maintain significant amounts of liabilities that are subordinated (by law, contract or structurally) to certain priority operating liabilities, such as guaranteed or insured deposits. These so-called "TLAC" (or "total loss absorbing capacity") requirements are intended to ensure that losses are absorbed by shareholders and creditors, other than creditors in respect of priority operating liabilities, rather than being borne by government support systems. The TLAC requirements will, if adopted and implemented in France, apply in addition to capital requirements applicable to the Issuer. They could require the Issuer to change the way in which it manages its funding operations and increase the Issuer's financing costs. Because the TLAC requirements are currently proposals, it is possible that they will evolve in a manner that further increases the Issuer's costs before they are finally adopted.

Moreover, the general political environment has evolved unfavorably for banks and the financial industry, resulting in additional pressure on legislative and regulatory bodies to adopt more stringent regulatory measures, despite the fact that these measures can have adverse consequences on lending and other financial activities, and on the economy. Because of the continuing uncertainty regarding the new legislative and regulatory measures, it is not possible to predict what impact they will have on Groupe BPCE.

Groupe BPCE recently became subject to the financial supervision of the European Central Bank

Since November 4, 2014, Groupe BPCE, along with all other significant financial institutions in the euro-zone, has become subject to direct supervision by the ECB, which assumed the supervisory functions previously performed by French regulators. For further details on the supervision of the Groupe BPCE, please see the section entitled "*Government Supervision and Regulation of Credit Institutions in France*." It is not yet possible to assess the impact of this new supervisory framework on Groupe BPCE. While the ECB will implement substantially the same supervisory framework as the former regulators, the supervisory practices and procedures of the ECB may prove to be more onerous or costly than those applied to the Groupe BPCE in the past.

Groupe BPCE's ability to attract and retain qualified employees is critical to the success of its business and any failure to do so may significantly affect its performance

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

BPCE must maintain high credit ratings or its business and profitability could be adversely affected

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

A substantial increase in new asset impairment charges or a shortfall in the level of previously recorded asset impairment charges in respect of Groupe BPCE's loan and receivables portfolio could adversely affect its results of operations and financial condition

In connection with Groupe BPCE's lending activities, the group periodically establishes asset impairment charges, whenever necessary, to reflect actual or potential losses in respect of its loan and receivables portfolio, which are recorded in its profit and loss account under "cost of risk". Groupe BPCE's overall level of such asset impairment charges is based upon the group's assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although Groupe BPCE uses its best efforts to establish an appropriate level of asset impairment charges, the group's lending businesses may have to increase their charges for loan losses in the future as a result of increases in non-performing assets or for other reasons, such as deteriorating market conditions or factors affecting particular countries. Any significant increase in charges for loan losses or a significant change in the estimate of the risk of loss inherent in Groupe BPCE's portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the charges recorded with respect thereto, could have an adverse effect on Groupe BPCE's results of operations and financial condition.

Changes in the fair value of Groupe BPCE's securities and derivatives portfolios and its own debt could have an impact on the carrying value of such assets and liabilities, and thus on net income and shareholders' equity

The carrying value of Groupe BPCE's securities and derivatives portfolios and certain other assets, as well as its own debt in Groupe BPCE's balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of the assets or debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect net banking income and, as a result, net income. All fair value adjustments affect shareholders' equity and, as a result, Groupe BPCE's capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

Future events may differ from those reflected in the assumptions used by management in the preparation of Groupe BPCE's financial statements, which may cause unexpected losses in the future

Pursuant to the IFRS standards and interpretations currently in force, Groupe BPCE is required to use certain estimates in the preparation of its financial statements, including accounting estimates to determine provisions relating to loans and doubtful debts, provisions relating to possible litigation, and the fair value of certain assets and liabilities, among other items. If the values used for these items by Groupe BPCE should prove to be significantly inaccurate, particularly in the event of significant and/or unexpected market trends, or if the methods by which they are determined should be changed under future IFRS standards or interpretations, Groupe BPCE may be exposed to unexpected losses.

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

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

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

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

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

Even in the absence of a market downturn, below-market performance by the group's mutual funds and other products may result in increased withdrawals and reduced inflows, which would reduce the revenues Group BPCE receives from its asset management business.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly lead to material losses

In some of Group BPCE's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if Groupe BPCE cannot close out deteriorating positions in a timely way. This may especially be the case for assets that Groupe BPCE holds for which the markets are not very liquid to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that Groupe BPCE calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the group did not anticipate.

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

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

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

The entities in Groupe BPCE conduct a significant portion of their business in currencies other than the euro, in particular in the United States dollar, and their net banking income and results of operations can be affected by exchange rate fluctuations. While Groupe BPCE incurs expenses in currencies other than the euro, the impact of these expenses only partially compensates for the impact of exchange rate fluctuations on net banking income. Natixis is particularly vulnerable to fluctuations in the exchange rate between the United States dollar and the euro, as a significant portion of its net banking income and results of operations is earned in the United States. In the context of its risk management policies, Groupe BPCE and its affiliates enter into transactions to hedge exposure to exchange rate risk. However, these transactions may not be fully effective to offset the effects of unfavorable exchange rates on operating income; they may even, in certain situations, amplify these effects.

Any interruption or failure of Groupe BPCE's information systems, or those of third parties, may result in lost business and other losses

Like most of its competitors, Groupe BPCE relies heavily on its communication and information systems as its operations require it to process a large number of increasingly complex transactions. Any breakdown, interruption or failure of these systems could result in errors or interruptions to customer relationship management, general ledger, deposit, transaction and/or loan processing systems. If, for example, Groupe BPCE's information systems failed, even for a short period of time, it would be unable to meet customers' needs in a timely manner and could thus lose transaction opportunities. Likewise, a temporary breakdown of Groupe BPCE's information systems, despite back-up systems and contingency plans, could result in considerable information retrieval and verification costs, and even a decline in its proprietary business if, for instance, such a breakdown occurred during the implementation of hedging transactions. The inability of Groupe BPCE's systems to accommodate an increasing volume of transactions could also undermine its business development capacity.

Groupe BPCE is also exposed to the risk of an operational failure or interruption by one of its clearing agents, foreign exchange markets, clearing houses, custodians or other financial intermediaries or external service providers that it uses to execute or facilitate its securities transactions. As its interconnectivity with its customers grows, Groupe BPCE may also be increasingly exposed to the risk of operational failure of its customers' information systems. Groupe BPCE cannot guarantee that such breakdowns or interruptions in its systems or in those of other parties will not occur or, if they do occur, that they will be adequately resolved.

Unforeseen events may cause an interruption of Groupe BPCE's operations and cause substantial losses as well as additional costs

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

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

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

Groupe BPCE is subject to significant regulation in France and in several other countries around the world where it operates; regulatory actions and changes in these regulations could adversely affect Groupe BPCE's business and results

A variety of supervisory and regulatory regimes apply to entities in Groupe BPCE in each of the jurisdictions in which they operate. Non-compliance could lead to significant intervention by regulatory authorities and fines, public reprimand, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate. The financial services industry has experienced increased scrutiny from a variety of regulators in recent years, as well as an increase in the penalties and fines sought by regulatory authorities, a trend that may be accelerated in the current financial context. The businesses and earnings of group entities can be materially adversely affected by the policies and actions of various regulatory authorities of France, other European Union, United States or foreign governments and international organizations. Such constraints could limit the ability of group entities to expand their businesses or to pursue certain activities. The nature and impact of future changes in such policies and regulatory action are unpredictable and are beyond the group's control. Such changes could include, but are not limited to, the following:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy liable to significantly influence investor decisions, in particular in markets where Groupe BPCE operates;
- general changes in regulatory requirements, notably prudential rules relating to the regulatory capital adequacy framework and the recovery and resolution regime;
- changes in rules and procedures relating to internal controls;
- changes in the competitive environment and prices;
- changes in financial reporting rules;
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership rights; and

- any adverse change in the political, military or diplomatic environments creating social instability or an uncertain legal situation capable of affecting the demand for the products and services offered by Groupe BPCE.

Tax law and its application in France and in the countries where Groupe BPCE operates are likely to have a significant impact on Groupe BPCE's results

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

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

The risk management techniques and strategies of Groupe BPCE may not effectively limit its risk exposure in all economic market environments or against all types of risk, including risks that the group fails to identify or anticipate. The group's risk management techniques and strategies may also not effectively limit its risk exposure in all market fluctuations. These techniques and strategies may not be effective against certain risks, particularly those that the group has not previously identified or anticipated. Some of the group's qualitative tools and metrics for managing risk are based upon its use of observed historical market behavior. The group's risk managers apply statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the group did not anticipate or correctly evaluate in its statistical models or from unexpected and unprecedented market movements. This would limit the group's ability to manage its risks. The group's losses could therefore be significantly greater than the historical measures indicate. In addition, the group's quantified modeling does not take all risks into account. The group's qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. In addition, while no material issue has been identified to date, the risk management systems are subject to the risk of operational failure, including fraud. See Section 3 "Risk Management" and the related sections of the 2014 BPCE Registration Document and its updates for a more detailed discussion of the policies, procedures and methods that group entities use to identify, monitor and manage its risks.

Groupe BPCE's hedging strategies may not prevent losses

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

Groupe BPCE may encounter difficulties in identifying, executing and integrating its policy in relation to acquisitions or joint ventures

Groupe BPCE may consider external growth or partnership opportunities from time to time. Even though Groupe BPCE performs in-depth reviews of companies that it plans to acquire or joint ventures it plans to carry out,

it is generally not feasible for these reviews to be comprehensive in all respects. As a result, Groupe BPCE may have to assume liabilities unforeseen initially. Similarly, the results of the acquired company or joint venture may prove disappointing and the expected synergies may not be realized in whole or in part, or the transaction may even give rise to higher-than-expected costs. Groupe BPCE may also encounter difficulties in consolidating a new entity. The failure of an announced external growth operation or the failure to consolidate the new entity or joint venture is likely to materially affect Groupe BPCE's profitability. This situation could also lead to the departure of key employees. Insofar as Groupe BPCE may feel compelled to offer its employees financial incentives in order to retain them, this situation could also result in increased costs and an erosion of profitability. In the case of joint ventures, Groupe BPCE is subject to additional risks and uncertainties in that it may be dependent on, and subject to liability, losses or reputational damage relating to systems, controls and personnel that are not under its control. In addition, conflicts or disagreements between Groupe BPCE and its joint venture partners may negatively impact the benefits sought by the joint venture.

Intense competition, both in Groupe BPCE's home market of France, its largest market, and internationally, could adversely affect Groupe BPCE's net revenues and profitability

Competition is intense in all of Groupe BPCE's primary business areas in France and in other areas of the world where it has significant operations. Consolidation, both in the form of mergers and acquisitions and through alliances and cooperation, is increasing competition. Consolidation has created a number of firms that, like Groupe BPCE, have the ability to offer a wide range of products and services, ranging from insurance, loans and deposits to brokerage, investment banking and asset management. Groupe BPCE competes with other entities on the basis of a number of factors, including transaction execution, products and services offered, innovation, reputation and price. If Groupe BPCE is unable to maintain its competitiveness in France or in its other major markets with attractive and profitable product and service offerings, it may lose market share in important areas of its business or incur losses on some or all of its operations. In addition, downturns in the global economy or in the economy of Groupe BPCE's major markets are likely to increase competitive pressure, notably through increased price pressure and lower business volumes for Groupe BPCE and its competitors. More competitive new competitors could also enter the market, subject to separate or more flexible regulation, or other requirements relating to prudential ratios. These new market participants may therefore be able to offer more competitive products and services. Technological advances and the growth of e-commerce have made it possible for non-deposit taking institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. These new players may exert downward price pressure on Groupe BPCE's products and services or may affect Groupe BPCE's market share.

The financial soundness and behavior of other financial institutions and market participants could have an adverse impact on Groupe BPCE

Groupe BPCE's ability to carry out its operations could be affected by the financial soundness of other financial institutions and market participants. Financial institutions are closely interconnected as a result, notably, of their trading, clearing, counterparty and financing operations. The default of a sector participant, or even simple rumors or questions concerning one or more financial institutions or the finance industry more generally, have led to a widespread contraction in liquidity in the market and in the future could lead to additional losses or defaults. Groupe BPCE is exposed to several financial counterparties such as investment service providers, commercial or investment banks, clearing houses and central counter-parties, mutual funds and hedge funds, as well as other institutional clients, with which it conducts transactions in the ordinary course, thus exposing Groupe BPCE to a risk of insolvency if a group of Groupe BPCE's counterparties or customers should fail to meet their commitments. This risk would be aggravated if the assets held as collateral by Groupe BPCE were unable to be sold or if their price was unable to cover all of Groupe BPCE's exposure relating to loans or derivatives in default. In addition, fraud or misappropriations committed by financial sector participants may have a significant adverse impact on financial institutions as a result, in particular, of interconnections between institutions operating in the financial markets.

Groupe BPCE's profitability and business outlook could be adversely affected by reputational and legal risk

Groupe BPCE's reputation is essential in attracting and retaining its customers. The use of inappropriate means to promote and market its products and services, inadequate management of potential conflicts of interest,

legal and regulatory requirements, ethical issues, money laundering laws, economic sanctions requirements, information security policies and sales and trading practices may damage Groupe BPCE's reputation. Its reputation could also be harmed by any inappropriate employee behavior, fraud or misappropriation of funds committed by participants in the financial sector to which BPCE is exposed, any decrease, restatement or correction of the financial results, or any legal or regulatory action that has a potentially unfavorable outcome. Any damage caused to Groupe BPCE's reputation could be accompanied by a loss of business that could threaten its results and its financial position.

Inadequate management of these issues could also give rise to additional legal risk for Groupe BPCE and cause an increase in the number of legal proceedings and the amount of damages claimed against Groupe BPCE, or expose Groupe BPCE to sanctions from the regulatory authorities (for further details see Section 3.5 ("Legal risks") of the 2014 BPCE Registration Document, and in particular the Sections 3.5.2 and 3.5.3 on legal and arbitration proceedings).

Risks related to the structure of Groupe BPCE and Natixis

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

As the central body of Groupe BPCE, BPCE guarantees the liquidity and solvency of each of the regional banks (the Caisses d'Epargne and the Banques Populaires), as well as the other members of the affiliated group that are credit institutions subject to regulation in France. The affiliated group includes BPCE affiliates such as Natixis, Crédit Foncier de France and Banque Palatine (a more complete list is included in the 2014 BPCE Registration Document). While each of the regional banks and certain other members of the affiliated group are required to provide similar support to BPCE, there can be no assurance that the benefits of the financial solidarity mechanism for BPCE will outweigh its costs.

To assist BPCE in assuming its central body liabilities and to ensure mutual support within Groupe BPCE, three guarantee funds have been established to cover liquidity and solvency risks, with an aggregate amount of €1.260 billion as at December 31, 2014. The regional banks and the entities in the affiliated group will be required to make additional contributions to the guarantee funds from their future profits. While the guarantee funds provide a substantial source of resources to fund the financial solidarity mechanism, there can be no assurance that they will be sufficient for this purpose. If the guarantee funds turn out to be insufficient, BPCE will be required to make up the shortfall.

BPCE does not hold any ownership or financial interest in the Caisses d'Epargne and the Banques Populaires

BPCE does not hold any direct or indirect interest in the Banques Populaires and Caisses d'Epargne, although it acts as a central institution for Groupe BPCE's funding operations and manages the group's financial solidarity mechanism. As a result, BPCE does not share in the profits and losses of the Banques Populaires and Caisses d'Epargne. Instead, its economic interest in the results of operations of the Banques Populaires and Caisses d'Epargne is limited to the financing that it provides to them as part of its activity as central body of Groupe BPCE. While BPCE has significant powers to monitor and supervise the regional retail banks in its capacity as central body of Groupe BPCE, it currently does not have any voting power in respect of decisions that require the consent of shareholders of the regional banks.

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

The mechanism for the appointment of members of the supervisory board and of the management board of BPCE, as well as the implementation of various corporate governance measures is set forth in a protocol originally dated June 24, 2009 (the "**BPCE Protocol**"). Of the 18 members of the BPCE Supervisory Board, seven have been nominated by the Caisses d'Epargne, seven have been nominated by the Banques Populaires, and four are outside directors. In addition, the BPCE Protocol provides (and the bylaws of BPCE provide) that certain decisions deemed essential require the approval of 12 out of 18 members of the supervisory board (meaning a favorable vote from at least one representative of each of the Caisses d'Epargne and the Banques Populaires and from among the outside

directors). These "essential decisions" include the removal of the Chairman of the Management Board; any purchase of equity interests, other investments or divestitures involving an amount greater than €1 billion; any increase in BPCE's authorized capital with a waiver of preferential subscription rights; any merger, contribution or spin-off transactions to which BPCE is a party; any proposal to BPCE's shareholders to modify BPCE's bylaws, corporate governance or the rights of holders of preference shares; and any other decision involving a significant change to the Supervisory Board's functions that would affect the rights of holders of BPCE's preference shares. The BPCE Protocol does not (and BPCE's bylaws do not) contain a mechanism for definitively resolving any disagreement. In the event of deadlock, the management board may be unable to obtain supervisory board approval to proceed with planned actions. The business of BPCE or Groupe BPCE may therefore be subject to significant disruptions in the event that the Banques Populaires and the Caisses d'Epargne are unable to resolve any differences concerning the relevant group's development.

RISKS RELATING TO THE NOTES

The following does not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular series of Notes and the suitability of investing in the Notes in light of their particular circumstances. Additional risk factors relating to a particular type or series of Notes may appear in the applicable Pricing Term Sheet.

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

The market for debt securities issued by banks, such as the Notes, is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other western and other industrialized countries. There can be no assurance that events in France, Europe, the United States or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

There will be no prior market for the Notes

There is currently no existing market for the Notes, and there can be no assurance that any market will develop for the Notes or that holders will be able to sell their Notes in the secondary market. There is no obligation to make a market in the Notes.

Any early redemption at the option of the Issuer, if provided for in any Pricing Term Sheet for a particular issue of Notes or in the case of certain changes in tax law, could cause the yield anticipated by holders to be considerably less than anticipated

The Pricing Term Sheet for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of early redemption is often provided for in bonds or notes in periods of high interest rates. In addition, the Issuer will have the right to redeem the Notes if certain changes in tax law occur with respect to the Notes. If market interest rates decrease, the risk to holders that the Issuer will exercise its right of redemption increases. The yields received upon early redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the holder. Moreover, part of the capital invested by the holder may be lost, so that the holder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Neither the Notes nor the Guarantee are insured by the FDIC.

Neither the Notes nor the Guarantee are deposit liabilities of the Issuer or the Guarantor, respectively, and neither the Notes nor the Guarantee is insured by the United States Federal Deposit Insurance Corporation ("FDIC") or any governmental or deposit insurance agency.

A Holder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional domestic or foreign parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Holders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield for Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Notes issued at substantial discount or premium may be subject to higher price fluctuations than non-discounted Notes

Changes in market interest rates have a substantially stronger impact on the prices of Notes issued at a substantial discount or premium than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Notes issued at a substantial discount or premium can suffer higher price losses than other bonds having the same maturity and credit rating. Due to their leverage effect, Notes issued at a substantial discount or premium are a type of investment associated with a particularly high price risk.

The terms of the Notes contain very limited covenants

The terms and conditions of the Notes contain a negative pledge that prohibits the Issuer from pledging assets to secure other bonds or similar debt instruments, unless the Issuer makes a similar pledge to secure the Notes offered by this Base Offering Memorandum. However, the Issuer is generally permitted to sell or otherwise dispose of any or substantially all of its assets to another corporation or other entity under the terms of the Notes. If the Issuer decides to dispose of a large amount of its assets, investors in the Notes will not be entitled to declare an acceleration of the maturity of the Notes, and those assets will no longer be available to support the Notes.

In addition, the Notes do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer's ability to service its debt obligations, including those of the Notes.

Since the Notes are unsecured, a Holder's right to receive payments may be adversely affected.

Unless otherwise specified in the applicable Pricing Term Sheet, Notes will be unsecured and will be unsubordinated to any of the Issuer's other debt obligations, and therefore will rank equally with all of its other unsecured and unsubordinated indebtedness. Any secured debt of the Issuer or other entities in Groupe BPCE could effectively rank ahead of the Notes and other unsecured debt. Certain entities in the Groupe BPCE regularly pledge home loan assets to secure loans made to the Issuer by one of its affiliates (the "**Covered Bond Issuers**"), using

proceeds from the issuance of covered bonds in the international capital markets by the Covered Bonds Issuers. Entities in Groupe BPCE also encumber assets in connection with securities lending, repurchase agreements, derivatives and certain other transactions. See Section 3.3.1 ("Liquidity and Funding Risk") in the 2014 BPCE Registration Document for additional information. If the Issuer defaults on the Notes, or if it becomes subject to events of bankruptcy, liquidation or reorganization, assets over which it or other entities in the Groupe BPCE have granted security interests will be used to satisfy the obligations under the secured debt before the Issuer can make payment on the Notes. As a result, there may only be limited assets available to make payments on the Notes in the event of an acceleration of the Notes and /or in the event of bankruptcy, liquidation or reorganization.

Changes in the method in which LIBOR is determined may adversely affect the value of floating rate notes.

Regulators and law enforcement agencies from a number of governments have been conducting investigations relating to the calculation of LIBOR across a range of maturities and currencies, and certain financial institutions that were member banks surveyed by the British Bankers' Association (the "**BBA**") in setting daily LIBOR have entered into agreements with the U.S. Department of Justice, the U.S. Commodity Futures Trading Commission and/or the U.K. Financial Services Authority in order to resolve the investigations. In addition, in September 2012, the U.K. government published the results of its review of LIBOR, commonly referred to as the "**Wheatley Review**." The Wheatley Review made a number of recommendations for changes with respect to LIBOR, including the introduction of statutory regulation of LIBOR, the transfer of responsibility for LIBOR from the BBA to an independent administrator, changes to the method of compilation of lending rates, new regulatory oversight and enforcement mechanisms for rate−setting and the corroboration of LIBOR, as far as possible, by transactional data. Based on the Wheatley Review, on March 25, 2013, final rules for the regulation and supervision of LIBOR by the U.K. Financial Conduct Authority (the "**FCA**") were published and came into effect on April 2, 2013 (the "**FCA Rules**"). In particular, the FCA Rules include requirements that (1) an independent LIBOR administrator monitor and survey LIBOR submissions to identify breaches of practice standards and/or potentially manipulative behavior, and (2) firms submitting data to LIBOR establish and maintain a clear conflicts of interest policy and appropriate systems and controls. In addition, in response to the Wheatley Review recommendations, ICE Benchmark Administration Limited has been appointed as the independent LIBOR administrator, effective February 1, 2014.

