

SUPPLEMENT TO THE  
EXCHANGE OFFERING MEMORANDUM



Offers to Exchange  
New Undated Deeply Subordinated Notes of BPCE (To Be Issued in Four Series)  
for

Seven Issues of Outstanding Tier 1 Securities Issued by Natixis, NBP Capital Trust I and NBP Capital Trust III

<http://www.oblible.com>

This Supplement relates to the Exchange Offering Memorandum, dated July 3, 2009, relating to seven offers made by BPCE to exchange new deeply subordinated notes issued by BPCE, issuable in four series (the “**New Notes**”), for outstanding existing securities of Natixis (the “**Exchange Offering Memorandum**”). The purpose of this Supplement is to set forth the final principal amount of new notes of each series to be issued by BPCE, to provide the definitive terms and conditions of the new notes and to provide certain other information.

Terms defined in the Exchange Offering Memorandum shall have the same meaning when used in this Supplement.

The Exchange Offering Memorandum constitutes a prospectus (a “**Prospectus**”), for the purposes of Directive n°2003/71/EC (the “**Prospectus Directive**”) and the Luxembourg Law dated 10 July 2005 on prospectuses for securities, and this Supplement constitutes a supplement to the Prospectus for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 on prospectuses for securities. Application has been made for the New Notes to be listed on the Official List of the Luxembourg Stock Exchange (the “**Luxembourg Stock Exchange**”) and to be traded on the regulated market of the Luxembourg Stock Exchange, which is an EU regulated market within the meaning of Directive 2004/39/EC (the “**EU regulated market of the Luxembourg Stock Exchange**”). The Prospectus, as supplemented hereby, has been approved by the *Commission de Surveillance du Secteur Financier* solely for the purpose of admitting the New Notes to trading on the EU regulated market of the Luxembourg Stock Exchange.

This Supplement will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The New Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”). The New Notes are being offered and sold in the United States only to qualified institutional buyers as defined in Rule 144A under the Securities Act. Prospective purchasers are notified that sellers of the New Notes may rely on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the offering is being made in reliance on Regulation S under the Securities Act.

The Dealer Managers for the Offers are:

**BNP Paribas**

**NATIXIS**

August 5, 2009

TABLE OF CONTENTS

	<u>Page</u>
Responsibility Statement .....	1
About this Supplement .....	2
Recent Developments Relating to the Issuer .....	3
Update of Information Relating to the Exchange Offers and the New Notes.....	5
Terms and Conditions of the Series EUR-1 New Notes .....	A1-1
Terms and Conditions of the Series EUR-2 New Notes .....	A2-1
Terms and Conditions of the Series USD-1 New Notes .....	A3-1
Terms and Conditions of the Series USD-2 New Notes .....	A4-1

## **RESPONSIBILITY STATEMENT**

BPCE (whose registered office appears on the inside back cover of this Supplement) accepts responsibility for the information contained (or incorporated by reference) in this Supplement and in the Exchange Offering Memorandum. BPCE, having taken all reasonable care to ensure that such is the case, confirms that the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

## ABOUT THIS SUPPLEMENT

The information contained in this Supplement has been provided by BPCE. No person is authorized to give information other than that contained in the Exchange Offering Memorandum, as supplemented hereby, or in the documents incorporated by reference in the Exchange Offering Memorandum. Investors should not assume that the information contained in the Exchange Offering Memorandum, as supplemented hereby, is accurate as of any date other than the date on the front of this Supplement.

In deciding whether to invest in the New Notes, investors must rely on their own review of BPCE's business (and that of its predecessors) and related matters and the terms of the New Notes, including the merits and risks involved. Investors should not construe the contents of the Exchange Offering Memorandum, as supplemented hereby, as legal, business or tax advice. Investors should consult their attorneys, business advisors or tax advisors as to legal, business or tax advice.

The distribution of the Exchange Offering Memorandum and this Supplement, and the offer and sale of the New Notes, may be restricted by law in certain jurisdictions. If this document comes into your possession, we require you to inform yourself of and to observe all of these restrictions. The Exchange Offering Memorandum and this Supplement 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.

The Exchange Offering Memorandum contains restrictions on its distribution and on the offer and sale of the New Notes, which apply *mutatis mutandis* to this Supplement. In particular, these restrictions apply to investors in the European Economic Area, France, the United Kingdom, Italy (where investors were not eligible to participate in the Offers), the United States, Hong Kong, Singapore and Switzerland.

**This Supplement is not complete and must be read in conjunction with, and as a supplement to, the Exchange Offering Memorandum. In particular, investors should consider the information set forth under "Forward Looking Statements" and "Risk Factors" in the Exchange Offering Memorandum in considering an investment in the New Notes.**

## RECENT DEVELOPMENTS RELATING TO THE ISSUER

### General Shareholders Meeting of July 9, 2009

On July 9, 2009, the Issuer's general shareholders meeting was held. At this meeting, the shareholders approved the change of the name of the Issuer from CEBP to BPCE.

### General Shareholders Meetings of July 31, 2009 and Completion of the Combination Transactions

On July 31, 2009, the Issuer's general shareholders meeting was held. In addition, both CNCE and BFBP held general shareholders meetings on the same date. At these meetings:

- The Combination Transactions (including the related contributions of businesses, assets and liabilities to BPCE) were approved by the shareholders of BPCE, CNCE and BFBP, and the Combination Transactions were effectively completed on the terms described in the Exchange Offering Memorandum.
- The members of the Supervisory Board were elected, as described below under "Supervisory Board and Management Board."
- The Issuer's registered office was changed to 50, avenue Pierre Mendès-France, 75013 Paris, France.

### Supervisory Board and Management Board

At the Issuer's general shareholders meeting of July 31, 2009, the members of the Issuer's Supervisory Board were elected. The members include all of the persons described in the Exchange Offering Memorandum under the heading "Management of BPCE – Supervisory Board."

In addition, the French State's representatives were elected as members of BPCE's Supervisory Board. These representatives were Mr. Ramon Fernandez and Mr. Hervé de Villeroché, as well as two independent members, Mrs. Laurence Danon-Arnaud and Mr. Marwan Lahoud. The following table sets forth information regarding these representatives.

<u>Name</u>	<u>Principal Activity</u>
Ramon Fernandez .....	Director General of <i>Direction générale du Trésor et de la politique économique</i> (Treasury and Economic Policy Directorate in the Ministry of the Economy, Industry and Employment, or DGTPE)  <i>Business address:</i> DGTPE, Ministère de l'Economie, 139 rue de Bercy, 75012 Paris
Hervé de Villeroché .....	Head of Financing at DGTPE and <i>censeur</i> on the General Council of the Banque de France  <i>Business address:</i> DGTPE, Ministère de l'Economie, 139 rue de Bercy, 75012 Paris
Laurence Danon-Arnaud (independent member) .....	Member of the Management Board, Compagnie Financière Edmond de Rothschild  <i>Business address:</i> Compagnie Financière Edmond de Rothschild, 47 rue du Faubourg Saint-Honoré, 75008 Paris

Marwan Lahoud (independent member)

Chief Strategy and Marketing Officer, European Aeronautic Defense and Space Company (EADS)

*Business address:* EADS, 37 boulevard de Montmorency, 75016 Paris

The Supervisory Board of BPCE held its first meeting on July 31, 2009. At this meeting, the persons described in the Exchange Offering Memorandum under the heading “Management of BPCE – Management Board” were named as members of the Management Board.

The Management Board of BPCE also held its first meeting on July 31, 2009. At this meeting, the Management Board authorized the issuance of the New Notes and delegated the authority to determine the definitive terms and conditions of the New Notes to the persons indicated in the Terms and Conditions of the New Notes in Annex A hereto.

### **Decision of Paris Court of Appeals of July 31, 2009**

On July 31, 2009, the Paris Court of Appeals decided that the works council (*comité d’entreprise*) of the Caisse d’Epargne Ile-de-France (CEIDF) did not receive sufficient information during the consultation process relating to the creation of the new central body, BPCE. The decision overturned a prior decision of the *Tribunal de Grande Instance* of July 10, 2009, which found that the information provided was sufficient. In response, CEIDF has initiated further legal proceedings with a view to establishing that it respected its undertakings to the works council, and it has also called a meeting of the works council for August 19, 2009.

The decision does not in any way affect the transactions in which BPCE became the central body of Groupe BPCE, nor does it affect any of the decisions taken at the shareholders meeting of July 31, 2009, at which CEIDF’s participation was valid, or the consumation of the Contribution Transactions. It also does not impact the role of BPCE as central body, including with respect to the financial solidarity mechanism.

## UPDATE OF INFORMATION RELATING TO THE EXCHANGE OFFERS AND THE NEW NOTES

### Results of the Exchange Offers

BPCE has accepted a total of €661.9 million principal amount (or liquidation amount) of Euro-denominated Existing Securities and US\$751.1 million principal amount (or liquidation amount) of U.S. dollar-denominated Existing Securities for exchange in the offers (see “—Existing Securities Accepted for Exchange” below), and will issue an aggregate principal amount of €426.8 million of Euro-denominated New Notes and U.S.\$577.3 million of U.S. dollar-denominated New Notes (as detailed below).

### *New Notes of BPCE to Be Issued*

BPCE will issue an aggregate principal amount of €52.4 million of its Series EUR-1 New Notes, €374.5 million of its Series EUR-2 New Notes, US\$133.6 million of its Series USD-1 New Notes and US\$443.7 million of Series USD-2 New Notes pursuant to the Offers (in each case including New Notes issued in respect of accrued interest on Existing Securities). The New Notes issued by BPCE will count as Tier 1 capital for French bank regulatory purposes, as was the case for the existing Natixis securities. Settlement and delivery of the New Notes is expected to occur on or about August 6, 2009.

