



€1,000,000,000 Subordinated 4.625 per cent. Notes due 18 July 2023

Issue Price: 99.178 per cent.

The €1,000,000,000 subordinated 4.625 per cent. notes of BPCE (the **Issuer**) maturing on 18 July 2023 (the **Notes**) will be issued on 18 July 2013 (the **Issue Date**) and will bear interest at a rate of 4.625 per cent. *per annum* from (and including) the Issue Date, payable annually in arrear on 18 July of each year, beginning on 18 July 2014 and ending on 18 July 2023 (the **Maturity Date**), as further described in "Terms and Conditions of the Notes – Interest" of this prospectus (the **Prospectus**).

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at par on 18 July 2023 (the **Maturity Date**). The Issuer may, at its option, and in certain circumstances shall be required to, redeem all, but not some only, of the Notes at any time at their outstanding principal amount plus accrued interest upon the occurrence of a Tax Event or a Capital Event (each as defined in "Terms and Conditions of the Notes - Interpretation").

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book entries. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. **Account Holder** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V.

This Prospectus constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended, which includes the amendments made by Directive 2010/73/EU of the European Parliament and of the Council dated 24 November 2010 (the **Prospectus Directive**).

Application has been made to list and admit to trading the Notes, as of their Issue Date on the regulated market of NYSE Euronext in Paris (**Euronext Paris**). Euronext Paris is a regulated market within the meaning of the Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004, as amended.

The Notes are expected to be rated BBB+ by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc (**S&P**) and BBB+ by Fitch France S.A.S. (**Fitch**). The long term debt of the Issuer has been rated A by S&P, A+ by Fitch and A2 by Moody's Investors Service Ltd (**Moody's**). As at the date of this Prospectus, S&P, Fitch and Moody's are established in the European Union and are registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended (the **CRA Regulation**). As such S&P, Fitch and Moody's are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at www.esma.europa.eu/page/list-registered-and-certified-CRAs) in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time without notice.

Copies of this Prospectus are available on the websites of the *Autorité des marchés financiers* (the **AMF**) (www.amf-france.org) and of the Issuer (www.bpce.fr) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours. Copies of all documents incorporated by reference in this Prospectus are available on the website of the AMF (www.amf-france.org) and of the Issuer (www.bpce.fr) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours.

See the "Risk Factors" section for a description of certain factors which should be considered by potential investors in connection with any investment in the Notes.



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement général*), in particular Articles 211-1 to 216-1, the *Autorité des marchés financiers* (**AMF**) has granted to this Prospectus the visa n°13-366 on 16 July 2013. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

Sole Bookrunner

Natixis

Joint-Lead Managers

Banco Bilbao Vizcaya Argentaria, S.A.

Barclays

Commerzbank

J.P. Morgan

*This Prospectus has been prepared for the purpose of giving information with respect to the Issuer and the Issuer and its consolidated subsidiaries taken as a whole (the **Group**) as well as the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.*

None of the Managers has (as defined in "Subscription and Sale" below) independently verified the information contained in this Prospectus. Accordingly, the Managers do not make any representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by, or on behalf of, the Issuer or the Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes.

No person is authorised to give any information or to make any representation related to the issue, offering or sale of the Notes not contained in this Prospectus. Any information or representation not so contained herein must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Managers. The delivery of this Prospectus or any offering or sale of Notes at any time does not imply (i) that there has been no change with respect to the Issuer or the Group, since the date hereof and (ii) that the information contained or incorporated by reference in it is correct as at any time subsequent to its date. None of the Managers undertakes to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Notes of any information coming to its attention.

The Prospectus and any other information relating to the Issuer or the Notes should not be considered as an offer, an invitation, a recommendation by any of the Issuer or the Managers to subscribe or purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Investors should review, inter alia, the documents incorporated by reference into this Prospectus (see "Documents Incorporated by Reference" below) when deciding whether or not to subscribe for or to purchase the Notes. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer, the Group, their business, their financial condition and the issued Notes and consult their own financial or legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances. Potential investors should read carefully the section entitled "Risk Factors" set out in this Prospectus before making a decision to invest in the Notes.