It is not possible to predict the further effect of the FCA Rules, any changes in the methods pursuant to which LIBOR rates are determined or any other reforms to LIBOR that may be enacted in the U.K., the EU and elsewhere, each of which may adversely affect the trading market for LIBOR−based securities. In addition, any changes announced by any other applicable governance or oversight body in the method pursuant to which LIBOR rates are determined may result in a sudden or prolonged increase or decrease in the reported LIBOR rates. Changes in the methods pursuant to which other benchmark rates are determined and other reforms to such benchmark rates are also being contemplated in the EU and other jurisdictions, and any such changes and reforms could result in a sudden or prolonged increase or decrease in the reported values of such other benchmark rates. If such changes and reforms were to be implemented and to the extent that the value of the floating rate notes is affected by reported LIBOR, the level of interest payments and the value of the floating rate notes may be affected. Further, uncertainty as to the extent and manner in which the Wheatley Review recommendations and other proposed reforms will continue to be adopted and the timing of such changes may adversely affect the current trading market for the floating rate notes and the value of the floating rate notes.

The Notes and the Guarantee may be subject to mandatory write-down or conversion to equity if the Issuer or Natixis becomes subject to a resolution procedure

The recently adopted European Bank Recovery and Resolution Directive and the Single Resolution Mechanism provide resolution authorities with resolution powers, including but not limited to the power to ensure that capital instruments and eligible liabilities, including senior debt instruments such as the Notes, absorb losses at the point of non-viability of the issuing institution individually, or, in certain circumstances, of the group to which it belongs (should junior instruments prove insufficient to absorb all such losses), through the write-down or conversion to equity of such instruments (the "**Bail-In Tool**"). In addition, the Bail-In Tool might also apply to a guarantee obligation such as the Guarantee.

The point of non-viability is defined as the point at which the resolution authority determines that (i) the

institution, or its group, is failing or likely to fail, (ii) there is no reasonable prospect that private action would prevent the failure and (iii) a resolution action is necessary in the public interest. The Bail-In Tool with respect to senior debt instruments such as the Notes and, potentially, the Guarantee, will become effective by January 1, 2016, at the latest. The terms and conditions of the Notes contain certain provisions giving effect to the Bail-in Tool. See "*Description of the Notes – Bail-In*".

The Bail-In Tool could result in the full or partial write-down or conversion to equity of the Notes and, potentially, the Guarantee. In addition, if the Issuer's financial condition, or that of Group BPCE, deteriorates, the existence of the Bail-In Tool could cause the market value of the Notes to decline more rapidly than would be the case in the absence of such tools.

For further information about the European resolution directive and related French legislation, see "*Government Supervision and Regulation of Credit Institutions in France*."

Transactions on the Notes could be subject to a future European financial transaction tax ("FTT")

On February 14, 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**").

If adopted in its current form, the Commission's Proposal would subject certain transactions in securities such as the Notes to a financial transaction tax. It would call for the Participating Member States to impose a tax of, generally, at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

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 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.

Joint statements issued by Participating Member States confirmed that all relevant issues will continue to be examined by national experts. Joint statements issued by several Participating Member States indicate an intention to implement the FTT by January 1, 2016.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the European FTT.

The EU Savings Directive is applicable to the Notes

EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") requires an EU Member State to provide to the tax authorities of another EU Member State details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual resident in or certain limited types of entity established in, that other EU Member State, except that, for a transitional period Austria will instead impose a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period it elects otherwise. As from January 1, 2015, Luxembourg has elected out of the withholding system in favour of automatic exchange of information. A number of third countries and territories have adopted similar measures to the Savings Directive. See the section entitled "*Taxation—EU Savings Directive*."

On March 24, 2014, the Council of the European Union adopted a Directive amending the Savings Directive (the "**Amending Directive**"), which, when implemented, will amend and broaden the scope of the requirements described above. In particular, additional steps may be required in certain circumstances to identify the beneficial owner of interest payments (through a look through approach). The EU Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with this Amending Directive, which legislation must apply from January 1, 2017.

The Savings Directive may, however, be repealed in due course in order to avoid overlap with the amended Council Directive 2011/16/EU on administrative cooperation in the field of taxation, pursuant to which Member States other than Austria will be required to apply other new measures on mandatory automatic exchange of information from January 1, 2016. Austria has an additional year before being required to implement the new measures but it has announced that it will nevertheless begin to exchange information automatically in accordance with the timetable applicable to the other Member States.

Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive and the Amending Directive on their investment. See "*Taxation—EU Savings Directive*."

If a payment under a Note were to be made by a person in or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive as amended from time to time or any law implementing or complying with, or introduced in order to conform to, such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note, as the case may be, as a result of the imposition of such withholding tax.

USE OF PROCEEDS

Unless otherwise indicated in the applicable Pricing Term Sheet, the Issuer will use the net proceeds it receives from any offering of the Notes for general corporate purposes. A portion of the net proceeds from any offering of the Notes may be on-lent to Natixis.

CAPITALIZATION

Capitalization of Groupe BPCE

The table below sets forth the consolidated capitalization of Groupe BPCE as of December 31, 2014.

(in millions of euros)	**December 31, 2014**
Debt securities in issue	250,165
Subordinated debt	15,606
Total debt	**265,771**
Shareholders' Equity (group share):	
Share capital and reserves	20,581
Consolidated reserves	30,937
Gains or losses recorded directly in equity	865
Net income	2,907
Total shareholders' equity (group share)	**55,290**
Minority interests	7,388
Total capitalization	**328,449**

Capitalization of BPCE SA Group

The table below sets forth the consolidated capitalization of BPCE SA Group as of December 31, 2014.

(in millions of euros)	**December 31, 2014**
Debt securities in issue	239,079
Subordinated debt	15,916
Total debt	**254,995**
Shareholders' Equity (group share):	
Share capital and reserves	12,582
Consolidated reserves	7,437
Gains or losses recorded directly in equity	478
Net income	724
Total shareholders' equity (group share)	**21,221**
Minority interests	7,299
Total capitalization	**283,515**

Since December 31, 2014 through April 17, 2015, (i) the Issuer's (parent company only) "debt securities in issue," for which the maturity date as of April 17, 2015 is more than one year, did not increase by more than € 4,305 million, and "subordinated debt," for which the maturity date as of April 17, 2015 is more than one year, did not increase by more than € 1,160 million and (ii) the outstanding covered bonds of BPCE's subsidiary BPCE SFH, for which the maturity date as of April 17, 2015 is more than one year, did not increase by more than € 745 million.

SUPERVISION AND REGULATION OF THE BRANCH AND NATIXIS IN THE UNITED STATES

Banking Activities

The Branch is licensed by the Superintendent under the New York Banking Law (the "NYBL") to conduct a commercial banking business. The Branch is supervised, regulated and examined by the New York State Department of Financial Services and the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") and is subject to banking laws and regulations applicable to a foreign bank that operates a New York branch.

Under the NYBL and regulations adopted thereunder, the Branch is required to maintain eligible high-quality assets on deposit with banks in the State of New York which are pledged to the Superintendent for certain purposes. For foreign banking organizations that have been determined to be "well-rated" by the Superintendent (as the Branch has been), the asset pledged is based on a sliding scale percentage of the branch's third-party liabilities (decreasing in 0.25% increments from 1% for the first $1 billion of such liabilities to 0.25% of such liabilities in excess of $10 billion) with a cap set at $100 million. Should the Branch cease to be "well-rated" by the Superintendent, the Branch may need to maintain substantial additional amounts of eligible high-quality assets with banks in the State of New York. Under the NYBL, the Superintendent is also authorized to establish an asset maintenance requirement for a New York branch of a foreign bank. At present, the Superintendent has set this percentage at 0% generally, although specific asset maintenance requirements may be imposed upon individual branches on a case-by-case basis. The Superintendent has not prescribed such a requirement for the Branch.

In addition to being subject to New York laws and regulations, the Branch is also subject to U.S. federal regulation primarily under the International Banking Act of 1978, as amended (the "IBA"), including the amendments to the IBA made pursuant to the Foreign Bank Supervision Enhancement Act of 1991 (the "FBSEA"). Under the IBA, as amended by the FBSEA, all U.S. branches of foreign banks, such as the Branch, are subject to reporting and examination requirements of the Federal Reserve Board similar to those imposed on domestic banks that are owned or controlled by U.S. bank holding companies, and most U.S. branches and agencies of foreign banks, including the Branch, are subject to reserve requirements on deposits, although restrictions on the payment of interest on demand deposits were removed under the Dodd-Frank Act, effective July 2011. In addition, by reason of the conduct of banking activities in the United States (including through the Branch), Natixis is also subject to reporting to, and supervision and examination by, the Federal Reserve Board in its capacity as Natixis' U.S. "umbrella supervisor."

The Branch's deposits are not, and are not required or permitted to be, insured by the FDIC. In general, the Branch is not permitted to accept or maintain domestic retail deposits or their note equivalent having a balance of less than U.S.$250,000.

Among other things, the IBA provides that a state-licensed branch of a foreign bank (such as the Branch) may not engage in any type of activity that is not permissible for a federally-licensed branch or agency of a foreign bank unless the Federal Reserve Board has determined that such activity is consistent with sound banking practice. A state-licensed branch must also comply with the same single borrower (or issuer) lending and investment limits applicable to national banks. These limits are based on the foreign bank's worldwide capital and, in the case of a foreign bank with multiple U.S. branches or agencies (such as Natixis), the foreign bank must aggregate the business of all of its U.S. branches and agencies in determining compliance with these limits. Under the Dodd-Frank Act, the lending limits applicable to the Branch include credit exposures that arise from derivative transactions, repurchase and reverse repurchase agreements, and securities lending and borrowing transactions.

The Dodd-Frank Act also includes "push-out" provisions that significantly limit certain structured finance swaps activities of the U.S. branches of non-U.S. banks. Natixis and other non-U.S. banking organizations must comply with the "push-out" provisions by July 2015, unless an extension period is granted. The Branch is also subject to certain quantitative limits and qualitative restrictions on the extent to which it may lend to or engage in certain other transactions with affiliates engaged in certain securities, insurance and merchant banking activities in the United States. In general, these transactions must be on terms that would ordinarily be offered to unaffiliated entities, and are subject to volume limits; such transactions which involve extensions of credit or credit exposure must be secured by designated amounts of specified collateral.

The Federal Reserve Board may terminate the activities of a U.S. branch or agency of a foreign bank if it finds that the foreign bank is not subject to comprehensive supervision on a consolidated basis in its home country, or if there is reasonable cause to believe that such foreign bank or an affiliate has violated the law or engaged in an unsafe or unsound banking practice in the United States, and as a result, continued operation of the branch would be inconsistent with the public interest and the purposes of federal banking laws, or for a foreign bank that presents a risk to the stability of the United States financial system, the home country of the foreign bank has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk. If the Federal Reserve Board were to use this authority to close the Branch, creditors of the Branch would have recourse against Natixis' non-U.S. branches, unless the Superintendent or other regulatory authorities were to make alternative arrangements for the payment of the liabilities of the Branch.

Restrictions on U.S. Activities

The Bank Holding Company Act of 1956, as amended (the "BHCA"), imposes significant restrictions on Natixis' U.S. non-banking operations and on its worldwide holdings of equity in companies which, directly or indirectly operate in the United States. Under amendments to the BHCA effected by the Gramm-Leach-Bliley Act (the "GLBA"), qualifying bank holding companies and foreign banks that become "financial holding companies" are permitted to engage through non-bank subsidiaries in a broad range of non-banking activities in the United States, including insurance, securities, merchant banking and other financial activities. The GLBA does not authorize banks or their affiliates to engage in commercial activities that are not financial in nature, and in general does not affect or expand the permitted activities of a U.S. branch of a foreign bank (such as the Branch).

Under the BHCA, Natixis is required to obtain the prior approval of the Federal Reserve Board before acquiring, directly or indirectly, the ownership or control of more than 5% of any class of voting securities of any U.S. bank, bank holding company or certain other types of U.S. depository institution or depository institution holding company. Under federal banking law and regulations issued by the Federal Reserve Board, the Branch is also restricted from engaging in certain "tying" arrangements involving products and services.

Under the GLBA and related Federal Reserve Board regulations, Natixis elected to become a financial holding company effective October 2, 2002. To qualify as a financial holding company, Natixis was required to certify and demonstrate that Natixis was "well capitalized" and "well managed" (in each case, as defined by Federal Reserve Board regulation). These standards, as applied to Natixis, are comparable to the standards U.S. domestic banking organizations must satisfy to qualify as financial holding companies. If, at any time, Natixis were no longer to be well capitalized or well managed, or were otherwise to fail to meet any of the requirements for maintaining its financial holding company status, Natixis may be required to discontinue certain activities or terminate its U.S. banking operations. Natixis' ability to expand activities or undertake acquisitions permitted to financial holding companies could also be adversely affected.

The GLBA and the regulations issued thereunder contain a number of other provisions that affect Natixis' U.S. banking operations, including provisions that relate to the financial privacy of consumers and limit the securities brokerage and dealing activities of banks (including U.S. branches of foreign banks, such as the Branch) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Superintendent Authority to Take Possession of and Liquidate a New York Branch

The NYBL authorizes the Superintendent to take possession of the business and property of a foreign bank's New York branch under certain circumstances, including violation of law, conduct of business in an unauthorized or unsafe manner, capital impairment, the suspension of payment of obligations, initiation of liquidation proceedings against the foreign bank, or reason to doubt the foreign bank's ability to pay in full the claims of its creditors. In liquidating or dealing with the branch's business after taking possession of the branch, the Superintendent will accept for payment out of the branch's assets only the claims of creditors unaffiliated with the foreign bank that arose out of transactions with the branch (without prejudice to the rights of such creditors to be satisfied out of other assets of the foreign bank) and only to the extent those claims represent an enforceable legal obligation against such branch if such branch were a separate legal entity. After such claims are paid, together with any interest thereon, and the expenses of the liquidation have been paid or properly provided for, the Superintendent will turn over the remaining assets, if any, to other offices of the foreign bank that are being liquidated in the United

States, upon the request of the liquidators of those offices to pay the claims accepted by those liquidators and any expenses incurred in liquidating those other offices of the foreign bank. After any such payments are made, any remaining assets will be turned over to the foreign bank or to its duly appointed liquidator or receiver.

Recent Financial Regulatory Reform

In response to the financial crisis, on July 21, 2010, the United States enacted the Dodd-Frank Act, which provides a broad framework for significant regulatory changes that will extend to almost every area of U.S. financial regulation. The Dodd-Frank Act contains a wide range of provisions that will affect financial institutions operating in the United States, including foreign banks such as Natixis. However, for any restrictions that the Federal Reserve Board may issue for foreign banks, the Federal Reserve Board is directed to take into account the principle of national treatment and equality of competitive opportunity, and the extent to which the foreign bank is subject to comparable home country standards.

The Dodd-Frank Act provides regulators with tools to impose heightened capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk. On February 18, 2014, the Federal Reserve Board adopted new regulations that impose enhanced prudential standards on the U.S. operations of certain large foreign banking organizations, such as Natixis ("FBO Rules"). In particular, under the FBO Rules, the combined U.S. operations of Natixis, will be subject to capital and liquidity reporting, risk management, and home-country stress testing requirements . The Branch operations of Natixis will be subject to certain liquidity requirements and other specific enhanced prudential standards, such as asset maintenance requirements under certain circumstances. The new regulations generally become effective in July 2016. In addition, if the total assets of the U.S. non-Branch subsidiaries of Natixis (and BPCE) equal or exceed $50 billion, Natixis would be required to create a separately capitalized top-tier U.S. intermediate holding company that would hold all of its U.S. non-Branch subsidiaries. BPCE does not control U.S. subsidiaries other than through Natixis. Based on the current amount of the total assets of its U.S. non-Branch subsidiaries, Natixis is not currently required to form an intermediate holding company. The Federal Reserve Board has proposed but has not yet finalized single counterparty limits and "early remediation" requirements for certain foreign banking organizations and their intermediate holding companies.

The Dodd-Frank Act also establishes a comprehensive U.S. regulatory regime for over-the-counter ("OTC") derivatives. . Among other things, the Dodd-Frank Act provides the Commodity Futures Trading Commission ("CFTC") and the SEC with jurisdiction and regulatory authority over certain OTC derivatives and rules regarding the registration of, and capital, margin and business conduct standards for, swap dealers (such as Natixis) and major swap participants, and mandatory clearing, exchange trading and transaction reporting of certain OTC derivatives.

The Dodd-Frank Act also contains a limitation on certain types of proprietary trading and sponsorship of or investment in hedge funds or private equity funds, subject to certain exemptions (the so-called "Volcker Rule"). For non-U.S. banking entities, these exemptions include certain activity conducted outside the U.S. and meeting specific criteria. Final regulations implementing the Volcker Rule were released in December 2013. The final regulations extended the conformance period for the Volcker Rule until July 2015 (with the possibility of two one-year extensions under certain circumstances), by which time financial institutions subject to the rule, such as Groupe BPCE, must bring their activities and investments into compliance and implement a specific compliance program. On December 18, 2014, the Federal Reserve Board granted banking entities an extension until July 21, 2016 to conform investments in and relationships with covered funds and foreign funds that were in place prior to December 31, 2013, and announced its intention to act in 2015 to grant an additional one-year extension of the conformance period for such investments and relationships until July 21, 2017. The BPCE group continues its efforts to bring its activities and investments into compliance with the Volcker Rule.

Also included in the Dodd-Frank Act are provisions designed to promote enhanced supervision of financial markets, protect consumers and investors from financial abuse, and provide the government with the tools needed to manage a financial crisis.

While many of the rulemakings required by Dodd-Frank have been completed, the full implementation of the Dodd-Frank Act involves ongoing rulemakings and additional regulatory initiatives by different U.S. federal regulators, including the Department of the Treasury, the Federal Reserve Board, the FDIC, the Office of the

Comptroller of the Currency, the SEC, the CFTC, the FSOC, and the Consumer Financial Protection Bureau. Until there is greater clarity on the details, timing and potential impact of these regulatory initiatives, it is not possible to assess fully the impact (including additional compliance costs) of the Dodd-Frank Act and the regulations thereunder on Natixis' operations.

Anti-Money Laundering and Economic Sanctions

In recent years, a major focus of U.S. policy, legislation and regulation relating to financial institutions has been to combat money laundering and terrorist financing and to assure compliance with U.S. country, territory, and individual economic sanctions. U.S. regulations applicable to Natixis (including the Branch) and its subsidiaries impose obligations to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, to verify the identity of their customers, report suspicious transactions, implement due diligence procedures for certain correspondent and private banking accounts, and otherwise to comply with U.S. country, territory, and individual economic sanctions. U.S. economic sanctions are administered by the U.S. Office of Foreign Assets Control ("**OFAC**"). Failure of Natixis (including the Branch) to maintain and implement adequate programs to combat money laundering and terrorist financing, and to comply with U.S. economic sanctions, could have serious legal and reputational consequences.

BPCE and the Guarantor provide financial services throughout the world, which may from time to time include countries in which U.S. banks are prohibited from conducting business due to restrictions imposed by OFAC. BPCE and the Guarantor do not believe their business activities with counterparties in, or directly relating to, such countries are material to their business, and such activities represented a very small part of BPCE's and the Guarantor's total assets and total revenues as of, and for, the year ended December 31, 2014.

GOVERNMENT SUPERVISION AND REGULATION OF CREDIT INSTITUTIONS IN FRANCE

French Banking Regulatory and Supervisory Bodies

French banking law is mostly set forth in the French *Code monétaire et financier* and directly applicable EU regulations and guidelines. The French *Code monétaire et financier* sets forth the conditions under which credit institutions, including banks, may operate, and vests related supervisory and regulatory powers in certain banking regulatory and supervisory bodies.

The French Banking Authorities

In France, the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**") was created in September 2013 to supervise financial institutions and insurance firms and be in charge of ensuring the protection of consumers and the stability of the financial system. On October 15, 2013, the European Union adopted regulation establishing a single supervisory mechanism for credit institutions of the euro-zone and opt-in countries (the "**ECB Single Supervisory Mechanism**"), which has conferred specific tasks on the European Central Bank (the "**ECB**") concerning policies relating to the prudential supervision of credit institutions. These European regulations have given to the ECB, in conjunction with the relevant national regulatory authorities, direct supervisory authority for European credit institutions and banking groups, including the Groupe BPCE.

Since November 4, 2014, the ECB has fully assumed supervisory tasks and responsibilities within the framework of the ECB Single Supervisory Mechanism, in close cooperation, in France, with the ACPR (each of the ACPR and the ECB is hereinafter referred to as a "**Banking Authority**"), as follows:

- The ECB is exclusively competent to carry out, for prudential supervisory purposes, the following tasks in relation to all credit institutions, regardless of the significance of the credit institution concerned:
    - to authorise credit institutions and to withdraw authorization of credit institutions; and
    - to assess notification of the acquisition and disposal of qualifying holdings, in other credit institutions, except in the case of a bank resolution.
- The other supervisory tasks have to be performed by both the ECB and the ACPR, their respective supervisory roles and responsibilities being allocated on the basis of the significance of the supervised entities, with the ECB directly supervising significant banks, such as the Groupe BPCE, while the ACPR is in charge of the supervision of the less significant entities. These supervisory tasks are *inter alia* the following:
    - to ensure compliance with all prudential requirements laid down in general EU banking rules for credit institutions in the areas of own funds requirements, securitization, large exposure limits, liquidity, leverage, reporting and public disclosure of information on those matters;
    - to carry out supervisory reviews, including stress tests and their possible publication, and the basis of this supervisory review, to impose where necessary on credit institutions higher prudential requirements to protect financial stability under the conditions provided by EU law;

- to impose robust corporate governance practices (including the fit and proper requirements for the persons responsible for the management process, internal control mechanisms, remuneration policies and practices) and effective internal capital adequacy assessment processes; and

- to carry out supervisory tasks in relation to recovery plans, and early intervention where credit institutions or group does not meet or is likely to breach the applicable prudential requirements, including structural changes required to prevent financial stress or failure but excluding, however, resolution measures.

- The ACPR may apply requirements for capital buffers to be held by credit institutions at the relevant level, in addition to own funds requirements (including countercyclical buffer rates). If deemed necessary, the ECB may, instead of the ACPR but by cooperating closely with it, apply such higher requirements.

Supervisory framework

With respect to the banking sector, and for the purposes of carrying out the tasks conferred on it, the relevant Banking Authority makes individual decisions, grants banking and investment firm licenses, and grants specific exemptions as provided in applicable banking regulations. It supervises the enforcement of laws and regulations applicable to banks and other credit institutions, as well as investment firms, and controls their financial standing.