Information regarding BPCE’s New Notes is set forth in the table below:

Series	ISIN	Principal Amount	Issue Price	Coupon	Call Date	Fixed-to-Floating Interest Rate	Step-Up Margin (in basis points)
EUR - 1	FR0010777516	€52,356,000	100%	13.0%	Sep. 30, 2015	No	n.a.
EUR - 2	FR0010777524	€374,450,000	100%	12.5%	Sep. 30, 2019	Yes	1313
USD - 1	FR0010777532	US\$133,560,000	100%	13.0%	Sep. 30, 2015	No	n.a.
USD - 2	US05571AAA34 (144 A)/ USF11494AA36 (Reg S)	US\$443,690,000	100%	12.5%	Sep. 30, 2019	Yes	1298

### ***Existing Securities Accepted for Exchange***

The table below sets forth the principal amount (or liquidation amount in the case of the trust preferred securities) of each series of Existing Securities that BPCE has accepted for exchange. The table also sets forth the offer acceptance rate for each offer.

<b>Series of Existing Securities</b>	<b>ISIN</b>	<b>Principal/Liquidation Amount Accepted for Exchange</b>	<b>Offer Acceptance Rate for Each Offer</b>
€300 million Natixis Undated Deeply Subordinated Floating Rate Notes issued on January 25, 2005	FR0010154278	€115,285,000	38%
€200 million NBP Capital Trust I 8.32% Non-cumulative Trust Preferred Securities issued on June 28, 2000	XS0113462609	€168,167,000	84%
€750 million Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes issued on October 18, 2007	FR0010531012	€378,400,000	50%
€150 million Natixis Undated Deeply Subordinated Perpetual Fixed to Floating Rate Notes issued on March 31, 2008	FR0010600163	-	-
US\$200 million NBP Capital Trust III 7.375% Noncumulative Trust Preferred Securities issued on October 27, 2003	XS0176710068	US\$57,575,000	29%
US\$300 million Natixis U.S. Dollar Denominated Fixed Rate Undated Deeply Subordinated Non-Cumulative Notes issued on April 16, 2008	FR0010607747	US\$129,474,000	43%
US\$750 million Natixis Subordinated Fixed to Floating Rate Notes issued on April 30, 2008	US63872AAA88 (144A)/ USF6483LHM57 (Reg. S)	US\$564,068,000	75%

### ***Improved Capital Ratios for BPCE and Natixis***

The results of the exchange offers will have the effect of improving the quality of the consolidated regulatory capital of BPCE and Natixis. The Core Tier 1 ratio (pro forma March 31, 2009) of BPCE (including BPCE as central body and its consolidated affiliates) is expected to increase by 0.2 percentage points as a result of the offers. Following the expected transfer of the exchanged Existing Securities to Natixis for cancellation and the issuance by Natixis of new Tier 1 deeply subordinated notes to BPCE, the Core Tier 1 ratio (pro forma March 31, 2009) of Natixis is expected to increase by approximately 0.2 percentage points.

### **Amendments to Exchange Offering Memorandum**

**In the section “Terms and Conditions of the Series USD-1 New Notes”, the second paragraph of section 4.1 is amended to read as follows:**

The Interest Amount for a Note of a denomination of US\$1,500 for the initial period from (and including) August 6, 2009 to (but excluding) September 30, 2010 will be US\$224.38.

**In the section “Terms and Conditions of the Series USD-2 New Notes”, the final sentence of section 4.2.1 is amended to change the amount of US\$121.88 to US\$81.25, so that the sentence now reads as follows:**

The Fixed Rate Interest Amount per \$1,000 principal amount of Notes for the first Fixed Rate Interest Payment Date will be US\$81.25.



**Change of Fiscal Agent for Series USD-2 Securities**

The Fiscal Agent for the Series USD-2 Securities will be Deutsche Bank Trust Company Americas, the address of whose specified office is set forth in the Exchange Offering Memorandum (as Deutsche Bank Trust Company Americas was already to be designated as a U.S. paying agent), and on the inside back cover of this Supplement.

## TERMS AND CONDITIONS OF THE SERIES EUR-1 NEW NOTES

The issue outside the Republic of France of the Euro (EUR) 52,356,000 Deeply Subordinated Fixed Rate Notes (the **Notes**) was decided on August 4, 2009 by Mr Roland Charbonnel, *Directeur du département Emissions et Communication Financière* of BPCE (the **Issuer**), acting pursuant to a resolution of the Management Board (*directoire*) of the Issuer dated July 31, 2009. The Notes are issued with the benefit of a fiscal agency agreement (the **Fiscal Agency Agreement**) dated on or about August 6, 2009 between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**, which expression shall, where the context so admits, include any successor for the time being of the Fiscal Agent), as calculation agent (the Calculation Agent, which expression shall, where the context so admits, include any successor for the time being of the Calculation Agent) and as paying agent (the **Paying Agent**, which expression shall, where the context so admits, include any successor for the time being of the Paying Agent). Reference below to the Agents shall be to the Fiscal Agent, the Paying Agent and/or the Calculation Agent, as the case may be. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Agents. References below to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

### 1 DEFINITIONS

For the purposes of these Conditions:

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

**Actual/Actual - ICMA** means,

- (A) If the Calculation Period is equal to or shorter than the Interest Period during which the number of days in such Calculation Period divided by the product of (x) the number of days in such Interest Period and (y) the number of Interest Periods normally ending in any year; or
- (B) If the Calculation Period is longer than one Interest Period, the sum of:
  - (1) the number of days in such Calculation Period falling in the Interest Period in which the Calculation Period begins divided by the product of (x) the number of days in such Interest Period and (y) the number of Interest Periods normally ending in any year; and
  - (2) the number of days in such Calculation Period falling in the next Interest Period divided by the product of (x) the number of days in such Interest Period and (y) the number of Interest Periods normally ending in any year.

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

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

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

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

- (i) declared or paid a dividend (whether in cash, shares or any other form), or more generally made a payment of any nature, on any classes of shares, on other equity securities issued by the Issuer or

on other deeply subordinated notes or any other securities which rank pari passu with the Notes, in each case to the extent categorised as Tier 1 Capital, unless such payment on other deeply subordinated notes or other securities which rank pari passu with the Notes was required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or

- (ii) redeemed, either by cancellation or by means of amortissement (as defined in Article L. 225-198 of the French Code de commerce), repurchased or otherwise acquired any shares, whatever classes of shares, if any, they belong to, or any other equity securities issued by the Issuer, by any means,

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

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

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

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

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

**First Call Date** means September 30, 2015.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **2 FORM, DENOMINATIONS AND TITLE**

The Notes are issued in dematerialised bearer form (*au porteur*) in denominations of EUR 1,000. Title to the Notes will be evidenced in accordance with Article L. 211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including certificats représentatifs pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France S.A. (**Euroclear France**) which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holder** shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). The Notes have been accepted for clearance through Euroclear France under the ISIN Code FR0010777516.

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

### 3 STATUS OF THE NOTES AND SUBORDINATION

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

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

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

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

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

There is no negative pledge in respect of the Notes.

### 4 INTEREST AND INTEREST SUSPENSION

#### 4.1 General

The Notes bear interest on their Principal Amount from (and including) August 6, 2009 (the Issue Date) at 13.0 per cent. per annum (the **Interest Rate**) payable annually in arrear on or about September 30 of each year (each an **Interest Payment Date**) commencing on or about September 30, 2010; *provided, however*, that, if any Interest Payment Date would otherwise fall on a date which is not a TARGET2 Business Day, it will be postponed to the next TARGET2 Business Day.

The Interest Amount for a Note of a denomination of €1,000 for the initial period from (and including) August 6, 2009 to (but excluding) September 30, 2010 will be EUR 149.59.

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

Interest will cease to accrue on the Notes on the due date for redemption thereof unless, upon such due date, payment of principal is improperly withheld or refused or if default is otherwise made in respect of

payment thereof. In such event, interest will continue to accrue at the relevant rate as specified in the preceding paragraph (as well after as before judgment) on the Original Principal Amount of the Notes until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholder.

## 4.2 Fixed Interest Rate

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

## 4.3 Interest Payable

### 4.3.1 On Optional Interest Payment Dates

- (i) Payment of Interest on Optional Interest Payment Dates The Issuer may pay interest on any Optional Interest Payment Date. The Issuer may elect not to pay interest on any Optional Interest Payment Date in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure. Interest with respect to any Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period, in accordance with Conditions 4.2.2.

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

- (ii) Occurrence of a Supervisory Event

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

- Interest with respect to the period between the preceding Interest Payment Date and the Supervisory Event shall accrue on the Principal Amount of the Notes, on the basis of the number of days elapsed between such preceding Interest Payment Date and such Supervisory Event (the **A Interest**). However, the payment of such A Interest shall automatically be suspended. In addition, the amount of A Interest may be reduced to absorb losses pursuant to Condition 5.1 (*Loss Absorption*). A Interest may be payable in accordance with the provisions of paragraph (iii) below.

- No Interest shall accrue nor be payable by the Issuer with respect to any Interest Period during the period starting on the date of the Supervisory Event and ending on the date of the End of Supervisory Event.
- (iii) After End of Supervisory Event Subject to the relevant Interest Payment Date being an Optional Interest Payment Date, in respect of any Interest Payment Date which occurs as from the End of Supervisory Event, interest will accrue and be calculated as follows:
- As from the date of the End of Supervisory Event until the next succeeding Interest Payment Date, interest shall accrue on the Principal Amount, on the basis of the number of days elapsed between the date of End of Supervisory Event and the next succeeding Interest Payment Date.
  - Interest with respect to any succeeding Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period.

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

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

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

#### 4.3.2 On Compulsory Interest Payment Dates

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

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

Interest payable on any Compulsory Interest Payment Date will be calculated on the basis of the then Principal Amount, in accordance with Conditions 4.2.2.