The distribution of this Prospectus and the offering or the sale of the Notes in certain jurisdictions may be restricted by law or regulation. Neither the Issuer, nor the Managers represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution, offering or sale. In particular, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Note may be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of Notes and distribution of this Prospectus and of any other offering material relating to the Notes, see "Subscription and Sale" below.

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the **Securities Act**). The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act.*

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

*In this Prospectus, references to **€**, **EURO**, **EUR** or to **euro** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.*

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**PERSON RESPONSIBLE FOR THE INFORMATION
CONTAINED IN THE PROSPECTUS**

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

BPCE
50, avenue Pierre Mendès France
75013 Paris
France

Duly represented by:

Roland Charbonnel

Directeur des Emissions et de la Communication Financière of the Issuer

Dated 16 July 2013

CERTAIN TERMS USED IN THIS PROSPECTUS

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

“**Banques Populaires**” means 19 Banques Populaires and their subsidiaries (made up of 17 regional banks, CASDEN Banque Populaire and Crédit Coopératif).

“**Caisses d’Epargne**” means the 17 Caisses d’Epargne et de Prévoyance.

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

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

“**Groupe BPCE**” means BPCE SA Group, the Banques Populaires, the Caisses d’Epargne and certain affiliated entities.

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

“**Natixis**” means Natixis SA, a *société anonyme à Conseil d’Administration*.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following sections identified in the cross-reference table below of the following documents (the **Documents Incorporated by Reference**), which have been previously published and have been filed with the AMF. Such sections shall be incorporated in, and shall be deemed to form part of, this Prospectus:

- (a) the sections identified in the cross-reference table below of the 2011 *Document de Référence* in the French language relating to the Issuer filed with the AMF under number D.12-0246 on 30 March 2012 (the **2011 Registration Document**), including the statutory audited consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2011 and the related notes thereto and the related statutory auditors' report. To the extent that the 2011 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein;
- (b) the sections identified in the cross-reference table below of the 2012 *Document de Référence* in the French language relating to the Issuer filed with the AMF under number D.13-0203 on 22 March 2013 (the **2012 Registration Document**), including the statutory audited consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2012 and the related notes thereto and the related statutory auditors' report. To the extent that the 2012 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein;
- (c) the sections identified in the cross-reference table below of the first update to the 2012 Registration Document (**2012 First Update Document**). To the extent that the 2012 First Update Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein; and

Free translations in the English language of the 2011 Registration Document, the 2012 Registration Document, and the 2012 First Update Document are available on the Issuer's website (www.bpce.fr). These documents are available for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

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

Copies of the Documents Incorporated by Reference may be obtained, without charge on request, at the principal office of the Issuer or of the Fiscal Agent during normal business hours. Such documents will also be published (i) on the website of the AMF (www.amf-france.org) and (ii) on the website of the Issuer (www.bpce.fr).

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004 as amended. Any information not listed in the cross-reference list shall not be deemed to form part of this Prospectus.

CROSS-REFERENCE LIST FOR DOCUMENTS INCORPORATED BY REFERENCE

Registration Documents and related updates

References to pages below are to those of the 2012 Registration Document, the 2011 Registration Document and the 2012 First Update Document, respectively.