Banks are required to submit periodic (either monthly or quarterly) accounting reports to the relevant Banking Authority concerning the principal areas of their activities. The main reports and information filed by institutions with the relevant Banking Authority include periodic regulatory reports, collectively referred to as *états périodiques réglementaires*. They include, among other things, the institutions' accounting and prudential (regulatory capital) filings, which are usually submitted on a quarterly basis, as well as internal audit reports filed once a year, all the documents examined by the institution's management in its twice-yearly review of the business and operations and the internal audit findings and the key information that relates to the credit institution's risk analysis and monitoring. The relevant Banking Authority may also request additional information that it deems necessary and may carry out on-site inspections (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements). These reports and controls allow close monitoring of the condition of each bank and also facilitate computation of the total deposits of all banks and their use.

The relevant Banking Authority may order financial institutions to comply with applicable regulations and to cease conducting activities that may adversely affect the interests of clients. The relevant Banking Authority may also require a financial institution to take measures to strengthen or restore its financial situation, improve its management methods and/or adjust its organization and activities to its development goals. When a financial institution's solvency or liquidity, or the interests of its clients are or could be threatened, the relevant Banking Authority is entitled to take certain provisional measures, including: submitting the institution to special monitoring and restricting or prohibiting the conduct of certain activities (including deposit-taking), the making of certain payments, the disposal of assets, the distribution of dividends to its shareholders and/or the payment of variable compensation. The relevant Banking Authority may also require credit institutions to maintain regulatory capital and/or liquidity ratios higher than required under applicable law and submit to specific liquidity requirements, including restrictions in terms of asset/liability maturities mismatch.

Where regulations have been violated, the relevant Banking Authority may act as an administrative court and impose sanctions, which may include warnings, fines, suspension or dismissal of managers and deregistration of the bank, resulting in its winding up. The relevant Banking Authority also has the power to appoint a temporary administrator to manage provisionally a bank that it deems to be mismanaged. Insolvency proceedings may be

initiated against banks or other credit institutions, or investment firms only after prior approval of the relevant Banking Authority.

The French Resolution Authority

In France, the ACPR is in charge of implementing measures for the prevention and resolution of banking crises, including but not limited to the Bail-In Tool described below. Its powers were extended to new resolution powers by the French banking reforms of July 26, 2013 (*Loi de séparation et de régulation des activités bancaires*) and of February 20, 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*). See *"Resolutions measures"* below.

As from January 1, 2016, a single resolution board (the "**Single Resolution Board**") established by Regulation (EU) No 806/2014 of the European Parliament and of the Council of July 15, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism and a single resolution fund (the "**Single Resolution Mechanism Regulation**"), together with national authorities, will be in charge of resolution planning and preparation of resolution decisions for cross-border credit institutions and banking groups as well as credit institutions and banking groups directly supervised by the ECB, such as Groupe BPCE, or by national supervisory authorities in the euro-zone. The ACPR will remain responsible for implementing the resolution plan according to the Single Resolution Board's instructions. Since January 1, 2015, certain of the powers of the ACPR with respect to resolution planning have, however, already been transferred to the Single Resolution Board, which is intended to act in close cooperation with the national resolution authorities, including the ACPR.

Other French Banking Regulatory and Supervisory Bodies

The Financial Sector Consultative Committee (*Comité consultatif du secteur financier*) is made up of representatives of credit institutions, electronic money institutions, investment firms, insurance companies and insurance brokers and client representatives. This committee is a consultative organization that studies the relations between credit institutions, investment firms and insurance companies and their respective clientele and proposes appropriate measures in this area.

The Consultative Committee on Financial Legislation and Regulations (*Comité consultatif de la législation et de la réglementation financières*) reviews, at the request of the French Minister of Economy, any draft bills or regulations, as well as any draft European regulations relating to the insurance, banking and investment service industries other than those draft regulations issued by the AMF.

In addition, all French credit institutions are required to belong to a professional organization or central body affiliated with the French Credit Institutions and Investment Firms Association (*Association française des établissements de crédit et des entreprises d'investissement*), which represents the interests of credit institutions, payment institutions and investment firms in particular with the public authorities, provides consultative advice, disseminates information, studies questions relating to banking and financial services activities and makes recommendations in connection therewith. The Issuer and Natixis are members of the French Banking Association (*Fédération bancaire française*).

Banking Regulations

In France, credit institutions such as the Issuer and Natixis must comply with the norms of financial management set by the Minister of Economy, the purpose of which is to ensure the creditworthiness and liquidity of French credit institutions. These banking regulations are mainly derived from EU directives and regulations. Banking regulations implementing the Basel III reforms were adopted on June 26, 2013: Directive 2013/36/EU of

the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**") and Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms (the "**CRD IV Regulation**" and together with the CRD IV Directive, "**CRD IV**"). The CRD IV Regulation (with the exception of some of its provisions, which will enter into effect at later dates) became directly applicable in all EU member states including France on January 1, 2014. The CRD IV Directive became effective on January 1, 2014 (except for capital buffer provisions which shall apply as from January 1, 2016) and was implemented under French law by the banking reform dated February 20, 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*).

Credit institutions such as the Issuer and Natixis must comply with minimum capital ratio requirements. In addition to these requirements, the principal regulations applicable to credit institutions such as the Issuer and Natixis concern risk diversification and liquidity, monetary policy, restrictions on equity investments and reporting requirements. As of the date hereof, in the various countries in which the Issuer and Natixis or their subsidiaries operate, they comply with the specific regulatory ratio requirements in accordance with procedures established by the relevant supervisory authorities.

French credit institutions are required to maintain minimum capital to cover their credit, market, counterparty and operational risks. Since January 1, 2014, pursuant to CRD IV Regulation, credit institutions, such as the Groupe BPCE, are required to maintain a minimum total capital ratio of 8%, a minimum Tier 1 capital ratio of 6% and a minimum common equity Tier 1 ratio of 4.5%, each to be obtained by dividing the institution's relevant eligible regulatory capital by its risk-weighted assets. In addition, they will have to comply with certain common equity Tier 1 buffer requirements, including a capital conservation buffer of 2.5% that will be applicable to all institutions as well as other common equity Tier 1 buffers to cover countercyclical and systemic risks. These buffer requirements will be implemented progressively until 2019.

French credit institutions must satisfy, on a consolidated basis, certain restrictions relating to concentration of risks (*ratio de contrôle des grands risques*). The aggregate of a French credit institution's loans and a portion of certain other exposure (*risques*) to a single customer (and related entities) may not exceed 25% of the credit institution's regulatory capital as defined by French capital ratio requirements. Individual exposures exceeding 10% (and in some cases 5%) of the credit institution's regulatory capital are subject to specific regulatory requirements.

Each French credit institution is required to calculate, as of the end of each month, the ratio of the weighted total of certain short-term and liquid assets to the weighted total of short-term liabilities. This liquidity ratio (*coefficient de liquidité*) is required to exceed 100% at all times. French credit institutions are entitled to opt for the "advanced" approach with respect to liquidity risk, upon request to the relevant Banking Authority and under certain conditions. Under the advanced approach, the credit institution is able to use its internal methodologies to determine the liquidity risk and ensure that it has sufficient liquidity at all times to honor its commitments. The CRD IV Regulation introduces liquidity requirements from 2015, after an initial observation period. Institutions will be required to hold liquid assets, the total value of which would cover the net liquidity outflows that might be experienced under gravely stressed conditions over a period of 30 calendar days. This liquidity coverage ratio ("**LCR**") will be phased-in gradually, starting at 60% in 2015 and reaching 100% in 2018. Until the LCR is fully introduced, EU member states may maintain or introduce national liquidity requirements.

Under the CRD IV Regulation, it is expected that each institution will be required to maintain a leverage ratio beginning on January 1, 2018, at the level that will be implemented by the Council and European Parliament following an initial observation period beginning January 1, 2015, during which institutions will be required to disclose their leverage ratio. The leverage ratio is defined as an institution's tier 1 capital divided by its average total consolidated assets.

The Issuer's and Natixis' commercial banking operations in France are also significantly affected by monetary policies established from time to time by the ECB in coordination with the *Banque de France*. Commercial banking operations, particularly in their fixing of short-term interest rates, are also affected in practice by the rates at which the *Banque de France* intervenes in the French domestic interbank market.

French credit institutions are subject to restrictions on equity investments and, subject to various specified exemptions for certain short-term investments and investments in financial institutions and insurance companies, "qualifying shareholdings" held by credit institutions must comply with the following requirements: (a) no "qualifying shareholding" may exceed 15% of the regulatory capital of the concerned credit institution and (b) the aggregate of such "qualifying shareholdings" may not exceed 60% of the regulatory capital of the concerned credit institution. An equity investment is a "qualifying shareholding" for the purposes of these provisions if (i) it represents more than 10% of the share capital or voting rights of the company in which the investment is made or (ii) it provides, or is acquired with a view to providing, a "significant influence" (*influence notable*, presumed when the credit institution controls at least 20% of the voting rights) in such company. Further, the ECB must authorize certain participations and acquisitions.

French regulations permit only licensed credit institutions to engage in banking activities on a regular basis. Similarly, institutions licensed as banks may not, on a regular basis, engage in activities other than banking, bank-related activities and a limited number of non-banking activities determined pursuant to the regulations issued by the French Minister of Economy. A regulation issued in November 1986 and amended from time to time sets forth an exhaustive list of such non-banking activities and requires revenues from those activities to be limited in the aggregate to a maximum of 10% of total net revenues.

Finally, the CRD IV Regulation imposes disclosure obligations to credit institutions relating to risk management objectives and policies, governance arrangements, capital adequacy requirements, remuneration policies that have a material impact on the risk profile and leverage. In addition, the French *Code monétaire et financier* imposes additional disclosure requirements to credit institutions, including disclosure relating to certain financial indicators, their activities in non-cooperative states or territories, and more generally, certain information on their overseas operations.

Examination

In addition to the resolution powers set out below, the principal means used by the relevant Banking Authority to ensure compliance by large deposit banks with applicable regulations is the examination of the detailed periodic (monthly or quarterly) financial statements, *états périodiques réglementaires* and other documents that these banks are required to submit to the relevant Banking Authority. In the event that any examination were to reveal a material adverse change in the financial condition of a bank, an inquiry would be made, which could be followed by an inspection. The relevant Banking Authority may also inspect banks (including with respect to a bank's foreign subsidiaries and branches, subject to international cooperation agreements) on an unannounced basis.

Deposit Guarantees

All credit institutions operating in France are required by law to be a member of the deposit and resolution guarantee fund (*Fonds de Garantie des Dépôts et de Résolution*), except branches of European Economic Area banks that are covered by their home country's guarantee system. Domestic customer deposits denominated in euro and currencies of the European Economic Area are covered up to an amount of €100,000 and securities up to an aggregate value of €70,000, per customer and per credit institution, in both cases. The contribution of each credit institution is calculated on the basis of the aggregate deposits and one-third of the gross customer loans held by such credit institution and of the risk exposure of such credit institution.

Additional Funding

The governor of the *Banque de France*, as chairman of the ACPR, after requesting the opinion of the ECB, can request that the shareholders of a credit institution in financial difficulty fund the institution in an amount that may exceed their initial capital contribution. However, credit institution shareholders have no legal obligation in this respect and, as a practical matter, such a request would likely be made to holders of a significant portion of the institution's share capital.

Internal Control Procedures

French credit institutions are required to establish appropriate internal control systems, including with respect to risk management and the creation of appropriate audit trails. French credit institutions are required to have a system for analyzing and measuring risks in order to assess their exposure to credit, market, global interest rate, intermediation, liquidity and operational risks. Such system must set forth criteria and thresholds allowing the identification of significant incidents revealed by internal control procedures. Any fraud generating a gain or loss of a gross amount superior to 0.5% of the Tier 1 capital is deemed significant provided that such amount is greater than €10,000.

With respect to credit risks, each credit institution must have a credit risk selection procedure and a system for measuring credit risk that permit, *inter alia*, centralization of the institution's on- and off-balance sheet exposure and for assessing different categories of risk using qualitative and quantitative data. With respect to market risks, each credit institution must have systems for monitoring, among other things, its proprietary transactions that permit the institution to record on at least a day-to-day basis foreign exchange transactions and transactions in the trading book, and to measure on at least a day-to-day basis the risks resulting from trading positions in accordance with the capital adequacy regulations. The institution must prepare an annual report for review by the institution's board of directors and the relevant Banking Authority regarding the institution's internal procedures and the measurement and monitoring of the institution's exposure.

Compensation Policy

French credit institutions and investment firms are required to ensure that their compensation policy is compatible with sound risk management principles. A significant portion of the compensation of employees whose activities may have a significant impact on the institution's risk exposure must be performance-based and a significant fraction of this performance-based compensation must be non-cash and deferred. Under the CRD IV Directive as implemented under French law, the aggregate amount of variable compensation of the above-mentioned employees cannot exceed the aggregate amount of their fixed salary; the shareholders' meeting may, however, decide to increase this cap to two times their fixed salary. The cap of variable compensation will apply to compensation awarded for services or performance as from the year 2014.

Money Laundering

French credit institutions are required to report to a special government agency (TRACFIN) placed under the authority of the French Minister of the Economy all amounts registered in their accounts that they suspect come from drug trafficking or organized crime, from unusual transactions in excess of certain amounts, as well as all amounts and transactions that they suspect to be the result of any offence punishable by a minimum sentence of at least one-year imprisonment or that could participate in the financing of terrorism.

French credit institutions are also required to establish "know your customer" procedures allowing identification of the customer (as well as the beneficial owner) in any transaction and to have in place systems for

assessing and managing money laundering and terrorism financing risks in accordance with the varying degree of risk attached to the relevant clients and transactions.

Resolution Measures

European Bank Recovery and Resolution Directive

On May 15, 2014, the European Parliament and the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms: Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**"). The stated aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

The powers provided to "resolution authorities" in the BRRD include write down/conversion powers to ensure that capital instruments and eligible liabilities (including senior debt instruments such as the Notes) fully absorb losses at the point of non-viability of the issuing institution (referred to as the "**Bail-In Tool**"). Accordingly, the BRRD contemplates that resolution authorities may require the write-down of such capital instruments and eligible liabilities in full on a permanent basis, or convert them in full into common equity tier 1 instruments. The BRRD provides, inter alia, that resolution authorities shall exercise the write-down power in a way that results in (i) common equity tier 1 instruments being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments being written down or converted into common equity tier 1 instruments on a permanent basis and (iii) thereafter, eligible liabilities (including senior debt instruments such as the Notes) being written down or converted in accordance with a set order of priority. Following such a conversion, the resulting common equity tier 1 instruments may also be subject to the application of the Bail-In Tool.

The point of non-viability under the BRRD is the point at which the competent resolution authority determines that:

(a) the institution individually, or the group to which it belongs, as applicable, is failing or likely to fail, which includes situations where:

  (i) the institution or its group infringes/will in the near future infringe the requirements for continuing authorization in a way that would justify withdrawal of such authorization including, but not limited to, because the institution has incurred/is likely to incur losses depleting all or a significant amount of its own funds;

  (ii) the assets of the institution or its group are/will be in a near future less than its liabilities;

  (iii) the institution or its group is/will be in a near future unable to pay its debts or other liabilities when they fall due;

  (iv) the institution or its group requires extraordinary public financial support; or

  (v) with respect to the write-down or conversion into common equity tier 1 instruments of capital instruments referred to below, the group infringes/will in the near future infringe its consolidated prudential requirements including, but not limited to, because the group has incurred or is likely to incur losses depleting all or a significant amount of its own funds;

(b) there is no reasonable prospect that a private action would prevent the failure; and

(c) except with respect to the write-down or conversion into common equity tier 1 instruments of capital instruments referred to below, a resolution action is necessary in the public interest.

The Guarantor's obligations under the Guarantee are expressed to be limited to those owed by the Issuer to the Holders. As a consequence, the application of the Bail-In Tool to the Notes could effectively limit the Guarantor's obligation under the Guarantee. In addition, the Bail-In Tool might also apply to a guarantee obligation such as the Guarantee. While holders of the Notes, as beneficiaries of the Guarantee, are creditors of the New York branch of the Guarantor, and therefore benefit from the NYBL's statutory preference regime with respect to assets of the New York branch, if the Issuer's obligations under the Notes or the Guarantor's obligation under the Guarantee were subject to Bail-In, there would be no remaining claim (or a reduced remaining claim) that would benefit from this preference regime. As a result, the Bail-In Tool, if applied to the Notes or to liabilities of the Guarantor, could effectively limit the extent of a recovery under the Guarantee.

In addition to the Bail-In Tool, the BRRD provides resolution authorities with broader powers to implement other resolution measures with respect to institutions or, under certain circumstances, their groups, which reach non-viability, which may include (without limitation) the sale of the institution's business, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

Moreover, the resolution authorities must exercise the write-down or conversion into common equity tier 1 instruments of capital instruments (additional Tier 1 and Tier 2 instruments) in any of the following circumstances:

(a) where the determination has been made that conditions for resolution have been met, before any resolution action is taken;

(b) the appropriate authority determines that unless that power is exercised in relation to the relevant capital instruments, the institution or the group will no longer be viable;

(c) extraordinary public financial support is required by the institution.

Except for the Bail-In Tool, with respect to eligible liabilities (such as the Notes), that will apply as from January 1, 2016 at the latest, the BRRD contemplates that the measures set out therein, including the write-down or conversion into common equity tier 1 instruments of capital instruments, apply as from January 1, 2015. However, its implementation is still in process in France.

The Single Resolution Fund

The BRRD provides for the implementation of resolution funds at the national level as of January 1, 2015 and until January 1, 2016. The Single Resolution Mechanism Regulation provides for the establishment of a single resolution fund financed by banks at the national level (the "**Single Resolution Fund**"). On December 19, 2014, the Council adopted the proposal for a Council implementing act to calculate the contributions of banks to the Single Resolution Fund, which provides for annual contributions to the Single Resolution Fund to be made by the banks based on their liabilities, excluding own funds and covered deposits and adjusted for risks. As of January 1, 2016, the Single Resolution Fund will replace national resolution funds implemented pursuant to the BRRD.

French Bail-In Tool and Other Resolution Measures

Among other things, the French banking law dated July 26, 2013 (*Loi de séparation et de régulation des activités bancaires*) charges the ACPR with implementing measures for the prevention and resolution of banking

crises and gives the ACPR very broad powers with respect to "failing credit institutions," i.e., institutions that, currently or in the near future (i) no longer comply with regulatory capital requirements, (ii) are not able to make payments that are, or will be imminently, due or (iii) require extraordinary public financial support.

In particular, the ACPR may implement a write-down of shareholders' equity and thereafter a write-down or conversion into equity of subordinated instruments, but not unsubordinated debt (such as the Notes), in accordance with their seniority. The ACPR will also be entitled to (i) transfer all or part of the institution's assets and activities, including to a bridge bank, (ii) force an institution to issue new equity, (iii) temporarily suspend payments to creditors and (iv) terminate executives or appoint a temporary administrator (*administrateur provisoire*). Conversion ratios and transfer prices are determined by the ACPR on the basis of a "fair and realistic" assessment.

The ACPR must use its powers "in a proportionate manner" to achieve the following objectives: (i) to preserve financial stability, (ii) to ensure the continuity of banking activities, services and transactions of financial institutions, the failure of which would have systemic implications for the French economy, (iii) to protect deposits and (iv) to avoid, or limit to the fullest extent possible, any public bail-out.

Further, recovery and resolution plans are required from credit institutions, or groups of credit institutions, whose balance sheet exceeds a certain threshold that will be fixed by a decree of the French Government. No separate obligation will arise with respect to an entity within the group that is already supervised on a consolidated basis.

Each such institution or group must prepare a recovery plan (*plan préventif de rétablissement*) that will be reviewed by the ACPR. The ACPR is in turn required to prepare a resolution plan (*plan préventif de résolution*) for such institution or group. Recovery plans must set out measures contemplated in case of a significant deterioration of an institution's financial situation. Such plans must be updated on a yearly basis (or immediately following a significant change in an institution's organization or business). The ACPR must assess the recovery plan to determine whether its resolution powers could in practice be effective, and, as necessary, can request changes in an institution's organization. More generally, the ACPR will comment on the draft recovery plan and can require modifications.

Resolution plans must set out, in advance of any failure, how the various resolution powers set out above are to be implemented for each institution, given its specific circumstances.

DESCRIPTION OF THE NOTES

The following is the Description of the Notes that will be attached to or incorporated by reference into each Global Note and that will be endorsed upon each certificated Note. The Global Notes may take the form of one or more master notes representing one or more series of Notes. The applicable supplement or Pricing Term Sheet prepared by, or on behalf of, the Issuer in relation to any Notes may specify other terms and conditions that shall, to the extent so specified or to the extent inconsistent with the terms of the Notes set forth herein, replace such terms for the purposes of a specific issue of Notes. Any other such terms and conditions as set forth in the applicable supplement or Pricing Term Sheet will be incorporated into, or attached to, each Global Note and endorsed upon each certificated Note. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Fiscal and Paying Agency Agreement (as defined below) or in the applicable supplement or Pricing Term Sheet unless the context otherwise requires or unless otherwise stated.

In addition to the terms and conditions described in this Description of the Notes, the Issuer may decide from time to time to issue other types of Notes, including but not limited to subordinated Notes, dual currency notes, zero-coupon Notes, linked Notes or indexed Notes. The terms of conditions of any such Notes will be set forth in a supplement to this Base Offering Memorandum and/or the relevant Pricing Term Sheet.

This Note is one of a Series of the Notes ("Notes," which expression shall mean (i) in relation to any Notes represented by a Global Note (defined below), units of the lowest specified denomination ("Specified Denomination") in the Specified Currency (defined below) of the relevant Notes, (ii) certificated Notes issued in exchange (or part exchange) for a Global Note and (iii) any Global Note issued subject to, and with the benefit of, a Fiscal and Paying Agency Agreement (as it may be updated or supplemented from time to time, the "Fiscal and Paying Agency Agreement") dated April 9, 2013, and made among the Issuer, the Guarantor and The Bank of New York Mellon, as fiscal and paying agent (the "Fiscal and Paying Agent"). The Fiscal and Paying Agent, any additional paying agent (each a "Paying Agent" and, together with the Fiscal and Paying Agent, the "Paying Agents") and the Calculation Agent are referred to together as the "Agents."

As used herein, "Tranche" means Notes that are identical in all respects and "**Series**" means each original issue of Notes together with any further issues expressed to form a single series with the original issue that are denominated in the same currency and that have the same maturity date or redemption date, as the case may be, interest basis and interest payment dates, if any, and the terms of which, save for the issue date or interest commencement date, the issue price and, if applicable, the first payment of interest, are otherwise identical, and the expressions "Notes of the relevant Series" and "holders of Notes of the relevant Series" and related expressions shall be construed accordingly. If Notes of a further issue have the same CUSIP, ISIN or other identifying number as that of an original issue, the Notes of the further issue must be fungible with the Notes of the original issue for U.S. federal income tax purposes.