## 5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

### 5.1 Loss Absorption

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

If the share capital increase or any other proposed measures are not accepted by the extraordinary shareholders' meeting of the Issuer, or if the share capital increase adopted by such extraordinary shareholders' meeting is insufficiently subscribed to remedy the Supervisory Event in full, or if



the Supervisory Event remains on the last day of the relevant Interim Period during which the Supervisory Event has occurred, the management board of the Issuer will implement within ten days following the last day of the relevant Interim Period a reduction of the amount of A Interest, and if necessary of the Principal Amount of the Notes so as to enable the Issuer to continue its activities.

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

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

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

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

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

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

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

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

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

It is also specified that, on the tenth calendar day following the last day of the financial year during which the Supervisory Event has occurred, the implementation of any loss absorption(s)



related to the Notes pursuant to this Condition shall not result in an aggregate reduction exceeding, at such date, the prorata reduction of the other deeply subordinated notes or other security which rank *pari passu* with the Notes issued by the Issuer.

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

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

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

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

## **5.2 Return to Financial Health**

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

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

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

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

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

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

- (i) any declaration or payment of a dividend (whether in cash, shares or any other form), or more generally any payment of any nature, by the Issuer, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was

required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or

- (ii) any redemption, either by cancellation or by means of *amortissement* (as defined in Article L. 225-198 of the French *Code de commerce*), repurchase or acquisition of any shares, whatever classes of shares, if any, they belong to, or of any other equity securities issued by the Issuer, by any means; or
- (iii) any optional redemption by the Issuer of (1) the Notes, in accordance with Condition 6.2(a) (*General Call Option*) or 6.2(b) (*Redemption for Taxation Reasons or Regulatory Reasons*), or (2) any other deeply subordinated notes or other securities which rank *pari passu* with the Notes, in accordance with their terms.

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

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

## **6 REDEMPTION AND PURCHASE**

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

### **6.1 No Final Redemption**

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

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

#### **(a) General Call Option**

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

#### **(b) Redemption for Taxation Reasons or Regulatory Reasons**

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 (*Taxation*) below, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*)

and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 (*Taxation*) below, then the Issuer shall forthwith give notice of such fact to the Paying Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes then outstanding at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid.
- (iii) If, by reason of any change in French law, any change in the official application or interpretation of such law, or any other change in the tax treatment of the Notes, becoming effective after the Issue Date, interest payment under the Notes is no longer tax-deductible by the Issuer for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes.
- (iv) If, by reason of any change in French law, any change in the official application or interpretation of such law, becoming effective after the Issue Date, the proceeds of the Notes cease to qualify as Tier 1 Capital, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest date on which the proceeds of the Notes could qualify as Tier 1 Capital.

### **6.3 Purchases**

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

### **6.4 Cancellation**

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

## **7 PAYMENTS AND CALCULATIONS**

### **7.1 Method of Payment**

Payments in respect of principal and interest on the Notes will be made in Euro by credit or transfer to a Euro denominated account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank in a country within the TARGET2 System. Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Principal Paying Agent, as the case may be, in respect of such payment.

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

### **7.2 Payments on Business Days**

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

For the purposes of this Condition, **Business Day** means any day which is a TARGET2 Business Day.

### **7.3 Fiscal Agent, Paying Agent and Calculation Agent**

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

FISCAL AGENT, CALCULATION AGENT AND PAYING AGENT

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

United Kingdom  
Tel: +44 (0) 20 7547 5000

#### PARIS PAYING AGENT

Deutsche Bank AG, Paris Branch  
3, avenue de Friedland  
75008 Paris  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent and/or appoint a substitute Fiscal Agent, Paying Agent, Calculation Agent or approve any change in the office through which the Fiscal Agent, the Calculation Agent or the Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, and (ii) so long as any Note is outstanding, a Calculation Agent having a specified office in a European city. If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Notes, the Issuer shall appoint some other leading European bank engaged in the Euro inter-bank market (acting through its principal office in the Euro-zone) to act in its place, subject to having given notice to the Noteholders in accordance with Condition 11 (Notices) not more than 45 nor less than 30 days prior to such appointment. The Calculation Agent may not resign its duties without a successor having been so appointed. Any notice of a change in Fiscal Agent, Paying Agent, Calculation Agent or their specified office shall be given to Noteholders as specified in Condition 11 (Notices).

#### **7.4 Certificates to be final**

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

### **8 TAXATION**

#### **8.1 Withholding Tax Exemption**

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

#### **8.2 Additional Amounts**

If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no

such withholding or deduction been required; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note:

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

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

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

## 9 EVENT OF DEFAULT

If any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason then the Notes shall become immediately due and payable, in accordance with Condition 3 (*Status of the Notes and Subordination*).

## 10 REPRESENTATION OF THE NOTEHOLDERS

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

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

### 10.1 Legal Personality

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

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

## 10.2 Representative

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

- (a) the Issuer, the members of its Board of Directors (*Conseil d'Administration*), Executive Board (*Directoire*), its Supervisory Board (*Conseil de Surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (b) Companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'Administration*), Executive Board (*Directoire*) or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (c) Companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (d) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative of the Masse:

Alice Bonardi  
3 rue Taitbout  
75009 Paris  
France

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

Eric Noyer  
3 rue Taitbout  
75009 Paris  
France

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

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

The Representative will not be entitled to any remuneration.

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



### **10.3 Powers of the Representative**

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

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

### **10.4 General Assemblies of Noteholders**

General assemblies of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the general assembly. If such general assembly has not been convened within two months from such demand, such Noteholders may commission one of themselves to petition a Court sitting in the jurisdiction of the Court of Appeal of Paris to appoint an agent (*mandataire*) who will call the meeting.

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

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

### **10.5 Powers of General Assemblies**

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

A general assembly may further deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that a general assembly may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares, and that no amendment to the terms and conditions of the Notes may be approved until the consent of the SGCB has been obtained in relation to such amendment.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such meeting or represented thereat. In accordance with Article R. 228-71 of the French *Code de Commerce*, the right of each Noteholder to participate in general assemblies will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general assembly.

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



## **10.6 Information to the Noteholders**

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

## **10.7 Expenses**

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

## **11 NOTICES**

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

## **12 PRESCRIPTION**

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

## **13 FURTHER ISSUES**

The Issuer may from time to time, subject to the prior written approval of the SGCB but without the consent of the Noteholders, issue further notes to be assimilated (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

## **14 GOVERNING LAW AND JURISDICTION**

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

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

## TERMS AND CONDITIONS OF THE SERIES EUR-2 NEW NOTES

The issue outside the Republic of France of the Euro (**EUR**) 374,450,000 Deeply Subordinated Fixed to Floating Rate Notes (the **Notes**) was decided on August 4, 2009 by Mr Roland Charbonnel, *Directeur du département Emissions et Communication Financière* of BPCE (the **Issuer**), acting pursuant to a resolution of the Management Board (*directoire*) of the Issuer dated July 31, 2009. The Notes are issued with the benefit of a fiscal agency agreement (the **Fiscal Agency Agreement**) dated on or about August 6, 2009 between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**, which expression shall, where the context so admits, include any successor for the time being of the Fiscal Agent), as calculation agent (the **Calculation Agent**, which expression shall, where the context so admits, include any successor for the time being of the Calculation Agent) and as paying agent (the **Paying Agent**, which expression shall, where the context so admits, include any successor for the time being of the Paying Agent). Reference below to the **Agents** shall be to the Fiscal Agent, the Paying Agent and/or the Calculation Agent, as the case may be. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Agents. References below to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

### 1 DEFINITIONS

For the purposes of these Conditions:

**A Interest** has the meaning set forth in Condition 4.4 (*Interest Payable*).

**Actual/360** means, in respect of any period, the actual number of days in the relevant period divided by 360.

**Actual/Actual - ICMA** means,

(A) If the Calculation Period is equal to or shorter than the Fixed Interest Period during which the number of days in such Calculation Period divided by the product of (x) the number of days in such Fixed Interest Period and (y) the number of Fixed Interest Periods normally ending in any year; or

(B) If the Calculation Period is longer than one Fixed Interest Period, the sum of:

(1) the number of days in such Calculation Period falling in the Fixed Interest Period in which the Calculation Period begins divided by the product of (x) the number of days in such Fixed Interest Period and (y) the number of Fixed Interest Periods normally ending in any year; and

(2) the number of days in such Calculation Period falling in the next Fixed Interest Period divided by the product of (x) the number of days in such Fixed Interest Period and (y) the number of Fixed Interest Periods normally ending in any year.

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

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

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

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

(i) declared or paid a dividend (whether in cash, shares or any other form), or more generally made a payment of any nature, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, in each cases to the extent categorised as Tier 1 Capital, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or

(ii) redeemed, either by cancellation or by means of *amortissement* (as defined in Article L. 225-198 of the French *Code de commerce*), repurchased or otherwise acquired any shares, whatever classes of shares, if any, they belong to, or any other equity securities issued by the Issuer, by any means,

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

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

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

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

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

**First Call Date** means September 30, 2019.

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

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

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

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

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

**Floating Rate Interest Amount** means the amount of interest, if any, payable in respect of the Notes in accordance with Condition 4.3 (*Floating Interest Rate*).

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

**Floating Rate Interest Period** means the period beginning on (and including) September 30, 2019 (being the First Call Date) and ending on (but excluding) the first Floating Rate Interest Payment Date and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date.

**Interest Amount** means the Fixed Rate Interest Amount and the Floating Rate Interest Amount.

**Interest Payment Date** means the Fixed Rate Interest Payment Dates and the Floating Rate Interest Payment Dates.

**Interest Period** means the Fixed Rate Interest Periods and the Floating Rate Interest Periods.

**Interest Rate** means the Fixed Interest Rate and the Floating Interest Rate.

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

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

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

**Margin** means 13.13 per cent. per annum.

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

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

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

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

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

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

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

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

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

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

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

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

## 2 FORM, DENOMINATIONS AND TITLE

The Notes are issued in dematerialised bearer form (*au porteur*) in denominations of EUR 1,000. Title to the Notes will be evidenced in accordance with Article L. 211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France S.A. (**Euroclear France**) which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holder** shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). The Notes have been accepted for clearance through Euroclear France under the ISIN Code FR0010777524.