<i>Annex XI of the European Regulation 809/2004/EC of 29 April 2004 as amended by Commission Delegated Regulation (EU) 486/2012 of 30 March 2012 and 862/2012 of 4 June 2012</i>		Pages of the 2011 Registration Document	Pages of the 2012 Registration Document	Pages of the 2012 First Update Document
1 Persons responsible				
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1.2	Declaration by persons responsible	417	438	53
2 Statutory auditors				
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2.2	Change of situation of the auditors	N/A		
3 Risk factors				
3.1	Risk factors	37-51; 98-151; 223-225; 294- 297	83-86; 107-163; 238-241; 312-315	40-45
4 Information about the Issuer				
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4.1.1	Legal and commercial name	392	418	N/A
4.1.2	Place of registration and registration number	392	418	N/A
4.1.3	Date of incorporation and term	392	418	N/A
4.1.4	Domicile, legal form, jurisdictions governing its activities, country of incorporation, address and telephone number	392	418	N/A
4.1.5	Recent events particular to the Issuer	171; 185; 259; 317; 326	201; 277; 336; 344	2-3
5 Business overview				
5.1	Principal activities			
5.1.1	Description of the Issuer's principal activities	15-24; 158- 165; 231-234; 302-304	12-23; 171-180; 246-249; 319-322	23-39
5.1.2	Indication of any significant new products and/or activities	N/A		
5.1.3	Principal markets	15-24; 231- 234; 302-304	12-23; 171-180; 246-249; 319-322	N/A
5.1.4	The basis for any statements in the registration document made by the issuer regarding its competitive position	15-24	12-23	N/A
6 Organisational structure				
6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	4-9	4-8	N/A

<i>Annex XI of the European Regulation 809/2004/EC of 29 April 2004 as amended by Commission Delegated Regulation (EU) 486/2012 of 30 March 2012 and 862/2012 of 4 June 2012</i>		Pages of the 2011 Registration Document	Pages of the 2012 Registration Document	Pages of the 2012 First Update Document
6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	N/A		
7 Trend information				
7.1	Statement of no material adverse change on the Issuer's prospects	N/A		
7.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	401	186	N/A
8 Profit forecast and estimate				
8.1	Principal assumptions	N/A		
8.2	Statement regarding the forecasts and estimates	N/A		
8.3	Comparable with historical financial information	N/A		
9 Administrative, management and supervisory bodies				
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9.2	Conflicts of interests	30; 62	27-28; 82	N/A
10 Major shareholders				
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10.2	Description of arrangements which may result in a change of control	396	422	N/A
11 Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses				
11.1	Historical financial information			
	<i>Audited consolidated financial statements BPCE</i>			
	- Balance sheet (Statement of financial position)	174-175	188-189	N/A
	- Income statement	176	190	N/A
	- Cash flow statement	180	194	N/A
	- Accounting policies and explanatory notes	185-198	201-215	N/A
	- Auditors' report	246-247	261-263	N/A
	<i>Audited consolidated financial statements BPCE SA</i>			
	- Balance sheet (Statement of financial position)	248-249	264-265	N/A
	- Income statement	250	266	N/A
	- Cash flow statement	254	270	N/A
	- Accounting policies and explanatory notes	259-272	277-290	N/A
	- Auditors' report	311-312	330-331	N/A

Annex XI of the European Regulation 809/2004/EC of 29 April 2004 as amended by Commission Delegated Regulation (EU) 486/2012 of 30 March 2012 and 862/2012 of 4 June 2012		Pages of the 2011 Registration Document	Pages of the 2012 Registration Document	Pages of the 2012 First Update Document
<i>Audited non-consolidated financial statements</i>				
- Balance sheet (Statement of financial position)	320-321	338-339	N/A	
- Income statement	322	340	N/A	
- Cash flow statement	N/A			
- Accounting policies and explanatory notes	327-332	345-350	N/A	
- Auditors' report	356-357	376-378	N/A	
11.2 Financial statements	174-245; 248-310; 320-355	188-260; 264-329; 332-375	N/A	
11.3 Auditing of historical annual financial information				
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11.3.2 Other audited information	N/A			
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12 Material contracts				
12.1 Material contracts	401	422	N/A	
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13.1 Statements by experts	N/A	N/A	N/A	
13.2 Statements by third parties	N/A	N/A	N/A	
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OVERVIEW

BPCE AND GROUPE BPCE

BPCE is the central institution of Groupe BPCE, a French mutual banking group. Groupe BPCE includes 36 regional banks, 19 in the Banque Populaire retail banking network, and 17 in the Caisse d'Épargne retail banking network, as well as BPCE and its subsidiaries and affiliates. BPCE's largest subsidiary is Natixis, a publicly listed French bank in which BPCE holds a 72.4% interest.