To the extent the Pricing Term Sheet (or the supplement, if applicable) for a particular Series of Notes specifies other terms and conditions that are in addition to, or inconsistent with, the terms and conditions as described herein, such new terms and conditions shall apply to such Series of Notes.

The obligations of the Issuer under the 3(a)(2) Notes will be guaranteed by the Guarantor pursuant to a Guarantee Agreement granted by the Guarantor, a copy of which will be available at the principal office of the Fiscal and Paying Agent. No Notes will be issued by the Guarantor. The Rule 144A Notes and the Regulation S Notes will not benefit from the Guarantee. The Pricing Term Sheet will specify whether a given Series of Notes consists of 3(a)(2) Notes, or 144A Notes and Regulation S Notes.

1. Form, Denomination, Title and Transfer

(a) Form, Denomination and Title

(i) The Notes are in global form ("**Global Notes**"), in the Specified Currency and Specified Denominations. Beneficial interests in the Global Notes will trade only in book-entry

form, and Global Notes will be issued in physical (paper) form (or in the form of one or more master notes), registered in the name of DTC and deposited with a custodian for DTC, as described in the Fiscal and Paying Agency Agreement. The Notes are, to the extent specified in the applicable Pricing Term Sheet, Fixed Rate Notes, Floating Rate Notes or any other types of Notes specified in the applicable Pricing Term Sheet, subject to all applicable laws and regulations, any other type of Notes specified in a supplement to this prospectus or the applicable Pricing Term Sheet.

(ii) The Issuer shall procure that there shall at all times be a Fiscal and Paying Agent and one or more Paying Agent, which can be the Fiscal and Paying Agent, for so long as any Note is outstanding (as defined in the Fiscal and Paying Agency Agreement). The Issuer has appointed the Registrar at its office specified below to act as registrar of the Notes. The Issuer shall cause to be kept at the specified office of the Registrar for the time being at 101 Barclay Street, New York, New York 10286, a Register with respect to the Issuer on which shall be entered, among other things, the name and address of the holders of Notes and particulars of all transfers of title to Notes.

(iii) References to "**Noteholders**" and "**Holders**" mean the person or entity in whose name Notes are registered in the Register maintained for this purpose pursuant to the Fiscal and Paying Agency Agreement. For so long as DTC or its nominee is the registered owner or holder of a Global Note of a Series, DTC or such nominee, as the case may be, will be considered the sole Holder of the Notes represented by such Global Note for all purposes under the Fiscal and Paying Agency Agreement and the Notes, except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

(iv) Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC and, as participants in DTC, Euroclear and/or Clearstream, Luxembourg.

(v) The Notes will not be issued in certificated form, and beneficial interests in the Global Notes may not be exchanged for definitive certificated Notes, except as set forth under "Transfers and Exchanges of Notes."

(b) Transfers and Exchanges of Notes

(i) Transfers of interests in Global Notes

Transfers of beneficial interests in Global Notes will be effected by DTC, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in certificated form only in the Specified Denominations and only in accordance with the terms and conditions specified in the Fiscal and Paying Agency Agreement.

(ii) Transfers of Notes in certificated form

Subject as provided in paragraph (v) below and to compliance with all applicable legal and regulatory restrictions, upon the terms and subject to the conditions set forth in the Fiscal and Paying Agency Agreement, including the transfer restrictions contained therein, a Note in certificated form may be transferred in whole or in part (in the Specified Denominations). In order to effect any such transfer (A) the holder or holders must (1) surrender the Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of a Registrar, with the form of transfer thereon duly executed by the holder or holders thereof or his, her or their attorney or attorneys duly authorized in writing and (2) complete and deposit such other certifications specified in the Fiscal and Paying Agency Agreement and as may be required by such Registrar and (B) such Registrar must, after due and careful

inquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 6 to the Fiscal and Paying Agency Agreement). Subject as provided above, the Registrar will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of such Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Note in certificated form of a like aggregate nominal amount to the Note (or the relevant part of the Note) transferred. In the case of the transfer of only part of a Note in certificated form, a new Note in certificated form in respect of the balance of the Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 4 (Redemption and Purchase), the Issuer shall not be required to register the transfer of any Note, or part of a Note, called for partial redemption.

(iv) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular, uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(v) Exchanges and transfers of Notes generally

(1) Beneficial interests in Global Notes will not be exchangeable for certificated Notes and will not otherwise be issuable as certificated Notes unless:

(A) an Event of Default under the Notes of that Series has occurred and is continuing;

(B) DTC notifies the Issuer that it is unwilling or unable to continue as depositary and the Issuer does not appoint a successor within 90 days; or

(C) DTC ceases to be a clearing agency registered under the Exchange Act and the Issuer does not appoint a successor within 90 days.

If any of the events described in the preceding paragraph occurs, the Issuer will issue definitive Notes in certificated form in an amount equal to a holder's beneficial interest in the Notes. Certificated Notes will be issued only in the Specified Denomination, and will be registered in the name of the person DTC specifies in a written instruction to the Registrar of the Notes.

(2) Holders of Notes in certificated form may exchange such Notes for interests in a Global Note (if any) of the same Series at any time, subject to compliance with all applicable legal and regulatory restrictions and upon the terms and subject to the conditions set forth in the Fiscal and Paying Agency Agreement.

2. Status of the Notes and Negative Pledge

(a) Status

The Notes will constitute direct, unconditional, unsubordinated and, subject to Condition 2(b), unsecured obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Notes will, subject to such exceptions as may be provided for by applicable law, at all times rank at least equally with all other present and future unsecured and unsubordinated indebtedness and obligations of the Issuer, from time to time outstanding.

(b) Negative Pledge

So long as any of the Notes shall remain outstanding (as defined in the Fiscal and Paying Agency Agreement), the Issuer will not create or permit to subsist any mortgage, charge, pledge or other security interest upon any of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) incurred or guaranteed by the Issuer (whether before or after the issue of the Notes) unless at the same time or prior thereto the Issuer's obligations under the Notes are equally and rateably secured with such Relevant Indebtedness or the guarantee thereof.

For the purposes of this Condition 2, "**Relevant Indebtedness**" means any indebtedness for borrowed money, whether or not represented by notes or other securities (including securities initially privately placed), which are for the time being, or are capable of, being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter-market or other securities market.

3. Interest and Other Calculations

(a) Rate of Interest and Accrual

Each Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Specified Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3(d).

(b) Business Day Convention

If any date referred to herein that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(i) the Floating Rate Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

(ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day;

(iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(c) Rate of Interest on Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Term Sheet and, except as otherwise specified in the relevant Pricing Term Sheet, the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Term Sheet.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Pricing Term Sheet as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (i), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which:

(1) the Floating Rate Option is as specified in the relevant Pricing Term Sheet;

(2) the Designated Maturity is a period specified in the relevant Pricing Term Sheet; and

(3) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified in the relevant Pricing Term Sheet.

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

(ii) Screen Rate Determination for Floating Rate Notes

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

(1) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:

(x) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or

(y) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

(2) if the Page specified in the relevant Pricing Term Sheet as a Primary Source permanently ceases to quote the Relevant Rate(s) but such quotation(s) is/are available from another page, section or other part of such information service selected by the Calculation Agent (the "**Replacement Page**"), the Replacement Page shall be substituted as the Primary Source for Rate of Interest quotations and if no Replacement Page exists but such quotation(s) is/are available from a page, section or other part of a different information service selected by the

Calculation Agent and approved by the Issuer and the Relevant Dealer (the "**Secondary Replacement Page**"), the Secondary Replacement Page shall be substituted as the Primary Source for Rate of Interest quotations;

(3) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (1)(x) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (1)(y) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to leading banks in the Business Center at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

(4) if paragraph (3) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates then, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial center of the country of the Specified Currency or, if the relevant currency is euro, the Euro-zone (the "Principal Financial Center") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading banks carrying on business in New York City, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks New York City) (y) to leading banks carrying on business in the Principal Financial Center; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Center, the Rate of Interest shall (unless otherwise specified) be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(d) Calculations

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Pricing Term Sheet, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the Interest Amounts payable in respect of such Interest Period shall be the sum of the amounts of interest payable per Calculation Amount in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(e) Determination and Notification of Rates of Interest, Interest Amounts, Redemption Amounts and Installment Amounts

The Calculation Agent shall, as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Installment Amount, obtain any quote or make any determination or calculation, determine the Rate of Interest and calculate the relevant Interest Amount for the relevant Interest Accrual Period, calculate the Redemption Amount or Installment Amount,

obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Installment Amount to be notified to the Fiscal and Paying Agent, the Issuer, each of the Paying Agents, the Noteholders (in accordance with Condition 11 (Notices)), any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such stock exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Specified Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 3(b), the Interest Amounts and the Specified Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period or the Interest Period. If the Notes become due and payable under Condition 7 (Events of Default), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 3 but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Redemption Amount and Installment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(f) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Pricing Term Sheet and for so long as any Note is outstanding (as defined in the Fiscal and Paying Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the terms and conditions of the Notes. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Installment Amount or the Redemption Amount or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal New York office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(g) Interest Payments

Interest will be paid subject to and in accordance with the provisions of Condition 5 (Payments). Interest will cease to accrue on each Note, or, in the case of the redemption only of part of a Note, that part only of such Note, on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue, as well after as before any judgment, until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (ii) the day on which the Fiscal and Paying Agent has notified the holder thereof, either in accordance with Condition 11 (Notices) or individually, of receipt of all sums due in respect thereof up to that date.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 by the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Noteholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

None of the Issuer, the Guarantor or the Paying Agents shall have any responsibility to any person for any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Notes or (ii)

any determination made by the Calculation Agent in relation to the Notes and, in each case, the Calculation Agent shall not be so responsible in the absence of its bad faith or willful default.

4. Redemption and Purchase

(a) Final Redemption and Redemption by Installments

(i) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to the Issuer's or any Noteholder's option in accordance with Condition 4(e) or 4(f), each Note shall be finally redeemed on the Maturity Date specified in the relevant Pricing Term Sheet at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (ii) below, its final Installment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided above or the relevant Installment Date (being one of the dates so specified in the relevant Pricing Term Sheet) is extended pursuant to the Issuer's or any Noteholder's option in accordance with Condition 4(e) or 4(f), each Note that provides for Installment Dates and Installment Amounts shall be partially redeemed on each Installment Date at the related Installment Amount specified in the relevant Pricing Term Sheet. The outstanding nominal amount of each such Note shall be reduced by the Installment Amount (or, if such Installment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Installment Date, unless payment of the Installment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Installment Amount.

(b) Redemption for Taxation Reasons

(i) If as a result of any change in, or in the official interpretation or administration of, any laws or regulations of a Tax Jurisdiction (as defined in Condition 6, "Taxation") or, in the case of 3(a)(2) Notes, the United States or, in each case, any other authority thereof or therein becoming effective after the Issue Date the Issuer, or, in the case of 3(a)(2) Notes, the Issuer or the Guarantor would be required to pay additional amounts in respect of the Notes as provided in Condition 6 (Taxation) below or the Guarantee, as applicable, then the Issuer may at its option on any Interest Payment Date, or if so specified in the relevant Pricing Term Sheet, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (Notices), redeem all, but not some only, of the Notes at their Early Redemption Amount (together with any interest accrued to the date set for redemption), provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer or Guarantor, as the case may be, could make payment without withholding for such taxes, and provided further that the obligation to pay such additional amounts could not have been avoided by reasonable measures available to the Guarantor or the Issuer.

(ii) If the Issuer and the Guarantor would, on the next due date for payment of any amount in respect of Notes, be prevented by the law of a Tax Jurisdiction from making payment under the Notes and the Guarantee (notwithstanding the undertaking to pay additional amounts as provided in Condition 6 (Taxation) below) then the Issuer shall forthwith give notice of such fact to the Fiscal and Paying Agent and shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 11 (Notices) redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (together with (unless specified otherwise in the relevant Pricing Term Sheet) any interest accrued to the date set for redemption) on (A) the latest practicable Interest Payment Date on which the Issuer or the Guarantor, could make payment of the full

amount then due and payable in respect of the Notes or the Guarantee, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice to Noteholders shall be the later of (i) the latest practicable date on which the Issuer or the Guarantor could make payment of the full amount then due and payable in respect of the Notes, and (ii) 14 days after giving notice to the Fiscal and Paying Agent as aforesaid or (B) if so specified in the relevant Pricing Term Sheet, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer or the Guarantor, could make payment of the full amount then due and payable in respect of the Notes or the Guarantee, or, if that date is passed, as soon as practicable thereafter.

(c) Purchases

The Issuer and any of its affiliates may at any time purchase Notes in the open market or otherwise at any price. Such Notes may be held, reissued or, at the option of the Issuer, surrendered to the Registrar for cancellation (subject to any requirements of French law).

(d) Early Redemption Amounts

The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 4(j) or upon it becoming due and payable as provided in Condition 7 (Events of Default) shall be the Final Redemption Amount unless otherwise specified in the relevant Pricing Term Sheet.

(e) Redemption at the Option of the Issuer ("Issuer Call")

If "Issuer Call" is specified in the applicable Pricing Term Sheet, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Pricing Term Sheet) falling within the Issuer's Option Period redeem all, or, if so provided, some of the Notes in the nominal amount or integral multiples thereof and on the Optional Redemption Date(s) provided in the relevant Pricing Term Sheet. Any such redemption or exercise of Notes shall be at their Optional Redemption Amount, together with interest accrued to the date fixed for redemption, if any.

All Notes in respect of which any such notice is given shall be redeemed, on the date specified in such notice in accordance with this Condition 4.

In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by certificated Notes, and in accordance with the rules of DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection the **"**Selection Date"). In the case of Redeemed Notes represented by certificated Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 11 (Notices) below, not less than 5 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by certificated Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of certificated Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from, and including, the Selection Date to, and including, the Optional Redemption Date pursuant to this Condition 4(e), and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 11 (Notices), at least five days prior to the Selection Date.

(f) Redemption at the Option of the Noteholders ("Noteholder Put")

If a Noteholder Put is specified in the applicable Pricing Term Sheet, upon the holder of any Note giving to the Issuer in accordance with Condition 11 (Notices) not less than 15 nor more than 30 days' notice (or such other

notice period as may be specified in the applicable Pricing Term Sheet), the Issuer will, upon the expiration of such notice, redeem, subject to and in accordance with the terms specified in the applicable Pricing Term Sheet, in whole, but not in part, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to, but excluding, the Optional Redemption Date.

If a Note is in certificated form and held outside DTC, to exercise the right to require redemption of such Note, the holder of such Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the holder must specify a bank account, or, if payment is required to be made by check, an address, to which payment is to be made under this Condition 4, accompanied by the Note or evidence satisfactory to the Paying Agent concerned that the Note will, following delivery of the Put Notice, be held to its order or under its control. If the Note is represented by a Global Note or is in certificated form and held through DTC, to exercise the right to require redemption of such Note the holder of the Note must, within the notice period, give notice to the Paying Agent of such exercise in accordance with the standard procedures of DTC, which may include notice being given on his instruction by DTC to the Paying Agent by electronic means, in a form acceptable to DTC from time to time and, if a Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Paying Agent for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except if prior to the due date of redemption an Event of Default shall have occurred and be continuing, in which event such holder, at his option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 4 and instead to declare such Note forthwith due and payable pursuant to Condition 7 (Events of Default).

(g) Cancellation

All Notes surrendered for payment, redemption, registration of transfer or exchange or replacement shall be forthwith cancelled and accordingly may not be re-issued or resold. In addition, any Notes purchased on behalf of the Issuer or any of its subsidiaries (including the Guarantor) may be surrendered to the Registrar for cancellation and, if so cancelled, may not be re-issued or resold.

(h) Redemption for Illegality

If, by reason of any change in French or United States law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date (an "Illegality Event"), it will become unlawful for the Issuer or, in the case of the 3(a)(2) Notes, the Guarantor, to perform or comply with one or more of its obligations under the Notes or the Guarantee, as applicable, the Issuer or the Guarantor will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (Notices), redeem all, but not some only, of the Notes at their Early Redemption Amount (together with any interest accrued to the date set for redemption) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer or the Guarantor could lawfully make payment of principal and interest irrespective of the Illegality Event.

(i) Installments

Each Note in certificated form that is redeemable in installments will be redeemed in the Installment Amounts and on the Installment Dates specified in the applicable Pricing Term Sheet. All installments, other than the final Installment Amount, will be paid by surrender of the relevant Note and issue of a new Note in the nominal amount remaining outstanding.

5. Payments

(a) Payments of principal in respect of the Notes (which for the purpose of this Condition 5(a) shall include final Installment Amounts but not other Installment Amounts) shall, subject as mentioned

below, be made against presentation and surrender of the Note at the specified office of any Paying Agent and in the manner provided in paragraph (b) below.

(b) Interest (which for the purpose of this Condition 5(b) shall include all Installment Amounts other than final Installment Amounts) on the Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in case of Notes to be cleared through The Depositary Trust Company ("DTC"), on the first DTC business day before the due date for payment thereof (the "Record Date"). For the purpose of this Condition 5(b), "DTC business day" means any day on which DTC is open for business. Payments of interest on each Note shall be made in the currency in which such payments are due by check drawn on a bank in the principal financial center of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of any Paying Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial center of the country of that currency.

(c) Payments in respect of the Notes will be subject in all cases to any fiscal or other laws, regulations and directives in any jurisdiction and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or directives, but without prejudice to Condition 6 (Taxation).

(d) Payments through DTC: Notes, unless otherwise specified in the relevant Pricing Term Sheet, will be issued in the form of one or more Global Notes and will be registered in the name of, or in the name of a nominee for, DTC. Payments of principal and interest in respect of such Notes denominated in US dollars will be made in accordance with Conditions 5(a) and (b). Payments of principal and interest in respect of Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than US dollars will be made or procured to be made by the Fiscal and Paying Agent in the Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal and Paying Agent or its agent to DTC with respect to Notes held by DTC or its nominee will be received from the Issuer by the Fiscal and Paying Agent, who shall remit such funds to the Exchange Agent, who in turn will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal and Paying Agent, after the Exchange Agent has converted amounts in such Specified Currency into US dollars, will cause the Exchange Agent to deliver such US dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Fiscal and Paying Agency Agreement sets out the manner in which such conversions are to be made. The option for holders of Notes to receive payments in a Specified Currency shall only exist for so long as DTC allows DTC participants to make an irrevocable election in respect thereof.

6. Taxation

(a) Additional Amounts

All payments of principal and interest by the Issuer hereunder shall be made free and clear of and without withholding or deduction for any and all present or future taxes, levies, imposts or charges (all such taxes, levies, imposts and charges being hereinafter referred to as "Taxes"), except as required by law. If the Issuer shall be required by the laws of a Tax Jurisdiction to deduct any Taxes from or in respect of any sum payable hereunder, the Issuer, shall pay such additional amounts as may be necessary in order that the holder of each Note, after such

deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding or deduction; provided, however, that the Issuer shall not be liable to pay any such additional amounts with respect to any Note:

(i) to or on behalf of a holder or beneficial owner who is subject to such Taxes in respect of such Note by reason of the holder or beneficial owner being connected with the Tax Jurisdiction otherwise than by reason only of the holding of such Note or receipt of payments thereon;

(ii) presented for payment (where presentation is required) more than 30 days after the Relevant Date, except to the extent that the holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days;

(iii) where such withholding or deduction is imposed and is required to be made pursuant to the European Council Directive 2003/48/EC or any other European Union Directive amending, supplementing or replacing such Directive, or implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any subsequent meeting of the Council of the European Union on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, or Directives;

(iv) where such withholding or deduction is imposed pursuant to Section 1471 through 1474 of the U.S. Internal Revenue Code (including any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code), U.S. Treasury regulations thereunder, or any intergovernmental agreement entered into in connection with the implementation of such Sections (or any law implementing such intergovernmental agreement);

(v) where such withholding or deduction would not have been so imposed but for the failure to comply, following a timely request by the Issuer, with any applicable certification, identification, documentation, information or other reporting requirement concerning the nationality, residence, identity or connection with a Tax Jurisdiction of the holder or beneficial owner if, without regard to any tax treaty, such compliance is required under the tax laws or regulations of a Tax Jurisdiction or any political subdivision or taxing authority thereof or therein to establish an entitlement to an exemption from such withholding or deduction; or

(vi) presented for payment (where presentation is required) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union.

As used herein, "Tax Jurisdiction" means the Republic of France or any other jurisdiction in which the Issuer or any of its successors, following a merger or similar event, is or becomes organized or resident for tax purposes, or any political subdivision or taxing authority in or of any of the foregoing.

As used herein the "Relevant Date" in relation to any Note means whichever is the later of:

(1) the date on which the payment in respect of such Note first became due and payable; or

(2) if the full amount of the moneys payable on such a date in respect of such Note has not been received by the Paying Agent on or prior to the due date, the date on which notice is duly given to the Noteholders that such moneys have been so received.

References herein to principal and/or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition 6.

(b) Supply of Information

Each holder of Notes shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be reasonably required by the latter in order for it to comply with the identification and reporting obligations imposed on it by European Council Directive 2003/48/EC or any other European Directive amending, supplementing or replacing such Directive, or implementing the conclusions of the ECOFIN Council Meeting of November 26-27, 2000 or any subsequent meeting of the Council of the European Union on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or Directives.