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

## 3 STATUS OF THE NOTES AND SUBORDINATION

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

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

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

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

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

There is no negative pledge in respect of the Notes.

## 4 INTEREST AND INTEREST SUSPENSION

### 4.1 General

The Notes bear interest on their Principal Amount from (and including) August 6, 2009 (the “**Issue Date**”) at 12.5 per cent. per annum (the “**Fixed Interest Rate**”) payable annually in arrear on or about September 30 of each year (each a “**Fixed Rate Interest Payment Date**”) commencing on or about September 30, 2010 until the First Call Date (included) and thereafter at the floating interest rate as determined by the Calculation Agent in accordance with Condition 4.3 (*Floating Interest Rate*) below (the “**Floating Interest Rate**”) payable quarterly in arrear on or about March 31, June 30, September 30 and December 31 of each year (each a “**Floating Rate Interest Payment Date**”) commencing on or about December 31, 2019; *provided, however, that*, if (i) any Fixed Rate Interest Payment Date would otherwise fall on a date which is not a TARGET2 Business Day, it will be postponed to the next TARGET2 Business Day and (ii) any Floating Rate Interest Payment Date would otherwise fall on a date which is not a TARGET2 Business Day, it will be postponed to the next TARGET2 Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding TARGET2 Business Day.

For the avoidance of doubt

- (i) in respect of Fixed Rate Interest Periods, Interest Amounts will not be adjusted if an Interest Payment Date is not a TARGET2 Business Day;
- (ii) in respect of Floating Rate Interest Periods, Interest Amounts will be adjusted if an Interest Payment Date is not a TARGET2 Business Day.

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

### 4.2 Fixed Interest Rate

- 4.2.1 The amount of interest (the “**Fixed Rate Interest Amount**”) payable on each Fixed Rate Interest Payment Date (other than the first Fixed Rate Interest Payment Date) will be the product of the then Principal Amount of such Note and the Fixed Interest Rate, multiplied by the Actual/Actual – ICMA day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Fixed Rate Interest Amount for each Note of a denomination of €1,000 for the first Fixed Rate Interest Payment Date will be 143.84.
- 4.2.2 If interest is required to be calculated in respect of a Fixed Rate Interest Period where the then Principal Amount of a Note is less than its Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Fixed Interest Rate to the then Principal Amount of such Note and multiplying such product by the Actual/Actual – ICMA day count fraction for each relevant portion of the Interest Period, adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Calculation Agent will cause such Fixed Rate Interest Amount to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Notes are for



the time being listed and will cause the publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after its calculation but in no event later than the fourth TARGET2 Business Day thereafter.

### 4.3 Floating Interest Rate

4.3.1 The Notes bear interest at the Floating Interest Rate from and including the First Call Date, payable on each Floating Rate Interest Payment Date. The Floating Interest Rate for each Floating Rate Interest Period will be determined by the Calculation Agent on the following basis:

- (a) the Calculation Agent will determine the rate for deposits in Euro for a period equal to the relevant Floating Rate Interest Period which appears on the Reuters page Euribor 01 (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11:00 a.m., (Brussels time), on the second TARGET2 Business Day before the first day of the relevant Floating Rate Interest Period (the “**Floating Rate Interest Determination Date**”); and
- (b) if such rate does not appear on the relevant screen page, the Calculation Agent will:
  - (A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market to provide a quotation of the rate at which deposits in Euro are offered by it at approximately 11.00 a.m. (Brussels time) on the Floating Rate Interest Determination Date to prime banks in the Euro-zone interbank market for a period equal to the relevant Floating Interest Period and in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and
- (c) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in the Euro-zone, selected by the Calculation Agent, at approximately 11.00 a.m. (Brussels time) on the first day of the relevant Floating Rate Interest Period for loans in Euro to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Floating Interest Rate for such Floating Rate Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, the Floating Interest Rate applicable to the Notes during such Floating Rate Interest Period will be the sum of the Margin and the rate or (as the case may be) arithmetic mean last determined in relation to the Notes in respect of a preceding Floating Rate Interest Period.

4.3.2 Determination of Floating Interest Rate and calculation of Floating Rate Interest Amount by the Calculation Agent

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels Time) on each Floating Rate Interest Calculation Date in relation to each Floating Rate Interest Period, calculate the Floating Rate Interest Amount payable in respect of each Note for such Floating Rate Interest Period. The Floating Rate Interest Amount will be calculated by applying the Floating Rate Interest Rate for such Floating Rate Interest Period to the Principal Amount of such Note as determined, if the Principal Amount of the Notes is less than the Original Principal Amount for a portion of such Floating Rate Interest Period, from time to time within such Floating Rate Interest Period, multiplying the product by the Actual/360 day count fraction for each relevant portion of such Interest Period, adding the results for all such portions and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

#### 4.3.3 Publication of Floating Interest Rate and Floating Rate Interest Amount

The Calculation Agent will cause the Floating Interest Rate and the Floating Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Notes are for the time being listed and the Calculation Agent will cause publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after their calculation but in no event later than the fourth TARGET2 Business Day thereafter and no later than the first day of the Floating Interest Period. The Floating Rate Interest Payment Date so published may subsequently be amended (or appropriate arrangements made by way of adjustment).

### 4.4 Interest Payable

#### 4.4.1 On Optional Interest Payment Dates

##### (i) Payment of Interest on Optional Interest Payment Dates

The Issuer may pay interest on any Optional Interest Payment Date. The Issuer may elect not to pay interest on any Optional Interest Payment Date in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure. Interest with respect to any Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period, in accordance with Conditions 4.2.2 or 4.3.2.

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

##### (ii) Occurrence of a Supervisory Event

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

- Interest with respect to the period between the preceding Interest Payment Date and the Supervisory Event shall accrue on the Principal Amount of the Notes, on the basis of the number of days elapsed between such preceding Interest Payment Date and such Supervisory Event (the **A Interest**). However, the payment of such A Interest shall automatically be suspended. In addition, the amount of A Interest may be reduced to absorb losses pursuant to Condition 5.1 (*Loss*



*Absorption*). A Interest may be payable in accordance with the provisions of paragraph (iii) below.

- No Interest shall accrue nor be payable by the Issuer with respect to any Interest Period during the period starting on the date of the Supervisory Event and ending on the date of the End of Supervisory Event.

(iii) After End of Supervisory Event

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

- As from the date of the End of Supervisory Event until the next succeeding Interest Payment Date, interest shall accrue on the Principal Amount, on the basis of the number of days elapsed between the date of End of Supervisory Event and the next succeeding Interest Payment Date.
- Interest with respect to any succeeding Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period.
- Interest calculated in accordance with the above provisions may be paid on any relevant Interest Payment Date(s) occurring as from the date of the End of Supervisory Event (included).
- Any interest accrued during such period not paid by the Issuer on the relevant Interest Payment Date(s) will be forfeited.
- At the option of the Issuer, any A Interest, to the extent not reduced to absorb losses pursuant to Condition 5.1 (*Loss Absorption*), may be paid on the first Interest Payment Date following the End of Supervisory Event, to the extent any such payment would not trigger the occurrence of a Supervisory Event. Any A Interest not paid by the Issuer on the first Interest Payment Date following the End of Supervisory Event will be forfeited.

4.4.2 On Compulsory Interest Payment Dates

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

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

Interest payable on any Compulsory Interest Payment Date will be calculated on the basis of the then Principal Amount, in accordance with Conditions 4.2.2 or 4.3.2.

## 5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

### 5.1 Loss Absorption

In the event that the occurrence of the Supervisory Event requires, in the opinion of the SGCB, a strengthening of the regulatory capital of the Issuer, the management board of the Issuer will

convene an extraordinary shareholders' meeting during the three months following the occurrence of the Supervisory Event in order to propose a share capital increase or any other measure to remedy the Supervisory Event.

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

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

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

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

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

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

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

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

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

Further, in the event the Issuer has other deeply subordinated notes or other securities which rank *pari passu* with the Notes outstanding, which may only be subject to a loss absorption within ten days following the last day of the relevant financial year during which the Supervisory Event has occurred in accordance with their terms, any reduction related to the Notes implemented within ten days following the last day of a six-month financial period ending on 30 June will not exceed

the reduction that would have been made if all other deeply subordinated notes or other securities which rank *pari passu* with the Notes outstanding had been reduced on a pro-rata basis among them at that time.

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

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

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

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

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

## **5.2 Return to Financial Health**

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

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

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

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

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

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

- (i) any declaration or payment of a dividend (whether in cash, shares or any other form), or more generally any payment of any nature, by the Issuer, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or
- (ii) any redemption, either by cancellation or by means of *amortissement* (as defined in Article L. 225-198 of the French *Code de commerce*), repurchase or acquisition of any shares, whatever classes of shares, if any, they belong to, or of any other equity securities issued by the Issuer, by any means; or
- (iii) any optional redemption by the Issuer of (1) the Notes, in accordance with Condition 6.2(a) (*General Call Option*) or 6.2(b) (*Redemption for Taxation Reasons or Regulatory Reasons*), or (2) any other deeply subordinated notes or other securities which rank *pari passu* with the Notes, in accordance with their terms.

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

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

## 6 REDEMPTION AND PURCHASE

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

### 6.1 No Final Redemption

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

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

#### (a) General Call Option

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

#### (b) Redemption for Taxation Reasons or Regulatory Reasons

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 (*Taxation*)

below, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 (*Taxation*) below, then the Issuer shall forthwith give notice of such fact to the Paying Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes then outstanding at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid.
- (iii) If, by reason of any change in French law, any change in the official application or interpretation of such law, or any other change in the tax treatment of the Notes, becoming effective after the Issue Date, interest payment under the Notes is no longer tax-deductible by the Issuer for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes.
- (iv) If, by reason of any change in French law, any change in the official application or interpretation of such law, becoming effective after the Issue Date, the proceeds of the Notes cease to qualify as Tier 1 Capital, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest date on which the proceeds of the Notes could qualify as Tier 1 Capital.