7. Events of Default

If any of the following events ("Events of Default") occurs and is continuing, the holder of any Note may give written notice to the Fiscal and Paying Agent at its specified office effective upon receipt thereof by the Fiscal and Paying Agent that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable unless prior to the time when the Fiscal and Paying Agent receives such notice all Events of Default in respect of the Notes shall have been cured:

(a) default by the Issuer of any payment of principal of, or interest on, any Note including the payment of any additional amounts pursuant to Condition 6 (Taxation) above, when and as the same shall become due and payable, if such default shall not have been cured within 30 days thereafter; or

(b) default by the Issuer in the due performance of any other obligations under the Notes, if such default shall not have been cured within 45 days after receipt by the Fiscal and Paying Agent of written notice of default given by the holder of such Note; or

(c) any indebtedness of the Issuer in excess of €50,000,000 (or its equivalent in other currencies) or any guarantee by the Issuer of any such indebtedness shall become due and is not paid on the date which is the later of (i) its stated maturity, and (ii) the expiry of applicable grace periods (the term "indebtedness" as used herein shall mean any note or other debt instrument issued by the Issuer or any credit facility granted to the Issuer by banks); or

(d) the Issuer sells, transfers, lends or otherwise disposes of, directly or indirectly, the whole or a substantial part of its assets, or the Issuer enters into, or commences any proceedings in furtherance of, forced or voluntary liquidation or dissolution, except in the case of a disposal, dissolution, liquidation, merger or other reorganization in which all of or substantially all of the Issuer's assets are transferred to a legal entity which simultaneously assumes all of the Issuer's debt and liabilities including the Notes and whose main purpose is the continuation of, and which effectively continues, the Issuer's activities; or

(e) the performance of any obligation of the Issuer or the Guarantor under the Notes or the Guarantee, as applicable, contravenes any legal provisions entered into force after the date hereof or contravenes any provision entered into force after the date hereof or contravenes any provision in effect at the date hereof due to a change of interpretation of such provisions by any competent authority; or

(f) the Issuer enters into an amicable conciliation procedure (*procédure de conciliation*) with its creditors or a judgment is rendered for its judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) or makes any conveyance for

the benefit of, or enters into any agreement with, its creditors or cannot meet its current liabilities out of its current assets or is subject to any insolvency or bankruptcy proceedings; or

(g) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Guarantor in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, resolution or other similar law or (B) a decree or order appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Guarantor or of any substantial part of the property of the Guarantor, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or the commencement by the Guarantor of a voluntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, resolution or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Guarantor to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, resolution or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding, or the filing by the Guarantor of a petition or answer or consent seeking reorganization or relief under any applicable U.S. federal or state law, or the consent by the Guarantor to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Guarantor or of any substantial part of the property of the Guarantor, or the making by the Guarantor of an assignment for the benefit of creditors, or the taking of corporate action by the Guarantor in furtherance of any such action, and such action or proceeding shall be continuing if not rescinded, suspended or stayed for a period of 60 consecutive days.

8. Prescription

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiration of 10 years from the due date thereof, and claims for payment of interest, if any, in respect of the Notes shall be prescribed upon the expiration of five years from the due date thereof.

9. Replacement of Notes

If any Note, including any Global Note, is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Registrar upon payment by the claimant of the costs incurred in connection therewith and on such terms as to evidence an indemnity as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued. Cancellation and replacement of Notes shall be subject to compliance with such procedures as may be required under any applicable law and subject to any applicable stock exchange requirements.

10. Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, bonds or debentures having the same terms and conditions as the Notes of any Series in all respects (or in all respects save for the issue date or interest commencement date, the issue price and, if applicable, the first payment of interest as set forth in the applicable Pricing Term Sheet) so as to form a single Series with the then-existing Notes of such Series; provided that such additional notes will be issued with no more than de minimis original issue discount for U.S. federal income tax purposes or be part of a qualified reopening for U.S. federal income tax purposes.

11. Notices

(a) All notices to the holders of registered Notes will be valid if mailed to the addresses of the registered holders or transmitted via DTC pursuant to paragraphs (c) and (d).

(b) All notices regarding Notes, both certificated and global, will be valid if published once in a leading English-language daily newspaper with general circulation in the United States, which is expected to be the Wall Street Journal. 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 such publication.

(c) Until such time as any certificated Notes are issued, there may, so long as all the Global Notes for a particular Series, whether listed or not, are held in their entirety on behalf of DTC, be substituted, in relation only to such Series, for such publication as aforesaid in Condition 11(b), the delivery of the relevant notice to DTC for communication by it to the holders of the Notes, except that if the Notes are listed on a stock exchange and the rules of that stock exchange so require, the relevant notice will in any event be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange or on the website of that stock exchange if permitted by such stock exchange.

(d) Notices to be given by any holder of any Notes shall be in writing and given by delivering the same, together with the relevant Note or Notes, to the Fiscal and Paying Agent. While any Notes are represented by a Global Note, such notice may be given by a holder of any of the Notes so represented to the Fiscal and Paying Agent via DTC in such manner as the Fiscal and Paying Agent and DTC may approve for this purpose or in the manner specified in the Fiscal and Paying Agency Agreement.

12. Meetings of Noteholders, Modification and Waiver

(a) With respect to each Series of Notes, the Issuer may, with the consent of the holders of greater than 50% in aggregate principal amount of the then outstanding Notes of such Series, modify and amend the provisions of such Notes, including to grant waivers of future compliance or past default by the Issuer, and if so required, the Issuer will instruct the relevant Agent to give effect to any such amendment, as the case may be, at the sole expense of the Issuer. However, no such amendment or modification will apply, without the consent of each Noteholder affected thereby, to Notes of such Series owned or held by such Noteholder with respect to the following matters:

(i) to change the stated maturity of the principal of, any installment of or interest on such Notes;

(ii) to reduce the principal amount of, the amount of the principal that would be due and payable upon a declaration of acceleration pursuant to Condition 7 (Events of Default) of or the rate of interest on such Notes;

(iii) to change the currency or place of payment of principal or interest on such Notes; and

(iv) to impair the right to institute suit for the enforcement of any payment in respect of such Notes.

(b) In addition, no such amendment or notification may, without the consent of each affected Noteholder, reduce the percentage of principal amount of Notes of such Series outstanding necessary to make these modifications or amendments to such Notes or to reduce the quorum requirements or the percentages of votes required for the adoption of any action at a Noteholder meeting.

(c) The Issuer may also agree to amend any provision of any Series of Notes of the Issuer with the holder thereof, but that amendment will not affect the rights of the other Noteholders or the obligations of the Issuer with respect to the other Noteholders.

(d) No consent of the Noteholders is or will be required for any modification or amendment requested by the Issuer or by the Fiscal and Paying Agent or with the consent of the Issuer to:

(i) add to the Issuer's covenants for the benefit of the Noteholders; or

(ii) surrender any right or power of the Issuer in respect of a Series of Notes or the Fiscal and Paying Agency Agreement; or

(iii) provide security or collateral for a Series of Notes; or

(iv) cure any ambiguity in any provision, or correct any defective provision, of a Series of Notes; or

(v) change the terms and conditions of a Series of Notes or the Fiscal and Paying Agency Agreement in any manner that the Issuer deems necessary or desirable so long as any such change does not, and will not, adversely affect the rights or interest of any affected Noteholder.

(e) The Issuer may at any time ask for written consent or call a meeting of the Noteholders of a Series to seek their approval of the modification of or amendment to, or obtain a waiver of, any provision of such Series of Notes. This meeting will be held at the time and place determined by the Issuer and specified in a notice of such meeting furnished to the Noteholders. This notice must be given at least 30 days and not more than 60 days prior to the meeting.

(f) If at any time the holders of at least 10% in principal amount for the then outstanding Notes of a Series request the Issuer to call a meeting of the holders of such Notes for any purpose, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Issuer will call the meeting for such purpose. This meeting will be held at the time and place determined by the Issuer and specified in a notice of such meeting furnished to the Noteholders. This notice must be given at least 30 days and not more than 60 days prior to the meeting.

(g) Noteholders who hold a majority in principal amount of the then outstanding Notes of a Series will constitute a quorum at a Noteholders' meeting. In the absence of a quorum, a meeting may be adjourned for a period of at least 20 days. At the reconvening of a meeting adjourned for lack of quorum, holders of 25% in principal amount of the then outstanding Notes of such Series shall constitute a quorum. Notice of the reconvening of any meeting may be given only once, but must be given at least ten days and not more than 15 days prior to the meeting.

(h) At any meeting when there is a quorum present, holders of greater than 50% in principal amount of the then outstanding Notes of a Series may approve the modification or amendment of, or a waiver of compliance for, any provision of the Notes of such Series except for specified matters requiring the consent of each Noteholder, as set forth above. Modifications, amendments or waivers made at such a meeting will be binding on all current and future Noteholders.

13. Agents

In acting under the Fiscal and Paying Agency Agreement, the Agents will act solely as agents of the Issuer and do not assume any obligations or relationship of agency or trust to or with the Noteholders, except that, without affecting the obligations of the Issuer to the Noteholders, to repay Notes and pay interest thereon, funds received by the Fiscal and Paying Agent for the payment of the principal of or interest on the Notes shall be held by it for the Noteholders until the expiration of the relevant period of prescription described under Condition 8 (Prescription). The Issuer will agree to perform and observe the obligations imposed upon it under the Fiscal and Paying Agency Agreement. The Fiscal and Paying Agency Agreement contains provisions for the indemnification of the Agents and for relief from responsibility in certain circumstances and entitles any of them to enter into business transactions with the Issuer and any of their affiliates without being liable to account to the Noteholders for any resulting profit.

14. Governing Law; Consent to Jurisdiction and Service of Process

The Notes, the Fiscal and Paying Agency Agreement and the Guarantee will be governed by, and construed in accordance with, the laws of the State of New York; provided, however, that Condition 2(a) of the Notes will be governed by, and construed in accordance with, French law; provided further that the provisions of the Guarantee relating to the ranking of the Guarantor's obligations thereunder will be governed by, and construed in accordance with, French law.

The Issuer has consented to the jurisdiction of the courts of the State of New York and the U.S. courts located in The City of New York, Borough of Manhattan, with respect to any action that may be brought in connection with the Notes. The Issuer has appointed CT Corporation System, with offices currently at 111 Eighth Avenue, New York, New York 10011, as its agent (and not acting in its capacity as Guarantor) upon whom process may be served in any action brought against the Issuer in any U.S. or New York State court in connection with the Notes.

15. Bail-In

(a) By subscribing or otherwise acquiring the Notes, Holders (which for purposes of this Condition includes holders of the beneficial interests in any Global Note) shall be bound by the exercise of any Bail-in Power (as defined below) by the Relevant Resolution Authority (as defined below), which may result in the write-down or cancellation of all, or a portion of, the principal amount of, or outstanding amount payable in respect of, and/or interest on, the Notes and/or the conversion of all, or a portion, of the principal amount of, or outstanding amount payable in respect of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to these terms and conditions of the Notes to give effect to such exercise of Bail-in Power.

(b) "**Bail-in Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in France in effect and applicable in France to the Issuer (or any successor entity thereof), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a French resolution regime under the French monetary and financial code, or any other applicable French laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

(c) No repayment of the principal amount of the Notes or payment of interest thereon (to the extent of the portion thereof affected by the exercise of the Bail-in Power) shall become due and payable after the exercise of any Bail-in Power by the Relevant Resolution Authority, unless such

repayment or payment would be permitted to be made by the Issuer under the laws and regulations of France then applicable to the Issuer.

(d) Upon the Issuer becoming aware of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes, the Issuer shall notify the Holders in accordance with Condition 11 (*Notices*), with a copy to the Fiscal and Paying Agent for informational purposes. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in Condition 15(a).

(e) The exercise of the Bail in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable in respect of, the Notes, subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in France.

(f) The "**Relevant Resolution Authority**" is any authority with the ability to exercise the Bail-in Power.

16. Definitions

Unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Agent**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Bail-In Power"** has the meaning set forth in Condition 15(b).

"**Benchmark**" means the benchmark specified in the applicable Pricing Term Sheet.

"**Business Center**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial center as may be specified as such in the relevant Pricing Term Sheet or, if none is so specified, the financial center with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, New York.

"**Business Day**" means:

(i) in the case of Notes denominated in US Dollars, a day on which commercial banks and foreign exchange markets settle payments are open for general business, including dealing in foreign exchange and foreign currency deposits, in New York City; and/or

(ii) in the case of a Specified Currency other than the US Dollar and/or one or more Business Centers, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in the Business Center(s) or, if none is specified, generally in each of the Business Centers so specified in the relevant Pricing Term Sheet.

"**Business Day Convention**" means the convention, if any, specified in the applicable Pricing Term Sheet, construed in accordance with Condition 3(b).

"**Calculation Agent**" means The Bank of New York Mellon or such other agent as may be appointed in relation to a specific Series of Notes and, if other than The Bank of New York Mellon, will be specified in the relevant Pricing Term Sheet in relation to a specific Series of Notes.

"**Calculation Amount**" means an amount specified in the relevant Pricing Term Sheet constituting either (i) in the case of one single denomination, the amount of that denomination (e.g., $10,000) or (ii) in the case of multiple denominations, the highest common amount by which the multiple denominations may be divided (for example, $1,000 in the case of $11,000, $12,000 or $13,000).

"**Certificate**" means a registered certificate representing one or more Notes of the same Series.

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

(i) if "Actual/Actual" or "Actual/Actual–ISDA" is specified in the relevant Pricing Term Sheet, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "Actual/Actual–ICMA" is specified in the relevant Pricing Term Sheet:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

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

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

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

where:

"**Determination Period**" means the period from, and including, a Determination Date in any year to, but excluding, the next Determination Date; and

"**Determination Date**" means the date specified as such in the relevant Pricing Term Sheet or, if none is so specified, the Specified Interest Payment Date;

if "Actual/365 (Fixed)" is specified in the relevant Pricing Term Sheet, the actual number of days in the Calculation Period divided by 365;

if "Actual/360" is specified in the relevant Pricing Term Sheet, the actual number of days in the Calculation Period divided by 360;

if "30/360", "360/360" or "Bond Basis" is specified in the relevant Pricing Term Sheet, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(iii) if "30E/360" or "Eurobond Basis" is specified in the relevant Pricing Term Sheet, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30";

(iv) if "30E/360 (ISDA)" is specified in the relevant Pricing Term Sheet, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \times \left(Y_2 - Y_1\right)\right] + \left[30 \times \left(M_2 - M_1\right)\right] + \left(D_2 - D_1\right)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

"**Definitive Registered Note**" means a certificated Note in registered and definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the program agreement dated as of April 9, 2013 (the "Program Agreement"), by and among the Issuer, Natixis Securities Americas LLC and the Dealers named therein, providing for the offering and sale of the Notes or any other agreement between the Issuer and the relevant Dealer(s) either on issue or in exchange for all or part of a Global Note, the Note in registered and definitive form being in or substantially in the form set out in Part II of Schedule 4 of the Fiscal and Paying Agency Agreement with such modifications (if any) as may be agreed between the Issuer and the relevant Dealer(s) and having the Conditions endorsed on it or attached to it or, if permitted by the relevant stock exchange and agreed by the Issuer and the relevant Dealer(s), incorporated in it by reference and having the applicable Pricing Term Sheet (or the relevant provisions of the applicable Pricing Term Sheet) either incorporated in it or endorsed on it or attached to it.

"**Designated Exchange Rate**" means the exchange rate identified as such in the applicable Pricing Term Sheet.

"**DTC**" has the meaning attributed thereto in Condition 5(b).

"**DTC business day**" has the meaning attributed thereto in Condition 5(b).

"**Early Redemption Amount**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Pricing Term Sheet or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates. The Effective Date shall not be subject to adjustment in accordance with any Business Day Convention unless specifically provided in the relevant Pricing Term Sheet.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community as amended.

"**Event of Default**" has the meaning attributed thereto in Condition 7 (Events of Default).

"**Final Redemption Amount**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Fiscal and Paying Agent**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Fiscal and Paying Agency Agreement**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Fixed Rate Notes**" means Notes identified as such in the applicable Pricing Term Sheet.

"**Floating Rate**" means the rate identified as such in the applicable Pricing Term Sheet.

"**Floating Rate Notes**" mean Notes identified as such in the applicable Pricing Term Sheet.

"**Global Notes**" has the meaning attributed thereto in Condition 1(a)(i).

"**Guarantee**" means the unconditional guarantee by the Guarantor of the obligations of the Issuer to pay principal, interest and other amounts under the Notes.

"**Guarantor**" means the Natixis, acting through its New York branch.

"**Holders**" has the meaning attributed thereto in Condition 1(a)(iii).

"**Illegality Event**" has the meaning attributed thereto in Condition 4(h).

"**Installment Amount**" means the amount identified as such in the applicable Pricing Term Sheet.

"**Interest Amount**" means, in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period, which shall be determined as follows (except as otherwise specified in the applicable Pricing Term Sheet):

(i) in the case of any Interest Accrual Period for which a fixed Interest Amount is specified in the applicable Pricing Term Sheet, such fixed Interest Amount; and

(ii) in respect of any other Interest Accrual Period, the amount of interest calculated pursuant to Condition 3(e).

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

"**Interest Commencement Date**" means, in the case of interest bearing Notes, the Issue Date or such other date as may be specified in the relevant Pricing Term Sheet.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Term Sheet or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in New York prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) a Specified Interest Payment Date and ending on (but excluding) the next succeeding Specified Interest Payment Date.

"**Interest Period Date**" means each Specified Interest Payment Date unless otherwise specified in the relevant Pricing Term Sheet.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Pricing Term Sheet.

"**ISDA Rate**" has the meaning attributed thereto in Condition 3(c)(i).

"**Issuer Call**" has the meaning attributed thereto in Condition 4(e).

"**Issuer's Option Period**" means the period specified in the applicable Pricing Term Sheet with respect to Condition 4(e).

"**Issue Date**" means, in relation to any Series, the date on which the Notes of that Series have been issued or, if not yet issued, the date agreed for their issue between the Issuer and the Relevant Dealer(s).

"**Margin**" means any amount specified as such in the applicable Pricing Term Sheet.

"**Maturity Date**" means the date identified as such in the applicable Pricing Term Sheet.

"**Maximum Rate of Interest**" means any amount specified as such in the applicable Pricing Term Sheet.

"**Minimum Rate of Interest**" means any amount specified as such in the applicable Pricing Term Sheet.

"**Noteholders**" has the meaning attributed thereto in Condition 1(a)(iii).

"**Notes**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Optional Redemption Amount**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Optional Redemption Date**" means the date a Series of Notes is to be redeemed in accordance with Condition 4(e) or 4(f).

"**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those which have been repaid in full in accordance with the terms and conditions of the Notes, (b) those in respect of which the date for redemption has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid as provided in terms and conditions of the Notes, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in terms and conditions of the Notes, (e) those mutilated or defaced certificated Notes which have been surrendered in exchange for replacement Notes, (f) (for the purpose only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those certificated Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued, and (g) any Global Note to the extent that it has been exchanged for Definitive Registered Notes, provided that for the purpose of determining how many and which Notes of the Series are outstanding for the purposes of Condition 12 (Meetings of Noteholders, Modification and Waiver), those Notes, if any, that are for the

time being held by or for the benefit of the Issuer or any Subsidiary shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

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

"**Paying Agent**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Primary Source**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Principal Financial Center**" has the meaning attributed thereto in Condition 3(c)(ii)(4).

"**Rate of Exchange**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Note and that is either specified or calculated in accordance with the provisions specified in the relevant Pricing Term Sheet.

"**Record Date**" has the meaning attributed thereto in Condition 5(b).

"**Redeemed Notes**" has the meaning attributed thereto in Condition 4(e).

"**Redemption Amount**" means the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, as the case may be.

"**Reference Banks**" means the institutions specified as such in the relevant Pricing Term Sheet or, if none is so specified, five major banks selected by the Issuer in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if LIBOR is the relevant Benchmark, shall be the London interbank market).

"**Register**" means the register maintained by The Bank of New York Mellon as Registrar in accordance with the Fiscal and Paying Agency Agreement and Condition 1(a)(ii).

"**Registered Notes**" means Notes in registered form in accordance with Condition 1 (Form, Denomination, Title and Transfer).

"**Registrar**" means The Bank of New York Mellon (or such other Registrar as may be appointed under the Fiscal and Paying Agency Agreement generally or in relation to a specific Series of Notes).

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note being made in accordance with terms and conditions of the Notes, such payment will be made, provided that payment is in fact made upon such presentation.

"**Relevant Dealer**" means the dealer or dealers specified in the relevant Pricing Term Sheet with respect to a Series of Notes.

"**Relevant Indebtedness**" has the meaning attributed thereto in Condition 2(b).

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

"**Relevant Resolution Authority**" has the meaning set forth in Condition 15(f).

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Business Center specified in the relevant Pricing Term Sheet or, if none is specified, the local time in the Business Center at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Business Center, or, if no such customary local time exists, 11.00 hours in the Business Center and for the purpose of this definition, "local time" means, with respect to Europe and the Euro-zone as a Business Center, Brussels time or otherwise stated in the relevant Pricing Term Sheet.

"**Replacement Page**" has the meaning attributed thereto in Condition 3(c)(ii)(2).

"**Representative Amount**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified as such in the relevant Pricing Term Sheet or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"**Secondary Replacement Page**" has the meaning attributed thereto in Condition 3(c)(ii)(2).

"**Selection Date**" has the meaning attributed thereto in Condition 4(e).

"**Series**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Specified Currency**" means U.S. dollars or any other currency specified as such in the relevant Pricing Term Sheet.

"**Specified Denomination**" has the meaning attributed thereto in the applicable Pricing Term Sheet. Unless otherwise specified in the Pricing Term Sheet, the Specified Denomination will be $250,000 and any multiple of $1,000 in excess thereof.

"**Specified Duration**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the relevant Pricing Term Sheet or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 3(b).

"**Specified Interest Payment Date**" has the meaning attributed thereto in the applicable Pricing Term Sheet.

"**Subsidiary**" means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) meeting the definition of Article L. 233-1 of the French Commercial Code or any other person or entity controlled directly or indirectly by such person or entity within the meaning of Article L. 233-3 of the French Commercial Code.

"**Tranche**" has the meaning attributed thereto in the introductory paragraphs herein.

"**Transfer Agents**" means such Transfer Agent or Agents as may be appointed from time to time hereunder either generally or in relation to a specific Series of Notes.

"**Transfer Notice**" has the meaning attributed thereto in Condition 5(d).

References to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Installment Amounts, Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 (Redemption and Purchase) or Condition 5 (Payments) or any amendment or supplement to either or both of them, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant

to Condition 3 (Interest and Other Calculations) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under Condition 6 (Taxation).

GUARANTEE OF THE 3(A)(2) NOTES

The Guarantee granted by the Guarantor is only so granted with respect of the 3(a)(2) Notes. The Rule 144A Notes and Regulation S Notes will not benefit from the Guarantee.

The obligations of the Issuer to pay principal, interest and other amounts (including any additional amounts) under the 3(a)(2) Notes will be guaranteed by the Guarantor. The Guarantor's obligations under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and will at all times rank *pari passu* with all present and future unsecured and unsubordinated indebtedness and obligations of the Guarantor without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, other than statutorily preferred exceptions. The Guarantee will include a provision with respect to additional amounts similar to the "Additional Amounts" section under "Description of the Notes" with respect to any amounts to be paid under the Guarantee. The Guarantee is available for inspection at the principal office of the Fiscal and Paying Agent.

The holders of the 3(a)(2) Notes will be beneficiaries of the Guarantee. No trustee or other fiduciary will be appointed to make claims under the Guarantee on behalf of 3(a)(2) Noteholders. The Guarantor will be required to make payment under the Guarantee following the receipt of a notice from a holder to the effect that the Issuer has defaulted in respect of an obligation that is guaranteed by the Guarantor, supporting documentation with respect thereto, and evidence of the title of such Holder to the relevant Notes.

The Guarantee will be governed by, and construed in accordance with, the laws of the State of New York; except that the provisions of the Guarantee relating to the ranking of the Guarantor's obligations thereunder will be governed by, and construed in accordance with, French law.

The Issuer and the Guarantor will consent to the jurisdiction of the courts of the State of New York and the U.S. courts located in The City of New York, Borough of Manhattan, with respect to any action that may be brought in connection with the Guarantee.

The Guarantor's obligations under the Guarantee are expressed to be limited to those owed by the Issuer to the Holders. As a consequence, the application of the Bail-In Tool to the Notes, as described under Section "*Government Supervision and Regulation of Credit Institutions in France*," could effectively limit the Guarantor's obligation under the Guarantee.

In addition, the Bail-In Tool might also apply to a guarantee obligation such as the Guarantee. While holders of the Notes, as beneficiaries of the Guarantee, are creditors of the New York branch of the Guarantor, and therefore benefit from the NYBL's statutory preference regime with respect to assets of the New York branch, if the Issuer's obligations under the Notes or the Guarantor's obligation under the Guarantee were subject to the Bail-In Tool, there would be no remaining claim (or a reduced remaining claim) that would benefit from this preference regime.

As a result, the Bail-In Tool, if applied to the Notes or to liabilities of the Guarantor, could effectively limit the extent of a recovery under the Guarantee.

For further information about the Bail-In Tool, see "*Government Supervision and Regulation of Credit Institutions in France*."

BOOK-ENTRY PROCEDURES AND SETTLEMENT

Unless otherwise provided in the applicable Pricing Term Sheet, each series of Notes will be book-entry securities, represented upon issuance by one or more fully registered global Notes ("Global Notes"), without interest coupons, and each global Note will be deposited with, or on behalf of, The Depository Trust Company ("DTC"), as depositary, and will be registered in the name of Cede & Co., DTC's nominee. DTC will thus be the only registered holder of these Notes and will be considered the sole owner of the Notes for purposes of the Fiscal and Paying Agency Agreement. The Global Notes may take the form of one or more master notes representing one or more series of Notes.

Depositary Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer and Guarantor take no responsibility for these operations and procedures and urge investors to contact the systems or their participants directly to discuss these matters.

DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "**Participants**") and facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Dealers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "**Indirect Participants**"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants. DTC has no knowledge of the identity of beneficial owners of securities held by or on behalf of DTC. DTC's records reflect only the identity of Participants to whose accounts securities are credited. The ownership interests and transfer of ownership interests of each beneficial owner of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Pursuant to procedures established by DTC:

- upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Dealers with portions of the principal amount of the Global Notes, and

- ownership of such interests in the Global Notes will be maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including, as the case may be, Euroclear and Clearstream, Luxembourg) that are Participants or Indirect Participants in such system. Euroclear and Clearstream, Luxembourg will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream, Luxembourg. The depositaries, in turn, will hold interests in the Global Notes in customers' securities accounts in the depositaries' names on the books of DTC.

All interests in the Global Notes, including those held through Euroclear or Clearstream, Luxembourg, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg will also be subject to the procedures and requirements of these systems. The laws of some states require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of beneficial owners of interests in the Global Notes to pledge such interests to persons or entities that do not participate in the

DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or holders thereof for any purpose.

Payments in respect of the principal of and premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be payable by the Paying Agent to DTC in its capacity as the registered holder under the Fiscal and Paying Agency Agreement. The Issuer, the Guarantor and the Paying Agent will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, none of the Issuer, the Guarantor, the Paying Agent or any agent of the Issuer, the Guarantor or the Paying Agent has or will have any responsibility or liability for:

- any aspect of DTC's records or any Participant's or Indirect Participant's records relating to, or payments made on account of beneficial ownership interests in, the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes, or

- any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

The Issuer and Guarantor understand that DTC's current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Paying Agent, the Issuer or the Guarantor. Neither the Issuer nor the Guarantor nor the Paying Agent will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and the Issuer, the Guarantor and the Paying Agent may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Except for trades involving only Euroclear and Clearstream, Luxembourg participants, interests in the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between Participants in DTC, on the one hand, and Euroclear or Clearstream, Luxembourg participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by their depositaries. Cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream, Luxembourg participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream, Luxembourg.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a Global Note from a Participant in DTC will be credited and reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream, Luxembourg) immediately following the settlement date of DTC. The Issuer and Guarantor understand that cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream, Luxembourg participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC's settlement date.

The Issuer and Guarantor understand that DTC will take any action permitted to be taken by a holder of Notes only at the direction of one or more Participants to whose account with DTC interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the Global Note among participants in DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and the procedures may be discontinued at any time. Neither the Issuer nor the Guarantor nor the Paying Agent, Fiscal and Paying Agent, Exchange Agent or Registrar will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

The information in this section concerning DTC, Euroclear and Clearstream, Luxembourg and their book-entry systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but the Issuer and the Guarantor take no responsibility for the accuracy thereof.

Exchange of Global Notes for Certificated Notes

Global Notes will not be exchangeable for certificated Notes and will not otherwise be issuable as certificated Notes, subject to the following exceptions, whereby physical certificates will be issued to beneficial owners of a Global Note if:

- an Event of Default has occurred and is continuing;
- DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Notes and the Issuer does not appoint a successor within 90 days; or
- DTC has ceased to constitute a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended, and the Issuer does not appoint a successor within 90 days.

If any of the events described in the preceding paragraph occurs, the Issuer will issue definitive Notes in certificated form in an amount equal to a holder's beneficial interest in the Notes. Certificated Notes will be issued in the denominations of the Notes indicated in the Pricing Term Sheet or, if no denomination is specified, in minimum denominations of $250,000 and integral multiples of $1,000 in excess thereof, and will be registered in the name of the person DTC specifies in a written instruction to the Registrar of the Notes.

In all cases, certificated Notes delivered in exchange for any Global Notes or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures).

In the event certificated Notes are issued:

- holders of certificated Notes will be able to receive payments of principal and interest on their Notes at the office of the Paying Agent maintained in the City of New York, unless otherwise specified in the applicable Pricing Term Sheet with respect to a Series of Notes;

- holders of certificated Notes will be able to transfer their Notes, in whole or in part, by surrendering the Notes for registration of transfer at the office of the Registrar. The Issuer will not charge any fee for the registration or transfer or exchange, except that the Issuer may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

TAXATION

French Taxation

The following is a summary of certain French tax considerations that may be relevant to holders of Notes issued by BPCE, who (i) are non-French residents, (ii) do not hold their Notes in connection with a business or profession conducted in France, as a permanent establishment or fixed base situated in France, and (iii) do not concurrently hold shares of the Issuer. Persons who are in any doubt as to their tax position should consult a professional tax adviser. This summary is based on French laws, regulations, rulings and decisions now in effect, all of which are subject to change. See "Risk Factors—Risks Relating to the Notes—Transactions on the Notes could be subject to the European financial transaction tax, if adopted."

Taxation of Interest Income and Other Revenues

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

Pursuant to Article 125 A III of the French General Tax Code, payments of interest and other revenues made by the Issuer on the Notes are not subject to withholding tax unless such payments are made outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French General Tax Code (a "Non-Cooperative State"), in which case a 75% withholding tax is applicable subject to exceptions, certain of which are set forth below, and to more favorable provisions of any applicable double tax treaty. The 75% withholding tax is applicable irrespective of the tax residence of the holder of the Notes. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, according to Article 238 A of the French General Tax Code, interest and other revenues will not be deductible from the Issuer's taxable income if they are paid to or accrued by persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest or other revenues may be recharacterized as constructive dividends pursuant to Articles 109 *et seq.* of the French General Tax Code, 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 same Code, at a rate of 30% or 75%, subject to more favorable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French General Tax Code, the non-deductibility of the interest and other revenues, to the extent that they relate to genuine transactions and are not in an abnormal or exaggerated amount, nor the withholding tax set out under Article 119 *bis* 2 that may be levied as a result of such non-deductibility, will apply in respect of a particular issue of Notes, provided that the Issuer can prove that the main purpose and effect of such issue of Notes is not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "Exception").

In addition, pursuant to the provisions of the administrative guidelines BOI-INT-DG-20-50-20140211, an issue of Notes benefits from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L. 411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) 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

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositaries or operators are not located in a Non-Cooperative State.

As a result, payments of interest or other revenues made by the Issuer with respect to Global Notes cleared through a clearing system such as DTC, Euroclear Bank S.A. / N.V. and/or Clearstream Banking will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code.

Interest and other revenues on Definitive Notes not cleared through a clearing system such as DTC, Euroclear Bank S.A. / N.V. and/or Clearstream Banking may be subject to withholding tax when paid outside France to a Non-Cooperative State, as described hereinabove.

Taxation on Sale or Other Disposition

Under article 244 *bis* C of the French General Tax Code, a person that is not a resident of France for the purpose of French taxation generally is not subject to any French income tax or capital gains tax on any gain derived from the sale or other disposition of a Note, unless such Note forms part of the business property of a permanent establishment or a fixed base that such person maintains in France.

Stamp Duty and Other Transfer Taxes

Transfers of Notes outside France will not be subject to any stamp duty or other transfer tax imposed in France, provided such transfer is not recorded or referred to in any manner whatsoever in a deed registered in France.

Estate and Gift Tax

France imposes estate and gift tax on securities of a French company that are acquired by inheritance or gift. According to article 750 *ter* of the French General Tax Code, the taxation is triggered without regard to the residence of the transferor. However, France has entered into estate and gift tax treaties with a number of countries pursuant to which, assuming certain conditions are met, residents of the treaty country may be exempted from such tax or obtain a tax credit.

As a result from the combination of the French domestic tax law and the estate and gift tax convention between the United States and France, a transfer of Notes by gift or by reason of the death of a United States holder entitled to benefits under that convention will not be subject to French gift or inheritance tax, so long as, among other conditions, the donor or decedent was not domiciled in France at the time of the transfer and the Notes were not used or held for use in the conduct of a business or profession through a permanent establishment or fixed base in France.

Wealth Tax

French wealth tax (*impôt de solidarité sur la fortune*) generally does not apply to Notes owned by non-French residents according to article 885 L of the French General Tax Code. Subject to certain exceptions, a United States holder that is resident in the United States within the meaning of the income tax convention between the United States and France generally is exempt from French wealth tax.

Prospective purchasers who are individuals are urged to consult with their own tax advisers.

EU Savings Directive

Under the European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "Savings Directive"), Member States of the EU are required to provide to the tax authorities of another Member State, *inter alia*, details of interest payments within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in that other Member State.

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

However, for a transitional period, Austria applies a withholding system in relation to interest payments, unless during such period it elects otherwise. The rate of such withholding is currently 35 per cent. The beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for an exchange of information procedure. Luxembourg operated such a withholding system until December 31, 2014 but has elected out of the withholding system with effect from January 1, 2015, in favor of automatic information exchange under the Directive.

A number of non-EU countries and dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive.

On March 24, 2014, the Council of the European Union adopted a Directive amending the Savings Directive (the "Amending Directive"), which when implemented, will amend and broaden the scope of the requirements described above. In particular, additional steps may be required in certain circumstances to identify the beneficial owner of interest payments (through a look through approach). The EU Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with the Amending Directive.

The Savings Directive may, however, be repealed in due course in order to avoid overlap with the amended Council Directive 2011/16/EU on administrative cooperation in the field of taxation, pursuant to which Member States other than Austria will be required to apply other new measures on mandatory automatic exchange of information from January 1, 2016. Austria has an additional year before being required to implement the new measures but it has announced that it will nevertheless begin to exchange information automatically in accordance with the timetable applicable to the other Member States. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive, and the Amending Directive, on their investment.

United States Taxation

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a holder of a Note that is a citizen or individual resident of the United States or a domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of the Notes (a "U.S. holder") (and, solely to the extent discussed below in "Foreign Account Tax Compliance Act" and "Information Reporting and Backup Withholding," holders that are not U.S. holders). This summary deals only with U.S. holders that will hold Notes as capital assets, and does not address all tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, partnerships and the partners therein, insurance companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction or persons that have a "functional currency" other than the U.S. dollar. This summary deals only with Notes treated as debt for U.S. federal income tax purposes with a term of 30 years or less and does not address the U.S. federal income tax consequences following the exercise of the Bail-In Power applicable to the Notes. Further, this summary does not address the alternative minimum tax or the Medicare tax on net investment income. Any special U.S. federal income tax considerations relevant to a particular issue of Notes will be provided in the applicable supplement or Pricing Term Sheet.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the "Code"), regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

Investors should consult their own tax advisors in determining the tax consequences to them of holding Notes, including the application to their particular situation of the U.S. federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Payments of Interest

Payments of "qualified stated interest" (as defined below under "Original Issue Discount") on a Note will be taxable to a U.S. holder as ordinary interest income at the time that such payments are paid or accrued (in accordance with the U.S. holder's method of tax accounting). If such payments of interest are made pursuant to the terms of a Note in a currency other than U.S. dollars (a "Foreign Currency"), the amount of interest income realized by a U.S. holder that uses the cash method of tax accounting will be the U.S. dollar value of the Foreign Currency payment based on the exchange rate in effect on the date of receipt regardless of whether the payment in fact is converted into U.S. dollars. A U.S. holder that uses the accrual method of accounting for tax purposes will accrue interest income on the Note in the Foreign Currency and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the U.S. holder's taxable year), or, at the accrual basis U.S. holder's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. A U.S. holder that makes such election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the Internal Revenue Service (the "IRS"). A U.S. holder that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made pursuant to the terms of a Note in a Foreign Currency if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss and generally will not be treated as an adjustment to interest income received on the Note.

Purchase, Sale and Retirement of Notes

A U.S. holder's adjusted tax basis in a Note generally will equal the cost of such Note to such U.S. holder, increased by any amounts previously included in income by the U.S. holder as original issue discount and market discount and reduced by any amortized premium and any payments other than payments of qualified stated interest (each as described below) made on such Note. In the case of a Note denominated in or by reference to a Foreign Currency (a "Foreign Currency Note"), the cost of such Note to a U.S. holder will be the U.S. dollar value of the Foreign Currency purchase price on the date of purchase. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis U.S. holder (and, if it so elects, an accrual basis U.S. holder) will determine the U.S. dollar value of the cost of such Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. The amount of any subsequent adjustments to a U.S. holder's tax basis in a Note in respect of original issue discount, market discount and premium denominated in a Foreign Currency will be determined in the manner described under "Original Issue Discount" and "Premium and Market Discount" below. The conversion of U.S. dollars to a Foreign Currency and the immediate use of the Foreign Currency to purchase a Foreign Currency Note generally will not result in taxable gain or loss for a U.S. holder.

Upon the sale, exchange or retirement of a Note, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as such) and the U.S. holder's adjusted tax basis in such Note. If a U.S. holder receives Foreign Currency in respect of the sale, exchange or retirement of a Note, the amount realized will be the U.S. dollar value of the Foreign Currency received calculated at the exchange rate in effect on the date the instrument is disposed of or retired. In the case of a Foreign Currency Note that is traded on an established market, a cash basis U.S. holder, and if it so elects, an accrual basis U.S. holder will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. The election available to accrual basis U.S. holders in respect of the purchase and sale of Foreign Currency Notes that are traded on an

established securities market, discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to market discount, Short-Term Notes (as defined below) and foreign currency gain or loss, gain or loss recognized by a U.S. holder generally will be long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of disposition. Long-term capital gains recognized by an individual U.S. holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deductibility of capital losses is subject to limitations.

Gain or loss recognized by a U.S. holder on the sale, exchange or retirement of a Foreign Currency Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held such Note. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the Notes.

Original Issue Discount

The original issue discount ("OID") on a Note will equal the difference between the "stated redemption price at maturity" (as defined below) of the Note and the issue price of the Note. The "stated redemption price at maturity" is equal to the sum of all payments provided by a Note other than payments of qualified stated interest. If OID on a Note exceeds a de minimis threshold, the Note is an "Original Issue Discount Note." U.S. holders of Original Issue Discount Notes generally will be subject to the special tax accounting rules for obligations issued with OID provided by the Code and certain regulations promulgated thereunder (the "OID Regulations"). U.S. holders of such Notes should be aware that, as described in greater detail below, they generally must include OID in ordinary gross income for United States federal income tax purposes as it accrues, in advance of the receipt of cash attributable to that income.

In general, each U.S. holder of an Original Issue Discount Note, whether such U.S. holder uses the cash or the accrual method of tax accounting, will be required to include in ordinary gross income the sum of the "daily portions" of OID on the Note for all days during the taxable year that the U.S. holder owns the Note. The daily portions of OID on an Original Issue Discount Note are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be any length and may vary in length over the term of an Original Issue Discount Note, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of an initial holder, the amount of OID on an Original Issue Discount Note allocable to each accrual period is determined by (a) multiplying the "adjusted issue price" (as defined below) of the Original Issue Discount Note at the beginning of the accrual period by the yield to maturity of such Original Issue Discount Note (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of qualified stated interest (as defined below) allocable to that accrual period. The yield to maturity of a Note is the discount rate that causes the present value of all payments on the Note as of its original issue date to equal the issue price of such Note. The "adjusted issue price" of an Original Issue Discount Note at the beginning of any accrual period will generally be the sum of its issue price and the amount of OID allocable to all prior accrual periods, reduced by the amount of all payments other than payments of qualified stated interest (if any) made with respect to such Note in all prior accrual periods. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually during the entire term of an Original Issue Discount Note at a single fixed rate of interest or, subject to certain conditions, based on one or more interest indices. In the case of an Original Issue Discount Note that is a Floating Rate Note, both the "yield to maturity" and "qualified stated interest" will generally be determined for these purposes as though the Original Issue Discount Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to the interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield that is reasonably expected for the Note. (Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index.) As a result of this "constant yield" method of including OID in income, the amounts includible in income by a U.S. holder in respect of an Original Issue Discount Note denominated in U.S. dollars generally are lesser in the early years and greater in the later years than the amounts that would be includible on a straight-line basis.

A U.S. holder generally may make an irrevocable election to include in its income its entire return on a Note (i.e., the excess of all remaining payments to be received on the Note, including payments of qualified stated interest, over the amount paid by such U.S. holder for such Note) under the constant-yield method described above. For Notes purchased at a premium or bearing market discount in the hands of the U.S. holder, the U.S. holder making such election will also be deemed to have made the election (discussed below in "Premium and Market Discount") to amortize premium or to accrue market discount in income currently on a constant-yield basis in respect of all other premium or market discount notes that such U.S. holder acquires on or after the first day of the first taxable year to which the election applies.

In the case of an Original Issue Discount Note that is also a Foreign Currency Note, a U.S. holder should determine the U.S. dollar amount includible in income as OID for each accrual period by (a) calculating the amount of OID allocable to each accrual period in the Foreign Currency using the constant-yield method described above, and (b) translating the amount of the Foreign Currency so derived at the average exchange rate in effect during that accrual period (or portion thereof within a U.S. holder's taxable year) or, at the U.S. holder's election (as described above under "Payments of Interest"), at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. Because exchange rates may fluctuate, a U.S. holder of an Original Issue Discount Note that is also a Foreign Currency Note may recognize a different amount of OID income in each accrual period than would the holder of an otherwise similar Original Issue Discount Note denominated in U.S. dollars. All payments on an Original Issue Discount Note (other than payments of qualified stated interest) will generally be viewed first as payments of previously accrued OID (to the extent thereof), with payments attributed first to the earliest-accrued OID, and then as payments of principal. Upon the receipt of an amount attributable to OID (whether in connection with a payment of an amount that is not qualified stated interest or the sale or retirement of the Original Issue Discount Note), a U.S. holder will recognize ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate in effect on the date of receipt or on the date of disposition of the Original Issue Discount Note, as the case may be) and the amount accrued (using the exchange rate applicable to such previous accrual).

A subsequent U.S. holder of an Original Issue Discount Note that purchases the Note at a cost less than its remaining redemption amount (as defined below), or an initial U.S. holder that purchases an Original Issue Discount Note at a price other than the Note's issue price, also generally will be required to include in gross income the daily portions of OID, calculated as described above. However, if the U.S. holder acquires the Original Issue Discount Note at a price greater than its adjusted issue price, such U.S. holder is required to reduce its periodic inclusions of OID income to reflect the premium paid over the adjusted issue price. The "remaining redemption amount" for a Note is the total of all future payments to be made on the Note other than payments of qualified stated interest.

Floating Rate Notes generally will be treated as "variable rate debt instruments" under the OID Regulations. Accordingly, the stated interest on a Floating Rate Note generally will be treated as "qualified stated interest" and such a Note will not have OID solely as a result of the fact that it provides for interest at a variable rate. If a Floating Rate Note does not qualify as a "variable rate debt instrument," such Note will be subject to special rules that govern the tax treatment of debt obligations that provide for contingent payments. A detailed description of the tax considerations relevant to U.S. holders of any such Notes will be provided in the applicable supplement or Pricing Term Sheet.

Certain of the Notes may be subject to special redemption, repayment or interest rate reset features, as indicated in the applicable supplement or Pricing Term Sheet. Notes containing such features, in particular Original Issue Discount Notes, may be subject to special rules that differ from the general rules discussed above. Purchasers of Notes with such features should carefully examine the applicable supplement or Pricing Term Sheet and should consult their own tax advisors with respect to such Notes since the tax consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the purchased Notes.

Premium and Market Discount

A U.S. holder of a Note that purchases the Note at a cost greater than its remaining redemption amount (as defined in the third preceding paragraph) will be considered to have purchased the Note at a premium, and may elect

to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Note. Such election, once made, generally applies to all bonds held or subsequently acquired by the U.S. holder on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. holder that elects to amortize such premium must reduce its tax basis in a Note by the amount of the premium amortized during its holding period. Original Issue Discount Notes purchased at a premium will not be subject to the OID rules described above. In the case of premium in respect of a Foreign Currency Note, a U.S. holder should calculate the amortization of such premium in the specified currency. Amortization deductions attributable to a period reduce interest income in respect of that period and therefore are translated into U.S. dollars at the exchange rate used by the U.S. holder for interest income in respect of that period. Exchange gain or loss will be realized with respect to amortized bond premium on such a Note based on the difference between the exchange rate on the date or dates such premium is recovered through interest payments on the Note and the exchange rate on the date on which the U.S. holder acquired the Note. With respect to a U.S. holder that does not elect to amortize bond premium, the amount of bond premium will be included in the U.S. holder's tax basis. Therefore, a U.S. holder that does not elect to amortize such premium and that holds the Note to maturity generally will be required to treat the premium as capital loss when the Note matures.