### **6.3 Purchases**

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

### **6.4 Cancellation**

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

## **7 PAYMENTS AND CALCULATIONS**

### **7.1 Method of Payment**

Payments in respect of principal and interest on the Notes will be made in Euro by credit or transfer to a Euro denominated account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank in a country within the TARGET2 System. Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Principal Paying Agent, as the case may be, in respect of such payment.

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

### **7.2 Payments on Business Days**

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

For the purposes of this Condition, **Business Day** means any day which is a TARGET2 Business Day.

### **7.3 Fiscal Agent, Paying Agent and Calculation Agent**

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

#### **FISCAL AGENT, CALCULATION AGENT AND PAYING AGENT**

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom  
Tel: +44 (0) 20 7547 5000



## PARIS PAYING AGENT

Deutsche Bank AG, Paris Branch  
3, avenue de Friedland  
75008 Paris  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent and/or appoint a substitute Fiscal Agent, Paying Agent, Calculation Agent or approve any change in the office through which the Fiscal Agent, the Calculation Agent or the Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, and (ii) so long as any Note is outstanding, a Calculation Agent having a specified office in a European city. If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Notes, the Issuer shall appoint some other leading European bank engaged in the Euro inter-bank market (acting through its principal office in the Euro-zone) to act in its place, subject to having given notice to the Noteholders in accordance with Condition 11 (*Notices*) not more than 45 nor less than 30 days prior to such appointment. The Calculation Agent may not resign its duties without a successor having been so appointed. Any notice of a change in Fiscal Agent, Paying Agent, Calculation Agent or their specified office shall be given to Noteholders as specified in Condition 11 (*Notices*).

### 7.2 Certificates to be final

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

## 8 TAXATION

### 8.1 Withholding Tax Exemption

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

### 8.2 Additional Amounts

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



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

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

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

## 9 EVENT OF DEFAULT

If any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason then the Notes shall become immediately due and payable, in accordance with Condition 3 (*Status of the Notes and subordination*).

## 10 REPRESENTATION OF THE NOTEHOLDERS

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

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

### 10.1 Legal Personality

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

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

## 10.2 Representative

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

- (a) the Issuer, the members of its Board of Directors (*Conseil d'Administration*), Executive Board (*Directoire*), its Supervisory Board (*Conseil de Surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (b) Companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'Administration*), Executive Board (*Directoire*) or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (c) Companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (d) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative of the Masse:

Alice Bonardi  
3 rue Taitbout  
75009 Paris  
France

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

Eric Noyer  
3 rue Taitbout  
75009 Paris  
France

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

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

The Representative will not be entitled to any remuneration

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

## 10.3 Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of the general assembly of Noteholders, have the power to take all acts of management to defend the common interests of the

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

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

#### **10.4 General Assemblies of Noteholders**

General assemblies of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the general assembly. If such general assembly has not been convened within two months from such demand, such Noteholders may commission one of themselves to petition a Court sitting in the jurisdiction of the Court of Appeal of Paris to appoint an agent (*mandataire*) who will call the meeting.

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

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

#### **10.5 Powers of General Assemblies**

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

A general assembly may further deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that a general assembly may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares, and that no amendment to the terms and conditions of the Notes may be approved until the consent of the SGCB has been obtained in relation to such amendment.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such meeting or represented thereat. In accordance with Article R. 228-71 of the French *Code de Commerce*, the right of each Noteholder to participate in general assemblies will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general assembly.

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

#### **10.6 Information to the Noteholders**

Each Noteholder or representative thereof will have the right, during the 15 day period preceding the holding of each general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the general assembly, which will be available for inspection at the principal office of the Issuer, at the specified office of the

Paying Agent and at any other place specified in the notice of the general assembly given in accordance with Condition 11 (*Notices*).

#### **10.7 Expenses**

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

### **11. NOTICES**

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

### **12. PRESCRIPTION**

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

### **13. FURTHER ISSUES**

The Issuer may from time to time, subject to the prior written approval of the SGCB but without the consent of the Noteholders, issue further notes to be assimilated (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

### **14. GOVERNING LAW AND JURISDICTION**

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

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

## TERMS AND CONDITIONS OF THE SERIES USD-1 NEW NOTES

The issue outside the Republic of France of the US Dollar (US\$) 133,560,000 Deeply Subordinated Fixed Rate Notes (the **Notes**) was decided on August 4, 2009 by Mr Roland Charbonnel, *Directeur du département Emissions et Communication Financière* of BPCE (the **Issuer**), acting pursuant to a resolution of the Management Board (*directoire*) of the Issuer dated July 31, 2009. The Notes are issued with the benefit of a fiscal agency agreement (the **Fiscal Agency Agreement**) dated on or about August 6, 2009 between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**, which expression shall, where the context so admits, include any successor for the time being of the Fiscal Agent), as calculation agent (the **Calculation Agent**, which expression shall, where the context so admits, include any successor for the time being of the Calculation Agent) and as paying agent (the **Paying Agent**, which expression shall, where the context so admits, include any successor for the time being of the Paying Agent). Reference below to the **Agents** shall be to the Fiscal Agent, the Paying Agent and/or the Calculation Agent, as the case may be. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Agents. References below to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

### 1 DEFINITIONS

For the purposes of these Conditions:

**30/360** means a Calculation Period of 30 days divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

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

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

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

**Business Day** has the meaning set forth in Condition 7 (Payments)

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

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

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

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

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

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

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

**First Call Date** means September 30, 2015.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

## 2 FORM, DENOMINATIONS AND TITLE

The Notes are issued in dematerialised bearer form (*au porteur*) in denominations of US\$ 1,500. Title to the Notes will be evidenced in accordance with Article L. 211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France S.A. (**Euroclear France**) which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holder** shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). The Notes have been accepted for clearance through Euroclear France under the ISIN Code FR0010777532.

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

## 3 STATUS OF THE NOTES AND SUBORDINATION

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

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

The principal and interest on the Notes (which constitute *obligations* under French Law) constitute direct, unconditional, unsecured, undated and deeply subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future deeply subordinated notes of the Issuer but shall be subordinated to the present and future *prêts participatifs* granted to the Issuer and



present and future *titres participatifs*, ordinarily subordinated notes and unsubordinated notes issued by the Issuer. In the event of liquidation, the Notes shall rank in priority to any payments to holders of any classes of shares and of any other equity securities issued by the Issuer.

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

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

There is no negative pledge in respect of the Notes.

## 4 INTEREST AND INTEREST SUSPENSION

### 4.1 General

The Notes bear interest on their Principal Amount from (and including) August 6, 2009 (the **Issue Date**) at 13.0 per cent. per annum (the **Interest Rate**) payable annually in arrear on or about September 30 of each year (each an **Interest Payment Date**) commencing on or about September 30, 2010; *provided, however, that*, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day.

The Interest Amount for a Note of a denomination of US\$1,500 for the initial period from (and including) August 6, 2009 to (but excluding) September 30, 2010 will be US\$224.38.

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

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

### 4.2 Fixed Interest Rate

4.2.1 The amount of interest (the **Interest Amount**) payable on each Interest Payment Date will be the product of the then Principal Amount of such Note and the Fixed Interest Rate, multiplied by the 30/360 day count fraction (with a Calculation Period equal to the related Fixed Rate Interest Period, subject to Condition 4.2.2) and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

4.2.2 If interest is required to be calculated in respect of an Interest Period where the then Principal Amount of a Note is less than its Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Interest Rate to the then Principal Amount of such Note and multiplying such product by the 30/360 day count fraction for each relevant portion of the Interest Period, adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a

cent being rounded upwards). The Calculation Agent will cause such Interest Amount to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and will cause the publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after its calculation but in no event later than the fourth Business Day thereafter.

### 4.3 Interest Payable

#### 4.3.1 On Optional Interest Payment Dates

##### (i) Payment of Interest on Optional Interest Payment Dates

The Issuer may pay interest on any Optional Interest Payment Date. The Issuer may elect not to pay interest on any Optional Interest Payment Date in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure. Interest with respect to any Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period, in accordance with Conditions 4.2.2.

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

##### (ii) Occurrence of a Supervisory Event

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

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

##### (iii) After End of Supervisory Event

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

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

- Interest with respect to any succeeding Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period.
- Interest calculated in accordance with the above provisions may be paid on any relevant Interest Payment Date(s) occurring as from the date of the End of Supervisory Event (included).

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

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

#### 4.3.2 On Compulsory Interest Payment Dates

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

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

Interest payable on any Compulsory Interest Payment Date will be calculated on the basis of the then Principal Amount, in accordance with Conditions 4.2.2.

## 5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

### 5.1 Loss Absorption

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

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

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

For the avoidance of doubt, the first remedy to the Supervisory Event will be the share capital increase. Absorption of losses will first be set off against any classes of shares and of any other

equity securities issued by the Issuer in relation to the measures adopted by the extraordinary shareholders' meeting of the Issuer to remedy the Supervisory Event as described above and thereafter, and to the extent it is not sufficient, then against the then A Interest and the then Principal Amount of the Notes as herein described.

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

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

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

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

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

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

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

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

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

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

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

practicable, following the occurrence of a Supervisory Event and of any End of Supervisory Event.

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

## 5.2 Return to Financial Health

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

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

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

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

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

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

- (i) any declaration or payment of a dividend (whether in cash, shares or any other form), or more generally any payment of any nature, by the Issuer, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or
- (ii) any redemption, either by cancellation or by means of *amortissement* (as defined in Article L. 225-198 of the French *Code de commerce*), repurchase or acquisition of any shares, whatever classes of shares, if any, they belong to, or of any other equity securities issued by the Issuer, by any means; or
- (iii) any optional redemption by the Issuer of (1) the Notes, in accordance with Condition 6.2(a) (*General Call Option*) or 6.2(b) (*Redemption for Taxation Reasons or Regulatory Reasons*), or (2) any other deeply subordinated notes or other securities which rank *pari passu* with the Notes, in accordance with their terms.