If a U.S. holder of a Note purchases the Note at a price that is lower than its remaining redemption amount (or in the case of an Original Issue Discount Note, its adjusted issue price) by at least 0.25% of its remaining redemption amount (or adjusted issue price) multiplied by the number of remaining whole years to maturity, the Note will be considered to have "market discount" in the hands of such U.S. holder. In such case, gain realized by the U.S. holder on the disposition of the Note generally will be treated as ordinary income to the extent of the market discount that accrued on the Note while held by such U.S. holder. In addition, the U.S. holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Note. In general terms, market discount on a Note will be treated as accruing ratably over the term of such Note, or, at the election of the U.S. holder, under a constant-yield method. Market discount on a Foreign Currency Note will be accrued by a U.S. holder in the specified currency. The amount includible in income by a U.S. holder in respect of such accrued market discount will be the U.S. dollar value of the amount accrued, generally calculated at the exchange rate in effect on the date that the Note is disposed of by the U.S. holder.

A U.S. holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating a portion of any gain realized on a sale of a Note as ordinary income. If a U.S. holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any accrued market discount on a Foreign Currency Note that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. holder's taxable year). Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

Short-Term Notes

The rules set forth above will also generally apply to Notes having maturities of not more than one year ("Short-Term Notes"), but with certain modifications.

First, the OID Regulations treat *none* of the interest on a Short-Term Note as qualified stated interest. Thus, all Short-Term Notes will be Original Issue Discount Notes. OID will be treated as accruing on a Short-Term Note ratably, or at the election of a U.S. holder, under a constant yield method.

Second, a U.S. holder of a Short-Term Note that uses the cash method of tax accounting and is not a bank, securities dealer, regulated investment company or common trust fund, and does not identify the Short-Term Note as part of a hedging transaction, will generally not be required to include OID in income on a current basis. Such a U.S. holder may not be allowed to deduct all of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry such Note until the Maturity of the Note or its earlier disposition in a taxable transaction. In addition, such a U.S. holder will be required to treat any gain realized on a sale, exchange or retirement of the Note as ordinary income to the extent such gain does not exceed the OID accrued with respect to the Note during the period the U.S. holder held the Note. Notwithstanding the foregoing, a cash-basis U.S. holder of a Short-Term Note may elect to accrue original issue discount into income on a current basis (in which case the

limitation on the deductibility of interest described above will not apply). A U.S. holder using the accrual method of tax accounting and certain cash-basis U.S. holders (including banks, securities dealers, regulated investment companies and common trust funds) generally will be required to include original issue discount on a Short-Term Note in income on a current basis.

Third, any U.S. holder (whether cash or accrual basis) of a Short-Term Note can elect to accrue the "acquisition discount," if any, with respect to the Note on a current basis. If such an election is made, the OID rules will not apply to the Note. Acquisition discount is the excess of the remaining redemption amount of the Note at the time of acquisition over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the U.S. holder, under a constant-yield method based on daily compounding.

Finally, the market discount rules will not apply to a Short-Term Note.

Information with Respect to Foreign Financial Assets

Individual U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of U.S.$ 50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (such as the Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations have been proposed that would extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in Notes, including the application of the rules to their particular circumstances.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, if the debt securities are denominated in a foreign currency, a U.S. holder may be required to treat a foreign currency exchange loss from the debt securities as a reportable transaction if this loss exceeds the relevant threshold in the regulations ($50,000 in a single taxable year, if the U.S. holder is an individual or trust, or higher amounts for other non-individual U.S. holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of $10,000 in the case of a natural person and $50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisors regarding the application of these rules.

Foreign Account Tax Compliance Act

Pursuant to foreign account compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 ("FATCA"), holders who hold Notes through certain foreign financial institutions ("FFIs") may be required to provide information and tax documentation regarding their identities as well as the identities of their direct and indirect owners to the FFI. This information may be reported to revenue authorities, including the IRS. In addition, certain payments on Notes held in an account at either (i) a "non-participating foreign financial institution" ("NPFFI") or (ii) an FFI to which the holder fails to provide certain requested information may be subject to withholding, to the extent such payments are treated as "foreign passthru payments." Such payments may also be subject to withholding if made through an intermediary that is an NPFFI. The FATCA regulations do not currently define the term "foreign passthru payment." An NPFFI is an FFI that has not (i) entered into an agreement with the U.S. government to collect and provide to the U.S. tax authorities information about its direct and indirect U.S. accountholders (an "FFI agreement") or alternatively (ii) complied with the terms of an applicable intergovernmental agreement between the United States and the jurisdiction in which such foreign financial institution operates, and does not otherwise qualify for an exception from the requirement to enter into an FFI agreement.

FATCA withholding will not apply to payments on Notes provided they are not materially modified on or after the date that is six months after the date that final regulations defining the term "foreign passthru payments" are finalized. Otherwise, payments on Notes held through an NPFFI or made to a holder who fails to provide an FFI with requested information, to the extent such payments are treated as "foreign passthru payments," may be subject to withholding under FATCA or the relevant intergovernmental agreement, but no earlier than January 1, 2017. France has entered into an intergovernmental agreement (the "**U.S.-France IGA**") with the United States relating to FATCA. It is not entirely clear whether or to what extent the U.S.-France IGA or any other relevant intergovernmental agreement will relieve the Issuer or other FFIs through which payments on the Notes may be made from the obligation to withhold on "foreign passthru payments." FATCA is particularly complex and its application to the Notes is uncertain at this time. Each prospective investor should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how this legislation might affect such investor in its particular circumstances.

Information Reporting and Backup Withholding

The Paying Agent may be required to file information returns with the IRS with respect to payments made to certain U.S. holders of Notes. In addition, certain U.S. holders may be subject to backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the Paying Agent. Persons holding Notes who are not U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of such information reporting requirements and backup withholding tax.

ERISA MATTERS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" as defined in section 3(3) of ERISA ("ERISA Plans") that are subject to Title I of ERISA and on persons who are fiduciaries with respect to any ERISA Plan. In accordance with ERISA's general fiduciary requirements, a fiduciary with respect to an ERISA Plan who is considering the purchase of the Notes on behalf of the ERISA Plan should determine whether the purchase is permitted under the governing ERISA Plan documents and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio.

In addition to ERISA's general fiduciary standards, section 406 of ERISA and section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), prohibit certain transactions between (a) an ERISA Plan, (b) a plan, account or arrangement that is not subject to ERISA but to which section 4975 of the Code applies, such as an individual retirement account ("IRA"), or (c) an entity whose underlying assets are deemed include the assets of any such ERISA Plans or plans, accounts or arrangements by reason of U.S. Department of Labor Regulation Section 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise (each of (a), (b) and (c), a "Plan") and persons who have certain specified relationships to the Plan ("parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of section 4975 of the Code). A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. A fiduciary of a Plan (including the owner of an IRA) that engages in a prohibited transaction may also be subject to penalties and liabilities under ERISA and/or the Code.

The Issuer, directly or through its affiliates, may be considered a "party in interest" or a "disqualified person" with respect to many Plans. The purchase of the Notes by a Plan with respect to which the Issuer is a party in interest or a disqualified person may constitute or result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code, unless the Notes are acquired pursuant to and in accordance with an applicable exemption. Certain administrative class exemptions may be available such as Prohibited Transaction Class Exemption ("PTCE") 84-14 (an exemption for certain transactions determined by an independent qualified professional asset manager), PTCE 91-38 (an exemption for certain transactions involving bank collective investment funds), PTCE 90-1 (an exemption for certain transactions involving insurance company pooled separate accounts), PTCE 95-60 (an exemption for certain transactions involving insurance company general accounts) or PTCE 96-23 (an exemption for certain transactions determined by an in-house asset manager). In addition, the statutory exemption under section 408(b)(17) of ERISA and section 4975(d)(20) of the Code may be available, provided that (i) none of the Issuer, the Dealers or any affiliates or employees thereof is a Plan fiduciary that has or exercises any discretionary authority or control with respect to the Plan's assets used to purchase the Notes or renders investment advice with respect to those assets and (ii) the Plan is paying no more than adequate consideration for the Notes. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes. Governmental plan (as defined in Section 3(32) of ERISA), non-electing church plan (as defined in Section 3(33) of ERISA) or non-U.S. plan (as described in Section 4(b)(4) of ERISA)(each, a "Non-ERISA Arragement"), while not subject to the provisions of section 406 of ERISA or section 4975 of the Code, may nevertheless be subject to local, state, federal or non-U.S. laws that are substantially similar to the foregoing provisions of ERISA and the Code ("Similar Laws").

By its purchase of any offered Note, the purchaser or transferee thereof (and the person, if any, directing the acquisition of the offered Note by the purchaser or transferee) will be deemed to represent, on each day from and including the date on which the purchaser or transferee acquires the offered Note through and including the date on which the purchaser or transferee disposes of its interest in such offered Note, either that (a) such purchaser or transferee is not a Plan or a Non-ERISA Arrangement subject to Similar Laws or (b) the purchase, holding and disposition of such offered Note will not result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code or in violation of Similar Laws unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied.

The above discussion may be modified or supplemented with respect to a particular offering of Notes, including the addition of further ERISA or Similar Law restrictions on purchase and transfer. In addition, if so specified in the applicable Pricing Term Sheet, the purchaser or transferee of a Note may be required to deliver to the relevant Issuer and the relevant agents a letter, in the form available from such Issuer and agents, containing

certain representations, including those contained in the preceding paragraph. Please consult the applicable Pricing Term Sheet for such additional information.

Fiduciaries (including owners of IRAs) or other persons considering purchasing Notes on behalf of or with the assets of any Plan or any governmental, church or non-U.S. plan should consult with their legal counsel concerning the potential consequences of such purchase under ERISA, the Code, or Similar Laws. Each purchaser of a Note will have exclusive responsibility for ensuring that its purchase, holding, and subsequent disposition of the Note does not violate the fiduciary or prohibited transaction rules of ERISA, the Code, or any Similar Laws.

The sale of any of the Notes to a Plan or a governmental, church or non-U.S. plan is in no respect a representation by the Issuer, any Dealer or any of its affiliates or representatives that such an investment meets any or all of the relevant legal requirements for investments by any such Plan or governmental, church or non-U.S. plan generally or any particular Plan or governmental, church or non-U.S. plan, or that such investment is appropriate for such Plans or governmental, church or non-U.S. plans generally or any particular Plan or governmental, church or non-U.S. plan.

PLAN OF DISTRIBUTION

The Notes are being offered on a continuous basis for sale by the Issuer to or through Natixis Securities Americas LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC, together with such other Dealers as may be appointed by the Issuer with respect to a particular series of Notes (the "Dealers"). One or more Dealers may purchase Notes at a discount, as principal, from the Issuer from time to time for resale or, if so specified in the applicable Pricing Term Sheet, for resale at varying prices relating to prevailing market prices. The Issuer will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part. The Issuer has reserved the right to sell Notes through one or more other dealers in addition to the Dealers and directly to investors on behalf of the Issuer in those jurisdictions where it is authorized to do so. Each Dealer will have the right, in its discretion reasonably exercised, to reject any proposed purchase of Notes through it in whole or in part. No commission will be payable by the Issuer to any of the Dealers on account of sales of Notes made through such other dealers or directly by the Issuer.

In addition, the Dealers may offer the Notes they have purchased as principal to other dealers. The Dealers may sell Notes to any dealer at a discount and, unless otherwise specified in the applicable Pricing Term Sheet, such discount allowed to any dealer will not be in excess of the discount to be received by such Dealer from the Issuer. Unless otherwise indicated in the applicable Pricing Term Sheet, any Note sold to a Dealer as principal will be purchased by such Dealer at a price equal to the offering price (expressed as a percentage of the principal amount) less a percentage equal to the commission, and may be resold by the Dealer to investors and other purchasers as described above. After the initial offering of Notes to be resold to investors and other purchasers, the offering price (in the case of Notes to be resold at a fixed offering price), the concession and discount may be changed.

The Issuer may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase Notes in whole or in part. Each Dealer shall have the right, in its discretion reasonably exercised, to reject in whole or in part any offer to purchase Notes received by it on an agency basis.

The Issuer has agreed to indemnify each Dealer against, or to make contributions relating to, certain liabilities in connection with the offering and sale of the Notes, including liabilities under the Securities Act.

The Dealers may from time to time purchase and sell Notes in the secondary market, but they are not obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, the Dealers may make a market for the Notes. However, they are not obligated to do so and may cease doing so at any time. If an active trading market for the Notes does not develop, the market price and liquidity of the notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors. After a distribution of a Series of Notes is completed, because of certain regulatory restrictions arising from its affiliation with the Issuer, the Broker-Dealer Affiliate may not be able to make a market in such Series of Notes or, except on a limited, unsolicited basis, effect any transactions for the account of any customer in such series of Notes. Other Dealers unaffiliated with the Issuer will not be subject to such prohibitions.

The 3(a)(2) Notes

The Dealers may propose to offer, from time to time, 3(a)(2) Notes for sale or resale in transactions not requiring registration under the Securities Act pursuant to an exemption from registration under Section 3(a)(2) under the Securities Act.

Each Dealer may be deemed to be an "underwriter" within the meaning of the Securities Act of 1933, as amended, and any discounts and commissions received by it and any profit realized by it on resale of the 3(a)(2) Notes may be deemed to be underwriting discounts and commissions.

Conflicts of Interest

Natixis Securities Americas LLC (the "Broker-Dealer Affiliate") is a subsidiary of the Issuer and the Guarantor. As a result, a conflict of interest under FINRA Rule 5121 is deemed to exist. Accordingly, any distribution of the 3(a)(2) Notes offered hereby by the Broker-Dealer Affiliate will be made in compliance with applicable provisions of such rule. The Broker-Dealer Affiliate will not sell 3(a)(2) Notes into any account over which it has discretionary authority without the prior specific written approval of the account holder.

Other Relationships

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers 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 ours or our affiliates. Certain of the Dealers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Dealers 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 our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Dealers 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.

The Rule 144A Notes and Regulation S Notes

Each Dealer will offer or sell the Rule 144A Notes only within the United States to persons it reasonably believes to be "qualified institutional buyers" (within the meaning of Rule 144A) in reliance on Rule 144A.

Each Dealer has agreed that, except as permitted by the Program Agreement and set forth in the "Notice to Investors," it will not offer or sell Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, and it will have sent to each distributer or dealer to which it sells such Regulation S Notes during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of an offering of Regulation S Notes, an offer or sale of Regulation S Notes within the United States by a dealer (whether or not such dealer is participating in such offering) may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Each purchaser of Rule 144A Notes and Regulation S Notes offered hereby in making its purchase will be deemed to have made the acknowledgments, representations and agreements set forth under "*Notice to Investors Regarding Certain U.S. Legal Matters*" herein.

Price Stabilization and Short Positions

In connection with an offering of Notes purchased by one or more Dealers as principal on a fixed offering price basis, certain persons participating in the offering (including such Dealers) may engage in stabilizing and syndicate covering transactions. Syndicate covering transactions involve purchases of Notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing and syndicate covering transactions may cause the price of the Notes to be higher than they would otherwise be in the absence of such transactions. These transactions, if commenced, may be discontinued at any time.

Neither we nor any of the Dealers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the Dealers make any representation that the relevant Dealer(s) or their representatives, if any, will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) if the Pricing Term Sheet in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Pricing Term Sheet contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) 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 (b) to (d) above shall require the Issuer or any Dealer 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, (i) the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, (ii) the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and (iii) the expression "2010 PD Amending Directive" means Directive 2010/73/EU and includes any relevant implementing measure in the Relevant Member State.

Notice to Prospective Investors in France

Each Dealer has represented and agreed, and each further Dealer appointed under the program will be required to represent and agree, that:

- this Base Offering Memorandum has not been prepared and is not being distributed in the context of a public offering of securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411-1 of the *Code monétaire et financier* and, therefore, this Base Offering Memorandum, the applicable Pricing Term Sheet or any other offering materials relating to the Notes have not been and will not be filed with the French *Autorité des marchés financiers* (the "AMF") for prior approval or submitted for clearance to the AMF and, more generally no prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Notes that has been approved by the AMF or by the competent authority of another Member State of the European Economic Area and notified to the AMF and to the Issuer;

- it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France;

- it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Offering Memorandum, the applicable Pricing Term Sheet or any other offering materials relating to the Notes; and

- such offers, sales and distributions have been and will only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), or qualified investors (*investisseurs qualifiés*) investing for their own account, all as defined in Articles L. 411-2 and D. 411-1 of the French *Code monétaire et financier* and applicable regulations thereunder. The direct or indirect distribution to the public in France of any Notes so acquired may be made only in accordance with the provisions of Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier* and applicable regulations thereunder.

Notice to Prospective Investors in the United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Australia

No placement document, prospectus product disclosure statement or other disclosure document (as defined in the Corporations Act) in relation to the Medium Term Notes Program or the Notes has been or will be lodged with ASIC or any other governmental agency. Each Dealer appointed under the Medium Term Notes Program will be required to represent and agree, that, unless the relevant subscription agreement (or relevant supplement to this Base Offering Memorandum) otherwise provides, it:

(a) has not offered or invited applications, and will not offer or invite applications for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, the Base Offering Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the minimum aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act, (ii) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the licensing requirements in Chapter 7 of the Corporations Act) and does not require any document to be lodged with ASIC, and (iii) the offer or invitation does not constitute an offer or invitation to a person in Australia who is a "retail client" as defined for the purposes of Section 761G of the Corporations Act.

Notice to Prospective Investors in The People's Republic of China (excluding Hong Kong, Macau and Taiwan)

Each Dealer appointed under the Medium Term Notes Program represents, warrants and agrees that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by all relevant laws and regulations of the PRC.

This Base Offering Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, any Notes in the PRC to any person to whom it is unlawful to make the offer of solicitation in the PRC.

The Notes may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (i) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the PRC, or (ii) to any person within the PRC, other than in full compliance with the relevant laws and regulations of the PRC.

Investors in the PRC are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, those which may be required by the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or securities investment regulations

Notice to Prospective Investors in Hong Kong

Each Dealer represents, warrants and agrees 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, other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong 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 (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer or invitation to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of Hong Kong) and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan ("FIEA"). Each Dealer has agreed that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Korea

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "FSCMA"). Accordingly, each Dealer severally but not jointly has represented and agreed, and each further Dealer appointed under the Medium Term Notes Program will be required to represent and agree, that the Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea and its Enforcement Decree) except as otherwise permitted under applicable Korean laws and regulations. Furthermore, a holder of the Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of the Notes except (i) in the case where the Notes are issued as bonds other than equity-linked bonds, such as convertible bonds, bonds with warrants and exchangeable bonds, and where the other relevant requirements are further satisfied, the Notes may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified institutional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, or (ii) as otherwise permitted under applicable Korean laws and regulations. Each Dealer severally but not jointly undertakes, and each further Dealer appointed under the Medium Term Notes Program will be required to undertake, to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells the Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Notice to Prospective Investors in Malaysia

Each Dealer will be required to:

(a) acknowledge that the making available of, offer for subscription or purchase, or issuance of an invitation to subscribe for or purchase the Notes may only be made outside Malaysia, except as otherwise permitted under applicable Malaysian laws and regulations or with the approval of any relevant Malaysian regulatory authority; and

(b) represent and agree that it has not made available, offered for subscription or purchase, or issued an invitation to subscribe for or purchase and will not make available, offer for subscription or purchase, or issue an invitation to subscribe for or purchase, the Notes, and that it has not circulated or distributed and will not circulate and distribute this Base Offering Memorandum or any other offering document or material relating to the Notes, directly or indirectly, to any persons in Malaysia, except as otherwise permitted under applicable Malaysian laws and regulations or with the approval of any relevant Malaysian regulatory authority.

Notice to Prospective Investors in Singapore

Each Dealer has acknowledged that this Base Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such 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 Base Offering Memorandum 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 SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 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 under Section 274 of the SFA 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) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Taiwan

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the Notes in Taiwan.

If necessary, these selling restrictions will be supplemented in the applicable supplement or Pricing Term Sheet.

NOTICE TO INVESTORS REGARDING CERTAIN U.S. LEGAL MATTERS

Because of the following restrictions on Rule 144A Notes and Regulation S Notes, purchasers are advised to read the below carefully and consult legal counsel prior to making any offer, resale, pledge or other transfer of any Rule 144A Notes or Regulation S Notes.

The Notes are subject to restrictions on transfer as summarized below. By purchasing Notes, you will be deemed to have made the following acknowledgements, representations to and agreements with the Issuer and the Dealers:

1. You acknowledge that:

- the Rule 144A Notes and Regulation S Notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and

- unless so registered, the Notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and, if applicable, in compliance with the conditions for transfer set forth in paragraph (5) below.

2. You represent that:

- if you are purchasing the Rule 144A Notes, you are a QIB and are purchasing such Notes for your own account or for the account of another QIB, and you are aware that the Dealers are selling such Notes to you in reliance on Rule 144A; or

- if you are purchasing the Regulation S Notes, you are not a U.S. person (as defined in Regulation S) and are purchasing such Notes in an offshore transaction in accordance with Regulation S.

3. You acknowledge that neither the Issuer nor the Dealers nor any person representing the Issuer or the Dealers has made any representation to you with respect to the Issuer or the offering of the Notes, other than the information contained or incorporated by reference in this Base Offering Memorandum and any applicable Pricing Term Sheet. You agree that you have had access to such financial and other information concerning the Issuer, the Guarantor and the Notes as you have deemed necessary in connection with your decision to purchase Notes, including an opportunity to ask the Issuer questions and request information.

4. You represent that either (a) you are neither (i) an employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), a plan, account or arrangement that is not subject to ERISA but to which Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") applies or an entity whose underlying assets are deemed to include the assets of any such plans, accounts or arrangements by reason of Department of Labor Regulation Section 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise (each, a "Plan") nor (ii) an employee benefit plan that is a governmental plan (as defined in Section 3(32) of ERISA), non-electing church plan (as defined in Section 3(33) of ERISA) or non-U.S. plan (as described in Section 4(b)(4) of ERISA) (each, a "Non-ERISA Arrangement") subject to local, state, federal or non-U.S. laws that are substantially similar to Section 406 of ERISA or Section 4975 of the Code ("Similar Laws") and you are not purchasing or holding the Notes on behalf of or with "plan assets" of any Plan or Non-ERISA Arrangement subject to Similar Laws or (b) such purchase and holding of the Notes does not constitute and will not result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code or in a violation of Similar Laws unless an exemption is available with respect to such transactions and all of the conditions of such exemption have been satisfied.

5. If you are a purchaser of Rule 144A Notes pursuant to Rule 144A, you acknowledge and agree that such Notes may be offered, sold or otherwise transferred, if prior to the date: (i) that is at least one year after the

later of the last original issue date of such Notes and (ii) the date on which the Issuer determines that the legend to this effect shall be deemed removed from the corresponding 144A global note, only:

A) to the Issuer or any of its affiliates;

B) pursuant to an effective registration statement under the Securities Act (the Issuer having no obligation to effect any such registration),

C) to a QIB in compliance with Rule 144A;

D) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S; or

E) pursuant to any other available exemption from registration requirements of the Securities Act;

provided that as a condition to registration of transfer of such Notes, the Issuer or the fiscal agent may require delivery of any documents or other evidence that the Issuer or the fiscal agent each, in their discretion, deem necessary or appropriate to evidence compliance with one of the exemptions referred to above, and, in each case, in accordance with the applicable securities laws of the states of the United States and other jurisdictions.