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

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

## **6 REDEMPTION AND PURCHASE**

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

### **6.1 No Final Redemption**

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

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

#### **(a) General Call Option**

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

#### **(b) Redemption for Taxation Reasons or Regulatory Reasons**

(i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 (*Taxation*) below, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 (*Taxation*) below, then the Issuer shall forthwith give notice of such fact to the Paying Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the



Notes then outstanding at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid.

- (iii) If, by reason of any change in French law, any change in the official application or interpretation of such law, or any other change in the tax treatment of the Notes, becoming effective after the Issue Date, interest payment under the Notes is no longer tax-deductible by the Issuer for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes.
- (iv) If, by reason of any change in French law, any change in the official application or interpretation of such law, becoming effective after the Issue Date, the proceeds of the Notes cease to qualify as Tier 1 Capital, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest date on which the proceeds of the Notes could qualify as Tier 1 Capital.

### **6.3 Purchases**

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

### **6.4 Cancellation**

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

## **7 PAYMENTS AND CALCULATIONS**

### **7.1 Method of Payment**

Payments in respect of principal and interest on the Notes will be made in US\$ by credit or transfer to a US\$ denominated account (or any other account to which US\$ may be credited or transferred) specified by the payee. Such payments shall be made for the benefit of the



Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Principal Paying Agent, as the case may be, in respect of such payment.

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

## **7.2 Payments on Business Days**

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

For the purposes of this Condition, **Business Day** means any day not being a Saturday or a Sunday, (i) on which exchange markets and commercial banks are open for business in London and New York and (ii) on which Euroclear and Clearstream, Luxembourg are operating.

## **7.3 Fiscal Agent, Paying Agent and Calculation Agent**

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

### **FISCAL AGENT, CALCULATION AGENT AND PAYING AGENT**

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom  
Tel: +44 (0) 20 7547 5000

### **PARIS PAYING AGENT**

Deutsche Bank AG, Paris Branch  
3, avenue de Friedland  
75008 Paris  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent and/or appoint a substitute Fiscal Agent, Paying Agent, Calculation Agent or approve any change in the office through which the Fiscal Agent, the Calculation Agent or the Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, and (ii) so long as any Note is outstanding, a Calculation Agent having a specified office in a European city. If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Notes, the Issuer shall appoint some other leading European bank engaged in the Euro inter-bank market (acting through its principal office in the Euro-zone) to act in its place,

subject to having given notice to the Noteholders in accordance with Condition 11 (*Notices*) not more than 45 nor less than 30 days prior to such appointment. The Calculation Agent may not resign its duties without a successor having been so appointed. Any notice of a change in Fiscal Agent, Paying Agent, Calculation Agent or their specified office shall be given to Noteholders as specified in Condition 11 (*Notices*).

#### **7.4 Certificates to be final**

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

### **8 TAXATION**

#### **8.1 Withholding Tax Exemption**

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

#### **8.2 Additional Amounts**

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

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

- (e) to, or to a third party on behalf of, a Noteholder who would be able to avoid such withholding or deduction if payments were made by another Paying Agent in a Member State of the European Union.

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

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

## 9 EVENT OF DEFAULT

If any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason then the Notes shall become immediately due and payable, in accordance with Condition 3 (*Status of the Notes and Subordination*).

## 10 REPRESENTATION OF THE NOTEHOLDERS

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

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

### 10.1 Legal Personality

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

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

### 10.2 Representative

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

- (a) the Issuer, the members of its Board of Directors (*Conseil d’Administration*), Executive Board (*Directoire*), its Supervisory Board (*Conseil de Surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (b) Companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d’Administration*), Executive Board (*Directoire*) or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (c) Companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or

- (d) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative of the Masse:

Alice Bonardi  
3 rue Taitbout  
75009 Paris  
France

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

Eric Noyer  
3 rue Taitbout  
75009 Paris  
France

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

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

The Representative will not be entitled to any remuneration.

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

### **10.3 Powers of the Representative**

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

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

### **10.4 General Assemblies of Noteholders**

General assemblies of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the general assembly. If such general assembly has not been convened within two months from such demand, such Noteholders may commission one of themselves to petition a Court sitting in the jurisdiction of the Court of Appeal of Paris to appoint an agent (*mandataire*) who will call the meeting.

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

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

## **10.5 Powers of General Assemblies**

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

A general assembly may further deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that a general assembly may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares, and that no amendment to the terms and conditions of the Notes may be approved until the consent of the SGCIB has been obtained in relation to such amendment.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such meeting or represented thereat. In accordance with Article R. 228-71 of the French *Code de Commerce*, the right of each Noteholder to participate in general assemblies will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general assembly.

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

## **10.6 Information to the Noteholders**

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

## **10.7 Expenses**

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

## **11 NOTICES**

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

## **12      PRESCRIPTION**

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

## **13      FURTHER ISSUES**

The Issuer may from time to time, subject to the prior written approval of the SGCB but without the consent of the Noteholders, issue further notes to be assimilated (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated (*assimilées*) notes will for the defence of their common interests be grouped in a single Masse having legal personality.

## **14      GOVERNING LAW AND JURISDICTION**

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

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

## TERMS AND CONDITIONS OF THE SERIES USD-2 NEW NOTES

The issue outside the Republic of France of the US Dollar (US\$) 443,690,000 Deeply Subordinated Fixed to Floating Rate Notes (the **Notes**) was decided on August 4, 2009 by Mr Roland Charbonnel, *Directeur du département Emissions et Communication Financière* of BPCE (the **Issuer**), acting pursuant to a resolution of the Management Board (*directoire*) of the Issuer dated July 31, 2009. The Notes are issued with the benefit of a fiscal agency agreement (the **Fiscal Agency Agreement**) dated on or about August 6, 2009 between the Issuer, Deutsche Bank Trust Company Americas as fiscal agent (the **Fiscal Agent**, which expression shall, where the context so admits, include any successor for the time being of the Fiscal Agent) and as calculation agent (the **Calculation Agent**, which expression shall, where the context so admits, include any successor for the time being of the Calculation Agent) and Deutsche Bank Trust Company Americas as U.S. paying agent (the **Paying Agent**, which expression shall, where the context so admits, include any successor for the time being of the Paying Agent). Reference below to the **Agents** shall be to the Fiscal Agent, the Paying Agent and/or the Calculation Agent, as the case may be. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Agents. References below to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

### 1 DEFINITIONS

For the purposes of these Conditions:

**144A Global Note** means the one or more fully registered global certificates, without coupons, representing the Notes offered pursuant to Rule 144A under the Securities Act.

**30/360** means a Calculation Period of 30 days divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

**A Interest** has the meaning set forth in Condition 4.4 (*Interest Payable*).

**Account Holders** has the meaning set forth in Condition 2.

**Actual/360** means, in respect of any period, the actual number of days in the relevant period divided by 360.

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

**Business Day** has the meaning set forth in Condition 7 (Payments).

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

**Clearstream, Luxembourg** means Clearstream Banking, S.A., société anonyme, Luxembourg.

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

- (i) declared or paid a dividend (whether in cash, shares or any other form), or more generally made a payment of any nature, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, in each cases to the extent categorised as Tier 1 Capital, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was required to be



made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or

- (ii) redeemed, either by cancellation or by means of *amortissement* (as defined in Article L. 225-198 of the French *Code de commerce*), repurchased or otherwise acquired any shares, whatever classes of shares, if any, they belong to, or any other equity securities issued by the Issuer, by any means,

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

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

**DTC** means The Depository Trust Company, New York, New York.

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

**Euroclear** has the meaning set forth in Condition 2.

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

**First Call Date** means September 30, 2019.

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

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

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

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

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

**Floating Rate Interest Amount** means the amount of interest, if any, payable in respect of the Notes in accordance with Condition 4.3 (*Floating Interest Rate*).

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

**Floating Rate Interest Period** means the period beginning on (and including) September 30, 2019 (being the First Call Date) and ending on (but excluding) the first Floating Rate Interest Payment Date and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date.

**Global Notes** means the Rule 144A Global Note and the Regulation S Global Note.

**Interest Amount** means the Fixed Rate Interest Amount and the Floating Rate Interest Amount.

**Interest Payment Date** means the Fixed Rate Interest Payment Dates and the Floating Rate Interest Payment Dates.

**Interest Period** means the Fixed Rate Interest Periods and the Floating Rate Interest Periods.

**Interest Rate** means the Fixed Interest Rate and the Floating Interest Rate.

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

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

**LIBOR** has the meaning set forth in Condition 4.

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

**Margin** means 12.98 per cent. per annum.

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

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

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

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

**Regulation S Global Note** means the one or more fully registered global certificates, without coupons, representing the Notes offered pursuant to Regulation S under the Securities Act.

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

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

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

**Securities Act** means the U.S. Securities Act of 1933, as amended.

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

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

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

## 2 FORM, DENOMINATIONS AND TITLE

The Notes are issued in fully registered form in denominations of US\$100,000 and integral multiples of \$1,000 in excess thereof, in the form of one or more Global Notes, as described below. The Notes will be eligible for clearance through DTC, Clearstream, Luxembourg and Euroclear.

The Notes sold in reliance on Rule 144A under the Securities Act are represented by one or more permanent global certificates in fully registered form and the Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act are represented by one or more permanent global certificates in fully registered form. The Global Notes are registered in the name of a nominee of, and deposited with a custodian for, DTC.

For the purpose of these Conditions, **Account Holder** shall mean any authorized financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with DTC. The Notes and certificates are not issuable in bearer form.

So long as the Notes are evidenced by the Global Notes, title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

A Global Note is exchangeable for individual certificated Notes in definitive, fully registered form without interest coupons only in the following limited circumstances:

- DTC notifies the Issuer that it is unwilling or unable to continue as depositary for such Global Note or DTC ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, at a time when DTC is required to be so registered in order to act as depositary, and in each case the Issuer fails to appoint a successor depositary within 90 days of such notice;
- the Issuer notifies the Fiscal Agent in writing that such Global Note shall be so exchangeable;
- if there shall have occurred and be continuing an Event of Default with respect to the Notes;
- the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor Clearing System is available; or
- the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by a Global Note in definitive form.

In all cases, Notes in definitive form delivered in exchange for a Global Note 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) and will bear the applicable restrictive legend referred to in the Fiscal Agency Agreement, unless the Issuer determines otherwise in accordance with these Terms and Conditions and in compliance with applicable law.

## 3. STATUS OF THE NOTES AND SUBORDINATION

The Notes are deeply subordinated notes issued pursuant to the provisions of Article L. 228-97 of the French *Code de commerce*.

The proceeds of the issue of the Notes will be treated for regulatory purposes as consolidated *fonds propres de base* for the Issuer. *Fonds propres de base* (**Tier 1 Capital**) shall have the meaning given to it in Article

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

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

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

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

There is no negative pledge in respect of the Notes.

## 4 INTEREST AND INTEREST SUSPENSION

### 4.1 General

The Notes bear interest on their Principal Amount from (and including) August 6, 2009 (the **Issue Date**) at 12.5 per cent. per annum (the **Fixed Interest Rate**) payable semi-annually in arrear on March 31 and September 30 of each year (each a **Fixed Rate Interest Payment Date**) commencing on March 31, 2010 until the First Call Date (included) and thereafter at the floating interest rate as determined by the Calculation Agent in accordance with Condition 4.3 (*Floating Interest Rate*) below (the **Floating Interest Rate**) payable quarterly in arrear on March 31, June 30, September 30 and December 31 in each year (each a **Floating Rate Interest Payment Date**) commencing on December 31, 2019; *provided, however, that*, if (i) any Fixed Rate Interest Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day and (ii) any Floating Rate Interest Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Business Day.

For the avoidance of doubt:

- (i) in respect of Fixed Rate Interest Periods, Interest Amounts will not be adjusted if an Interest Payment Date is not a Business Day;
- (ii) in respect of Floating Rate Interest Periods, Interest Amounts will be adjusted if an Interest Payment Date is not a Business Day.

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

## 4.2 Fixed Interest Rate

- 4.2.1 The amount of interest (the **Fixed Rate Interest Amount**) payable on each Fixed Rate Interest Payment Date will be the product of the then Principal Amount of such Note and the Fixed Interest Rate, multiplied by the 30/360 day count fraction (with a Calculation Period equal to the related Fixed Rate Interest Period, subject to Condition 4.2.2) and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Fixed Rate Interest Amount per \$1,000 principal amount of Notes for the first Fixed Rate Interest Payment Date will be US\$81.25.
- 4.2.2 If interest is required to be calculated in respect of a Fixed Rate Interest Period where the then Principal Amount of a Note is less than its Original Principal Amount for a portion thereof, it shall be calculated by the Calculation Agent by applying the Fixed Interest Rate to the then Principal Amount of such Note and multiplying such product by the 30/360 day count fraction for each relevant portion of the Interest Period, adding the results for all such portions and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). The Calculation Agent will cause such Fixed Rate Interest Amount to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Notes are for the time being listed and will cause the publication thereof in accordance with Condition 11 (*Notices*) as soon as possible after its calculation but in no event later than the fourth Business Day thereafter.

## 4.3 Floating Interest Rate

- 4.3.1 The Notes bear interest at the Floating Interest Rate from and including the First Call Date, payable on each Floating Rate Interest Payment Date. The Floating Interest Rate for each Floating Rate Interest Period will be determined by the Calculation Agent on the following basis:
- (a) the Calculation Agent will determine the offered rate for deposits in US\$ for a period equal to the relevant Floating Rate Interest Period which appears on the Reuters Screen LIBOR01 (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11:00 a.m., (London time), on the second Business Day before the first day of the relevant Floating Rate Interest Period (the **Floating Rate Interest Determination Date**); and
  - (b) if such rate does not appear on the relevant screen page, the Calculation Agent will:
    - (A) request the principal London office of each of four major banks in the London interbank market to provide a quotation of the rate at which deposits in US\$ are offered by it at approximately 11.00 a.m. (London time) on the Floating Rate Interest Determination Date to prime banks in the London interbank market for a period equal to the relevant Floating Interest Period and in an amount that is representative for a single transaction in that market at that time; and

- (B) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and
- (c) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by three major banks in the City of New York, selected by the Calculation Agent, at approximately 11.00 a.m. (City of New York time) on the first day of the relevant Floating Rate Interest Period for loans in US\$ to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Floating Interest Rate for such Floating Rate Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, the Floating Interest Rate applicable to the Notes during such Floating Rate Interest Period will be the sum of the Margin and the rate or (as the case may be) arithmetic mean last determined in relation to the Notes in respect of a preceding Floating Rate Interest Period.

#### 4.3.2 Determination of Floating Interest Rate and calculation of Floating Rate Interest Amount by the Calculation Agent

The Calculation Agent will, as soon as practicable after 11.00 a.m. (London Time) on each Floating Rate Interest Calculation Date in relation to each Floating Rate Interest Period, calculate the Floating Rate Interest Amount payable in respect of each Note for such Floating Rate Interest Period. The Floating Rate Interest Amount will be calculated by applying the Floating Rate Interest Rate for such Floating Rate Interest Period to the Principal Amount of such Note as determined, if the Principal Amount of the Notes is less than the Original Principal Amount for a portion of such Floating Rate Interest Period, from time to time within such Floating Rate Interest Period, multiplying the product by the Actual/360 day count fraction for each relevant portion of such Interest Period, adding the results for all such portions and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

#### 4.3.3 Publication of Floating Interest Rate and Floating Rate Interest Amount The Calculation Agent will cause the Floating Interest Rate and the Floating Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Notes are for the time being listed and the Calculation Agent will cause publication thereof in accordance with Condition 11 (*Notices*) on or as soon as possible after their calculation but in no event later than the fourth Business Day thereafter and no later than the first day of the Floating Interest Period. The Floating Rate Interest Payment Date so published may subsequently be amended (or appropriate arrangements made by way of adjustment).

### 4.4 Interest Payable

#### 4.4.1 On Optional Interest Payment Dates

- (i) Payment of Interest on Optional Interest Payment Dates



The Issuer may pay interest on any Optional Interest Payment Date. The Issuer may elect not to pay interest on any Optional Interest Payment Date in particular with a view to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure. Interest with respect to any Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period, in accordance with Conditions 4.2.2 or 4.3.2.

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

(ii) Occurrence of a Supervisory Event

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

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

(iii) After End of Supervisory Event

- Subject to the relevant Interest Payment Date being an Optional Interest Payment Date, in respect of any Interest Payment Date which occurs as from the End of Supervisory Event, interest will accrue and be calculated as follows:
- As from the date of the End of Supervisory Event until the next succeeding Interest Payment Date, interest shall accrue on the Principal Amount, on the basis of the number of days elapsed between the date of End of Supervisory Event and the next succeeding Interest Payment Date.
- Interest with respect to any succeeding Interest Period shall accrue on the Principal Amount, on the basis of the number of days elapsed during the relevant Interest Period.
- Interest calculated in accordance with the above provisions may be paid on any relevant Interest Payment Date(s) occurring as from the date of the End of Supervisory Event (included).
- Any interest accrued during such period not paid by the Issuer on the relevant Interest Payment Date(s) will be forfeited.



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

#### 4.4.2 On Compulsory Interest Payment Dates

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

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

Interest payable on any Compulsory Interest Payment Date will be calculated on the basis of the then Principal Amount, in accordance with Conditions 4.2.2 or 4.3.2.

## 5 LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

### 5.1 Loss Absorption

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **5.2 Return to Financial Health**

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

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

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

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

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

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

- (i) any declaration or payment of a dividend (whether in cash, shares or any other form), or more generally any payment of any nature, by the Issuer, on any classes of shares, on other equity securities issued by the Issuer or on other deeply subordinated notes or any other securities which rank *pari passu* with the Notes, unless such payment on other deeply subordinated notes or other securities which rank *pari passu* with the Notes was required to be made as a result of a dividend or other payment having been made on any classes of shares or on other equity securities issued by the Issuer; or
- (ii) any redemption, either by cancellation or by means of *amortissement* (as defined in Article L. 225-198 of the French *Code de commerce*), repurchase or acquisition of any shares, whatever classes of shares, if any, they belong to, or of any other equity securities issued by the Issuer, by any means; or
- (iii) any optional redemption by the Issuer of (1) the Notes, in accordance with Condition 6.2(a) (*General Call Option*) or 6.2(b) (*Redemption for Taxation Reasons or Regulatory Reasons*), or (2) any other deeply subordinated notes or other securities which rank *pari passu* with the Notes, in accordance with their terms.

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

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

## 6 REDEMPTION AND PURCHASE

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

### 6.1 No Final Redemption

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

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

#### (a) General Call Option

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

#### (b) Redemption for Taxation Reasons or Regulatory Reasons

(i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 (*Taxation*) below, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 (*Taxation*) below, then the Issuer shall forthwith give notice of such fact to the Paying Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*) and, subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes then outstanding at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid.

- (iii) If, by reason of any change in French law, any change in the official application or interpretation of such law, or any other change in the tax treatment of the Notes, becoming effective after the Issue Date, interest payment under the Notes is no longer tax-deductible by the Issuer for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with any amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôt sur les bénéfices des sociétés*) purposes.
- (iv) If, by reason of any change in French law, any change in the official application or interpretation of such law, becoming effective after the Issue Date, the proceeds of the Notes cease to qualify as Tier 1 Capital, the Issuer may, at its option, on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (*Notices*), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount together with amounts outstanding thereon including Accrued Interest, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest date on which the proceeds of the Notes could qualify as Tier 1 Capital.