You also acknowledge that each global certificate in respect of Rule 144A Notes will contain a legend substantially to the following effect:

THIS LEGEND SHALL BE REMOVED SOLELY AT THE OPTION OF THE ISSUER.

THE NOTES EVIDENCED HEREBY (THE "NOTES") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER, OR AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT;

(2) REPRESENTS THAT EITHER (A) IT IS NEITHER (I) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN, ACCOUNT OR ARRANGEMENT THAT IS NOT SUBJECT TO ERISA BUT TO WHICH SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") APPLIES OR AN ENTITY TO WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE THE ASSETS OF ANY SUCH PLANS, ACCOUNTS OR ARRANGEMENTS BY REASON OF DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OR OTHERWISE (EACH, A "PLAN") NOR (II) AN EMPLOYEE BENEFIT PLAN THAT IS A GOVERNMENTAL PLAN (AS DEFINED IN SECTION 3(32) OF ERISA), NON-ELECTING CHURCH PLAN (AS DEFINED IN SECTION 3(33) OF ERISA) OR NON-U.S. PLAN (AS DESCRIBED IN SECTION 4(B)(4) OF ERISA) (EACH, A "NON-ERISA ARRANGEMENT") SUBJECT TO LOCAL, STATE, FEDERAL OR NON-U.S. LAWS THAT ARE SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAWS") AND IT IS NOT PURCHASING OR HOLDING THE NOTES ON BEHALF OF OR WITH "PLAN ASSETS" OF ANY PLAN OR NON-ERISA ARRANGEMENT OR (B) SUCH PURCHASE AND HOLDING OF THE NOTES DOES NOT CONSTITUTE AND WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE OR IN A VIOLATION OF SIMILAR LAWS UNLESS AN EXEMPTION IS AVAILABLE WITH RESPECT TO SUCH TRANSACTIONS AND ALL OF THE CONDITIONS OF SUCH EXEMPTION HAVE BEEN SATISFIED; AND

(3) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT OFFER, SELL, PLEDGE, OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT:

A) TO THE ISSUER OR ANY AFFILIATE THEREOF;

B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT (THE ISSUER HAVING NO OBLIGATION TO EFFECT ANY SUCH REGISTRATION);

C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT;

D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 UNDER REGULATION S UNDER THE SECURITIES ACT; OR

E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH THE FOREGOING, THE ISSUER AND THE FISCAL AGENT RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

6. You acknowledge that the Issuer, the Dealers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of Notes is no longer accurate, you will promptly notify the Issuer and the Dealers. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

LEGAL MATTERS

Cleary Gottlieb Steen & Hamilton LLP, Paris, France, have acted as U.S. and French legal counsel to the Issuer and the Guarantor in connection with the issuance of the Notes.

Davis Polk &Wardwell LLP, Paris, France, have acted as U.S. legal counsel to the Dealers in connection with the issuance of the Notes.

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ARRANGER

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台中銀行 TAICHUNG BANK

商品風險等級：PI1
客戶投資屬性：謹慎型以上之專業投資人

BPCE SA 美元半年配息第二類資本次順位債(BPCEGP 4.875% 04/01/2026 CORP)
產品主要條件暨投資風險預告書(產品代碼：BD160405)

【本檔商品僅限專業投資人申購】

【警語(注意事項)】本「產品主要條件暨投資風險預告書」僅就發行條件以中文說明供委託人參考，倘與公開說明書或最終英文產品說明書有歧異時，應以公開說明書或最終英文產品說明書之初級市場發行條件為準，故委託人應詳閱說明並自行判斷是否投資及承擔投資風險。有關本產品之公開說明書或最終英文產品說明書及贖回參考報價，請參閱網址 http://www.tcbbank.com.tw。本行係依法受託投資外國有價證券(即受託人，以下所稱受託人即為本行)，無法承諾發行機構或保證機構任何投資獲利或投資本金及孳息之保證。另影響海外有價證券價格變動之因素極為複雜，本行所揭露之風險預告事項係列舉大端，對於交易風險與影響市場行情的因素無法詳盡描述，茲此提醒客戶於交易前應充份瞭解海外有價證券之性質，及相關之財務、會計、稅制或法律等事宜，自行審度本身財務狀況及風險承受度，始決定是否進行投資。

壹、商品主要條件及說明(註：發行機構信用評等及債券信用評等資訊截至 2020/09/21)

產品代碼	BD160405
產品名稱	BPCE SA 美元半年配息第二類資本次順位債(BPCEGP 4.875% 04/01/2026 CORP)
發行機構	BPCE SA
發行機構介紹	法國 BPCE 銀行集團(Groupe BPCE)是法國第二大銀行集團，在 2009 年 6 月底由法國人民銀行和儲蓄銀行合併成立的，而 BPCE SA 為法國 BPCE 銀行集團(Groupe BPCE)之子公司。
發行機構信評	標準普爾長期債務信用評等 A+、穆迪長期債務信用評等 A1、惠譽長期債務信用評等 A+
債券信用評等	標準普爾債券信用評等 BBB+、穆迪債券信用評等 Baa2、惠譽債券信用評等 A-
債券順位	**次順位債券(其債權清償順序次於一般債權人之債券，故風險較高)** **節錄自英文產品說明書之相關規定如下：** 母公司: 法國 BPCE 銀行集團(Groupe BPCE) The Subordinated Notes are subordinated notes (constituting obligations under French law) issued pursuant to the provisions of Article L. 228-97 of the French Code de commerce.The principal and interest of the Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer ranking (i) junior to all present and future Senior Obligations, (ii) pari passu without any preference among themselves, (iii) pari passu with any other present and future direct, unconditional, unsecured and subordinated obligations of the Issuer (other than those that constitute Senior Obligations) and (iv) senior to any present and future prêts participatifs granted to the Issuer, titres participatifs issued by the Issuer and deeply subordinated obligations of the Issuer (engagements dits “super subordonnés” or engagements subordonnés de dernier rang).If any judgment is rendered by any competent court declaring the judicial liquidation (liquidation judiciaire) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the Holders of the Subordinated Notes shall be subordinated to the payment in full of creditors (including depositors) in respect of Senior Obligations and, subject to such payment in full, the Noteholders shall be paid in priority to any prêts participatifs granted to the Issuer, any titres participatifs issued by it and any deeply subordinated obligations of the Issuer (engagements dits “super subordonnés” or engagements subordonnés de dernier rang). In the event of incomplete payment of Senior Obligations, the obligations of the Issuer in connection with the Subordinated Notes will be terminated. The Noteholders shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.It is the intention of the Issuer that the

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	Subordinated Notes shall, for supervisory purposes, be treated as Tier 2 Capital, but that the obligations of the Issuer and the rights of the Noteholders under the Subordinated Notes shall not be affected if the Subordinated Notes no longer qualify as Tier 2 Capital.There is no negative pledge in respect of the Subordinated Notes.
資本類型	第二類資本(Tier2)
ISIN CODE	US05578UAE47
幣別	美元(USD)
發行日	2016 年 4 月 1 日
到期日	2026 年 4 月 1 日
觸發事件	若發生主管機關認定無法存續事件，將可能被轉換為股權。
提前買回事件	若發生稅務事件(Tax Event)或資本事件(Capital Event)，發行機構有權但無義務於任何時間點提前買回。
票面年利率	4.875%
配息日	4 月 1 日及 10 月 1 日(如遇假日則順延下一營業日)
配息頻率	每半年配息
計息基礎	30/360
發行量	美元 7.5 億元(USD 750,000,000)
發行價格	98.995%
發行面額	面額美元 200,000 元，並以面額美元 1,000 元累加
申購交易及限制	最低申購面額為美元 200,000 元 (200 單位面額(張))，並以面額美元 1,000 元 (1 單位面額(張))的整數倍數為增加單位。**本債券為次級市場交易商所提供之申購價格(內含通路服務費)，倘超過約定之申購價格或提供成交之單位數量無法符合時，受託人(本行)保有主動取消交易，無息退還申購價款之權利。**
贖回交易及限制	本債券單位數分配後即可依次級市場贖回報價申請提前贖回。最低贖回面額為美元 200,000 元，並以面額美元 1,000 元為累加；**除另有規定外，本債券可部份贖回，惟最低須保留面額美元 200,000 元以上之限制。**
次級市場申購價	面額×【未定】% 本債券為次級市場交易之債券，次級市場申購價格將於實際交易時確定。
到期返還價格	**債券面額 100%(請注意：非指委託人購入成本)**。 **若發行機構未發生違約情事，到期時發行機構將返還面額 100%本金，係指【債券面額】，非【實際成交金額】**。 (例如：若發行機構未發生信用風險違約之狀況下，委託人申購價格為 105%，持有至到期返還金額為面額 100%；反之，若客戶申購價格為 98%，持有至到期返還金額亦為面額 100%。)
營業日	法國、臺灣
文件	公開說明書(Offering Memorandum Supplement)
準據法	法國法
交割日	交易日後第三個營業日
交割(圈存)金額	申購當日須自委託人存款帳戶中圈存投資金額，不得動用，並於成交時自帳戶中扣除實際交割金額，若無順利成交或有差額，將於次一營業日解除圈存，請委託人注意帳戶之資金調度。 ● 圈存投資金額=【當日申購參考價×申購面額】 ● 實際交割金額=【實際成交價×申購面額】 **【前手息說明：**投資次級市場債券，交割日前債券之應計利息屬於前手(債券賣

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	方)。**惟前手息已納入買賣報價中計算。】**

貳、信託費用

信託手續費	申購時按申購金額(實際成交金額)之 3%計收，申購手續費採外加方式，於申購時一次收取。
信託管理費	本行每年收取信託本金之 0.15%，以日計收，並於贖回款中一併扣除。 **信託管理費=信託本金 × 0.15% × 持有期間/365**
通路服務費	**費率為[0-8%]，以信託本金乘上費率計算之，且年化後不超過信託金額之 0.5%，**由市場上相關經紀機構或交易對手，於債券申購交割時，一次給付受託銀行。 **委託人瞭解並同意受託人辦理本契約項下信託業務之相關交易時，自交易相對人取得之報酬、費用、折讓等各項利益，得作為受託人收取之信託報酬。**

參、投資風險揭露

相關風險	**商品限具「專業投資人」資格之客戶投資，其商品風險等級高於一般商品，投資時須審慎評估其投資風險，且確實知悉明瞭其所涉之可能主要風險如下：** ■ **最低收益風險(Minimum Return risk)** **發行機構如發生下述風險狀況時，最差狀況下委託人可能並無收益，最大損失為所有本金及利息。** ■ **信用風險(Credit Risk)** 本債券之**發行機構為 BPCE SA**，委託人須承擔債券發行機構之信用風險；而「信用風險」之評估，端視委託人對於本債券發行機構之信用評等價值之評估；本債券持有期間如有承諾配息收益或到期保證保本率，係由發行機構承諾，而非由受託銀行所承諾。換言之，**債券之發行機構違約，無法支付利息或債券本金時，委託人將可能無法領回原始全部投資本金及/或任何債券配息。** ■ **委託人兼受益人提前贖回的風險(Early Redemption Risk)** 發行機構未發生違約情事，於到期時，將依債券面額以原計價幣別 100%償付。本商品到期前，委託人如申請提前贖回，將導致您可領回金額低於原始投資金額（在最壞情形下，領回金額甚至可能為零），或者根本無法進行贖回。 ■ **利率風險(Interest Rate Risk)** 本債券自正式交割發行後，其存續期間之市場價格(mark to market value)將受發行幣別利率變動所影響；當該幣別利率調升時，債券之市場價格有可能下降，並有可能低於票面價格而損及原始投資金額；當該幣別利率調降時，債券之市場價格有可能上漲，並有可能高於票面價格而獲得額外收益。 ■ **流動性風險(Liquidity Risk)** **本債券不具備充份之市場流動性，對於金額過小之提前贖回指示單無法保證成交。**當委託人欲賣出債券時，可能會有尋找交易對手交易之困難，造成無法賣出債券或是以較市價為低的價格賣出。對於交易不活絡的債券，其流動性風險更大(例如:低利債券、發行量少的債券、最近被降低評等的債券及/或較為罕見之發行機構所發行的債券)，在流動性缺乏或交易量不足的情況下，債券之實際交易價格可能會與債券本身之單位資產價值產生顯著的價差(Spread)，將造成委託人若於債券到期前提前贖回，會發生可能損及信託原始投資金額的狀況，甚至在一旦市場完全喪失流動性後，委託人必須持有本債券直到滿期。 ■ **匯兌風險(Exchange Rate Risk)** **本債券屬外幣計價之投資產品，若委託人於投資之初係以新臺幣資金或非本產品計價幣別之外幣資金承作本債券者，須留意外幣之孳息及原始投資金額返還時，轉換回新臺幣資產時將可能產生低於投資本金之匯兌風險。**

	■ **事件風險(Event Risk)** 如遇發行機構發生重大事件，有可能導致債券評等下降(bond downgrades)。 ■ **國家風險(Country Risk)** 本債券發行機構之註冊國如發生戰亂等不可抗力之事件將導致委託人損失。 ■ **交割風險(Settlement Risk)** 本債券發行機構之註冊國或所連結標的之交易所或款券交割清算機構所在地，如遇緊急特殊情形、市場變動因素或逢例假日而改變交割規定，將導致暫時無法交割或交割延誤。 ■ **通貨膨脹風險(Inflation Risk)** 通貨膨脹將導致債券的實質收益下降。 ■ **發行機構行使提前買回風險(Call Risk)** **發行機構若行使提前本債券之權利(如有)，將縮短預期的投資期限。** ■ **再投資風險(Reinvestment Risk)** 委託人若選擇提前贖回或發行機構行使提前買回之權利(如有)，委託人將產生再投資風險。 ■ **稅務事件或不合法事件提前買回風險(Early Termination Risk)** **若因稅法、稅務改變或不合法事件，增加發行機構義務或產生適法性問題，發行機構有權提前買回本債券，並依產品說明書之條件決定買回價格。** ■ **具損失吸收能力 (Total Loss-Absorbing Capacity, TLAC)之債券風險** **本債券為具損失吸收能力 (Total Loss-Absorbing Capacity, TLAC)之債券，因應發行機構在發生營運困難時，得依其主管機關指示將本債券減記本金或轉換為發行人股權，可能導致客戶部分或全部債權減記、利息取消、債權轉換股權、修改債券條件如到期日、票息、付息日或暫停配息等變動。** ■ **稅負風險(Tax Risk)** 委託人如係在中華民國境內經營之營利事業，應依中華民國所得稅法規定，課徵營利事業所得稅。營利事業之總機構在中華民國境內者，應就其中華民國境內外全部營利事業所得，合併課徵營利事業所得稅。如營利事業之總機構在中華民國境外，而有中華民國來源所得者，應就其中華民國境內之營利事業所得，依中華民國所得稅法規定課徵營利事業所得稅。 委託人如係個人，應就其中華民國來源之所得，依中華民國所得稅法規定，課徵綜合所得稅。其海外所得則依中華民國所得基本稅額條例規定，全年海外所得達新臺幣 100 萬元者，須計入個人之基本所得額，倘個人基本所得額超過新臺幣 670 萬元者，即須依法令規定申報及繳納所得稅。未來若相關法令有所改變，則依當時相關法令規定辦理。 在不同司法管轄區將有不同的稅務處理方式，任何外國債券收益的稅務處理方式，應遵守委託人所在當地稅務法規。外國債券累計收益可能分散於債券年限內，而稅款的支付可能發生在債券到期前。債券贖回或在到期日前出售，亦可能涉及有關之稅負。委託人須完全承擔債券在司法管轄區及政府法令規定的稅負，包括但不限於印花稅、或其他因本債券所生之稅款或可能被收取之費用。本債券之收益將受發行機構與委託人所屬稅制之影響，如遇相關稅法變更，本債券之收益將不等同於發行之預期。 ■ **其他風險** 合併風險、市場風險、法律風險及政治風險等相關投資風險。

肆、注意事項與銷售限制

BPCE SA 美元半年配息第二類資本次順位債(BPCEGP 4.875% 04/01/2026 CORP)
產品主要條件暨投資風險預告書(產品代碼：BD160405)

注意事項	■ **本商品並非存款，不屬於存款保險條例所保障之範圍。** ■ 本債券非公開募集，產品主要條件暨投資風險預告書商品不得主動提供或寄發予客戶或一般大眾，已屬特定金錢信託客戶者不在此限。 ■ 本行受理申購及贖回採限價交易下單，並以本行每日公告之價格做為執行限價交易之指定價格，或由委託人提供指定價格，**惟本行不保證一定成交**，且不保證預約價格為交易日之最低價或最高價，另本行實際成交價將在交易日後次一個營業日提供。 ■ 債券配息日及到期日係以發行機構預定撥付孳息及本金之日(國外發行機構作業時間約需 5~7 個營業日)，本行需俟實際收到全部款項後 3~5 個營業日才能將之撥入委託人指定之存款帳戶。惟本債券之配息與本金之支付，其支付義務人為本債券之發行機構，本行(受託人)並未保證本債券之付款。 ■ **委託人得要求終止信託契約，依提前贖回之規定辦理，故委託人提前贖回並不保證返還面額 100%；另信託手續費(如有)及相關受託人報酬，不論委託人是否辦理提前贖回，均不予退還。** ■ 投資外國有價證券係屬國外證券交易所之交易，應遵照註冊地當地國家之法令及交易規定辦理。 ■ 本商品或委託人個別適用之稅法計算級距、基準與相關之免責或救濟均可能會隨時改變，並有可能對委託人之有關投資產生負面影響，因此於投資本商品前應洽詢合格之稅務顧問，以明確瞭解並決定是否接受本商品之購買、持有、轉讓、贖回或強制執行後具體的稅務影響。 ■ 發行機構如無法履行清償責任時，本行將於得知該情事後立即通知委託人，並視不同情況為之；例如於發行機構受破產宣告時，本行將以受託人之名義為委託人之利益，依破產程序參加債權人會議並請求破產財團清償本債務，惟上述相關費用需由委託人另行負擔之。 ■ **本「產品主要條件暨投資風險預告書」中有關初級市場發行條件及說明係為本債券發行條件之重點摘要，惟實際完整交易條款載明於發行機構之(公開)說明書中(Prospectus or Prospectus Supplement or Pricing Supplement or Final terms or etc.)，本行將提供公開說明書，且提供委託人投資外國有價證券之信託服務平台，並未針對特定債券承銷發行，亦無自發行機構取得任何對價，委託人係透過信託平台於次級市場上取得本債券，故發行機構無法提供中文版公開說明書。任何委託人應獨立審閱本說明書所提供資訊之適當性，並自行依其自身特殊狀況做成對本交易之經濟利益、交易風險及法律、管制、稅務及會計觀點之結論。** ■ **交易糾紛申訴管道：如投資人對本產品說明書之內容有任何疑問，請洽各營業單位理財業務人員，或可撥打 24 小時客戶服務專線，市話請撥：4499888，免付費服務專線：0809096888。**
銷售限制	**美國銷售限制：本債券不得銷售美國公民、美國居民或具有美國永久居留權之委託人。委託人承諾於取得美國公民或居民身分後，應立即通知本行(受託人)贖回已投資之標的。委託人如未主動告知其美國人身分而使受託人遭受任何損害或有損害之虞，一經受託人請求，委託人應立即予以處理或賠償。**

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產品主要條件暨投資風險預告書(產品代碼：BD160405)

伍、聲明事項：

委託人兼受益人(以下簡稱本人)已接受貴行理財業務人員解說本產品之內容、主要風險及相關交易資訊，特聲明如下：

一、本「產品主要條件暨投資風險預告書」有關產品條件乃節錄自發行機構之英文(公開)說明書，如有疑義應以發行機構之英文(公開)說明書為準，所提供之資訊不作為買進或賣出之依據或建議。貴行並無對本人提供外國有價證券交易之投資諮詢或顧問之義務，貴行得在適用法律允許範圍內，依本人請求而提供諮詢，但本人仍應依自行之判斷從事交易。

二、本人已充分閱讀本「產品主要條件暨投資風險預告書」所載內容，簽名確認接受本產品之相關交易條件，並充分瞭解相關權利義務、產品特性及投資風險。俟交易確定，所有損益由本人完全承擔，本人絕不以對風險認知不足或其他理由，要求貴行對交易風險所造成本人損失負擔任何責任。

三、本人已攜回審閱本「產品主要條件暨投資風險預告書」及「英文(公開)說明書(可向理財業務人員索取或逕自台中銀行網站(http://www.tcbbank.com.tw)下載)」(審閱期間至少五日)，瞭解並同意上開內容約定及風險說明，接受所投資商品之交易條款及其各項費用，並確認已收執本「產品主要條件暨投資風險預告書」之副本（與貴行正本內容相符）乙份無誤。

四、本人已明白瞭解若於投資之初係以新臺幣資金換匯承作者，當原始投資金額返還且轉換回新臺幣資產時，將可能產生低於投資本金之匯兌風險；且瞭解債券交易有買賣價差；另本商品限具有「專業投資人」資格者投資，其商品風險高於一般，本人已明白瞭解【參、投資風險揭露】之所涉風險，且知悉具「專業投資人」資格者不適用金融消費者保護法。

五、本人已明白瞭解本債券係屬次順位債券，故債權清償順序次於一般債權人之債券。換言之，係指一旦債券發行機構發生信用事件時，其債權清償順序次於一般債權人。另外，由於次順位債券的債權效力較一般優先無擔保債券為低，故投資風險較高，其發債時票面利率通常較一般優先無擔保債券為高。

本人確認理財業務人員已向本人交付本「產品主要條件暨投資風險預告書」並解說其內容，本人已充分審閱本商品相關內容、契約及【伍、聲明事項】之相關聲明事項，已了解投資商品訊息及相關風險且有能力並願承擔此類風險。

此 致

台中商業銀行

委託人兼受益人信託原留印鑑：_____

身分證統一編號/營利事業統一編號：_____

法定代理人簽章：_____／_____

簽署日期：_____

見簽人：	信託經辦/核印：	作業主管覆核：
理財業務人員/代號：	轉介員/代號：	(請加蓋承辦單位章戳)

此為外國有價證券(海外債券)非一般銀行存款，不受存款保險之承保範圍；委託人於投資前應詳閱「產品主要條件暨投資風險預告書」，自行判斷是否投資且承擔投資風險。(「產品主要條件暨投資風險預告書」壹式貳份，分別由客戶收執及營業單位留存)【10912 版】