### **6.3 Purchases**

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

### **6.4 Cancellation**

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

## **7 PAYMENTS AND CALCULATIONS**

### **7.1 Method of Payment**

Payments in respect of principal and interest on the Notes will be made in US\$ by credit or transfer to a US\$ denominated account (or any other account to which US\$ may be credited or transferred) specified by the payee except in the case of definitive Notes. Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Principal Paying Agent, as the case may be, in respect of such payment. Payments in respect of interest on Notes in definitive form shall be made to the registered holder thereof as of the record date determined as set forth on the face of such definitive registered Notes. Payments in respect of principal on the Notes in definitive form which are redeemed by the Issuer pursuant to Condition 6.2 (*Issuer's Call Options subject to the Approval of the SGCB*) will be made against surrender and presentation of the Notes at the specified office of the Paying Agent.

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

## **7.2 Payments on Business Days**

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

If the due date for payment of any Floating Rate Interest Amount is not a Business Day (as defined below), payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following Business Day, unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day.

For the purposes of this Condition, **Business Day** means any day not being a Saturday or a Sunday, (i) on which exchange markets and commercial banks are open for business in London and New York and (ii) on which DTC, Euroclear and Clearstream, Luxembourg are operating.

## **7.3 Fiscal Agent, Paying Agent and Calculation Agent**

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

### **FISCAL AGENT, CALCULATION AGENT AND PAYING AGENT**

Deutsche Bank Trust Company Americas  
60 Wall Street  
New York, NY 10005  
United States of America  
Fax: +1-732-578-4635

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent and/or appoint a substitute Fiscal Agent, Paying Agent, Calculation Agent or approve any change in the office through which the Fiscal Agent, the Calculation Agent or the Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, and (ii) so long as any Note is outstanding, a Calculation Agent having a specified office in a European city. If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Notes, the Issuer shall appoint some other leading European bank engaged in the Euro inter-bank market (acting through its principal Paris or Luxembourg office) to act in its place, subject to having given notice to the Noteholders in accordance with Condition 11 (*Notices*) not more than 45 nor less than 30 days prior to such appointment. The Calculation Agent may not resign its duties without a successor having been so appointed. Any notice of a change in Fiscal Agent, Paying Agent, Calculation Agent or their specified office shall be given to Noteholders as specified in Condition 11 (*Notices*).



#### **7.4 Certificates to be final**

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

### **8 TAXATION**

#### **8.1 Withholding Tax Exemption**

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

#### **8.2 Additional Amounts**

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

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



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

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

## **9 EVENT OF DEFAULT**

If any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason then the Notes shall become immediately due and payable, in accordance with Condition 3 (*Status of the Notes and Subordination*).

## **10 MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Issuer may at any time 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 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.

If at any time the holders of at least 10 per cent. in principal amount of the then outstanding Notes request the Fiscal Agent to call a meeting of the Noteholders for any purpose, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Fiscal Agent will call the meeting for such purpose. This meeting will be held at the time and place determined by the Fiscal Agent, after consultation with 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.

Noteholders who hold a majority in principal amount of the then outstanding 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 20 days and not more than 45 days. At the reconvening of a meeting adjourned for lack of quorum, there shall be no quorum requirement. 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.

At any meeting when there is a quorum present, if applicable, holders of at least 50 per cent. in principal amount of the Notes represented and voting at the meeting may approve the modification or amendment of, or a waiver of compliance for, any provision of the Notes except for specified matters requiring the consent of each Noteholder, as set forth below. Modifications, amendments or waivers made at such a meeting will be binding on all current and future Noteholders. In addition, modifications, waivers or amendments may be made without a meeting by written consent of holders of a majority of the principal amount of the outstanding Notes.

Notwithstanding the procedures mentioned above, no amendment or modification will apply to the Notes, without the consent of each Noteholder, with respect to the following matters:

- to change the stated interest rate on the Notes;
- to reduce the principal amount of or interest on the Notes;
- to change the status of the Notes so as to further subordinate principal or interest thereon;
- to change the currency of payment of principal or interest on the Notes;
- to impair the right to institute suit for the enforcement of any payment in respect of the Notes; or

- to reduce the percentage of principal amount of Notes outstanding necessary to make the foregoing modifications or amendments to the Notes.

It shall not be necessary for any act of Noteholders under this Condition to approve the particular form of any proposed amendment, modification or waiver, but it shall be sufficient if such act shall approve the substance thereof.

No consent of the Noteholders is or will be required for any modification or amendment requested by the Issuer or by the Fiscal Agent, with the consent of the Issuer, to:

- surrender any right or power of the Issuer in respect of the Notes or the Fiscal Agency Agreement;
- cure any ambiguity in any provision, or correct any defective provision, of the Notes; or
- change the terms and conditions of the Notes or the Fiscal Agency Agreement in any manner which the Issuer and the Fiscal Agent mutually deem necessary or desirable so long as any such change does not, and will not, adversely affect the rights or interest of the Noteholders as a class.

Notwithstanding anything to the contrary in this Condition 10, no amendment or modification to the status of the Notes may be approved until the prior consent of the SGCB has been obtained in relation thereto.

## **11 NOTICES**

Any notice to the Noteholders will be given (i) so long as the Notes are represented by Global Notes, by delivery of the relevant notice to DTC and any other relevant securities Clearing System for communication by each of them to entitled participants, or (ii) in the case of definitive Notes, by first-class mail, postage prepaid, to the address for each holder appearing in the Note register. So long as the Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and for so long as the rules of such exchange so require, any notice shall also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

## **12 PRESCRIPTION**

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

## **13 FURTHER ISSUES**

The Issuer may from time to time, subject to the prior written approval of the SGCB but without the consent of the Noteholders, issue further notes to be assimilated (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation.

## **14 GOVERNING LAW AND JURISDICTION**

The Notes are governed by, and shall be construed in accordance with, the laws of the State of New York, except that the provisions of the Notes described in Condition 3 are governed by, and shall be construed in accordance with, the laws of the Republic of France.

The Issuer has consented to the jurisdiction of any state or federal court located in The Borough of Manhattan, City of New York, in relation to any legal action or proceeding (i) arising out of, related to or in

connection with the Notes and (ii) arising under any U.S. federal or state securities laws. In the Fiscal Agency Agreement, the Issuer will appoint a New York agent as its agent for service of process in any such action.

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

*Registered Office of the Issuer:*

BPCE  
50, avenue Pierre Mendès-France  
75013 Paris  
France

*The Exchange Agents for the Offers are:*

*Principal Exchange Agent :*

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom  
Tel: +44 (0) 20 7547 5000  
Email: xchange.offer@db.com

*French Exchange Agent:*

Deutsche Bank AG, Paris  
3, Avenue Friedland  
75008 Paris  
France  
Tel: +33 1 4495 6338 and  
+33 1 4495 6782  
Email: xchange.offer@db.com

*U.S. Exchange Agent:*

*The U.S. Exchange Agent by mail:*

DB Services Tennessee Inc.  
P.O. Box 305050  
Nashville, Tennessee 37230  
United States of America  
Attn: Reorganisation Unit

*The U.S. Exchange Agent by facsimile and  
email (Eligible Institutions only):*

Facsimile: +1-615-833-3889  
Email: db.reorg @db.com  
Confirmation: +1-800-735-7777

*The U.S. Exchange Agent by hand delivery or  
courier delivery:*

DB Services Tennessee Inc.  
648 Grassmere Park Road  
Nashville, Tennessee 37211  
United States of America  
Attn: Reorganisation Unit

Any questions about the Offers or procedures for participating in an Offer or requests for additional copies of this Supplement may be directed to the Information Agent.

*The Information Agent for the Offers is:*

Global Bondholder Services Corporation  
65 Broadway, Ste 723  
New York NY 10006  
United States of America  
Banks and Brokers, call: +1-212-430-3774  
All others, call toll-free: +1-866-470-4200

*Fiscal Agent, Paying Agent and Calculation Agent for  
the New Notes (other than Series USD-2)*

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

*Paris Paying Agent*  
Deutsche Bank AG, Paris Branch  
3, avenue de Friedland  
75008 Paris  
France

*Paying Agent, Fiscal Agent and Calculation Agent for Series USD-2  
New Notes*

Deutsche Bank Trust Company Americas  
60 Wall Street  
New York, NY 10005  
United States of America  
Fax: +1-732-578-4635

Any questions about the Offers or procedures for participating in an Offer may be directed to the Dealer Managers.

*The Dealer Managers for the Offers are:*

BNP Paribas  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

NATIXIS  
30, avenue Pierre-Mendès France  
75013 Paris  
France

*Legal Advisors to the Issuer  
as to French and United States law*

Cleary Gottlieb Steen & Hamilton LLP  
12, rue de Tilsitt  
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France

*Legal Advisors to the Dealer Managers  
as to French and United States law*

Allen & Overy LLP  
Edouard VII  
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75009 Paris  
France

*Auditors to the Issuer*

Mazars  
Exaltis  
61, rue Henri Regnault  
92075 La Défense Cedex  
France

PricewaterhouseCoopers Audit  
63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
France

KPMG Audit  
1, Cours Valmy  
F-92923 Paris La Défense Cedex  
France



**Offers to Exchange  
New Undated Deeply Subordinated Notes of BPCE (to be Issued in  
Four Series)  
for  
Seven Issues of Outstanding Tier 1 Securities issued by Natixis, NBP  
Capital Trust I and NBP Capital Trust III**

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SUPPLEMENT TO  
EXCHANGE OFFERING MEMORANDUM

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**BNP Paribas**

**NATIXIS**

**August 5, 2009**