BPCE does not hold any direct financial interest in the regional banks, which are owned directly or indirectly by more than 8 million cooperative shareholders (mainly customers). As at 31 December 2012, BPCE holds an indirect interest in the regional banks through Natixis, which holds 20% non-voting equity interests in each of the regional banks. Natixis has announced its intention to sell these non-voting equity interests back to the regional banks in 2013.

As the central institution of Groupe BPCE, BPCE's role is to coordinate policies and exercise certain supervisory functions with respect to the regional banks and other affiliated French banking entities (including Natixis), and to ensure the liquidity and solvency of the entire group. The French banking entities in Groupe BPCE are covered by a mutual financial solidarity mechanism that results in BPCE's credit being effectively supported by the financial strength of the entire group (including a €1.237 billion guarantee fund and €36.3 billion of Tier One capital of the Banques Populaire and Caisse d'Épargne networks, in each case as of 31 December 2012).

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

BUSINESS OF GROUPE BPCE

Groupe BPCE is one of the largest banking groups in France. As of 31 December 2012, Groupe BPCE had €1,147.5 billion of total assets, €574.9 billion of outstanding customer loans and €54.4 billion of consolidated shareholders' equity (€0.6 billion group share). It recorded €21.9 billion of consolidated net banking income and €2.1 billion of consolidated net income attributable to equity holders of the parent, in each case for the year ended 31 December 2012. Its activities are conducted primarily through two core business lines:

- **Commercial Banking and Insurance** (67.3% of 2012 net banking income of the core business lines). The commercial banking and insurance business line includes the activities of the Banques Populaires and Caisses d'Épargne retail banking networks, activities relating to real estate financing (mainly through Crédit Foncier de France) and insurance, international banking and certain other banking activities. This core business line includes:
 - The Banques Populaire network, which has a leading position with small and medium enterprises, professional customers as well as individuals. The Banques Populaires had outstanding customer loans of €60.0 billion and customer savings and deposits (including life insurance and mutual fund savings) of €98.7 billion as of 31 December 2012, and they recorded €6.0 billion of net banking income in 2012.
 - The Caisses d'Épargne network, which has a leading role with individual customers as well as professionals, and a strong historic presence in regional development banking (primarily public sector financing and public housing). The Caisses d'Épargne had outstanding customer loans of €85.3 billion and customer savings and deposits (including life insurance and mutual fund savings) of €58.8 billion as of 31 December 2012, and they recorded €6.8 billion of net banking income in 2012.

- Real estate financing, which includes the activities of the Crédit Foncier group. This division recorded €0.8 billion of net banking income in 2012.
- Insurance, international and other networks, which includes Groupe BPCE's interest in CNP Assurances, BPCE Assurances, subsidiaries located in French overseas territories, international subsidiaries, and Banque Palatine a French bank that provides mainly wealth management services. This division recorded €1.2 billion of net income in 2012.
- **Wholesale Banking, Investment Solutions and Specialized Financial Services** (27.7% of 2012 net banking income of the core business lines). This business line is conducted by Natixis. It includes (i) corporate and investment banking for large corporate and institutional customers, (ii) investment solutions, including asset management, insurance, private banking and private equity, and (iii) specialized financial services, including factoring, leasing, consumer finance, sureties and guarantees, employee benefits planning, payments and securities services.

In addition to these core business lines, Groupe BPCE has equity investments in a number of other entities, including Nexity, a leading French real estate services company, and Coface, a world leader in receivables management. Groupe BPCE also maintains a Workout Portfolio Management and Other business line, which includes Natixis' segregated workout portfolio segment, consisting of activities affected by the financial crisis and managed in run-off mode. The remainder of Groupe BPCE's business consists of corporate center activities (including BPCE's activities as the central body of Groupe BPCE).

BPCE SA GROUP

The BPCE SA Group includes BPCE and its consolidated subsidiaries and affiliates, including Natixis. BPCE SA Group does not include the Banques Populaires and Caisses d'Épargne in the scope of consolidation. Instead, they are accounted for by the equity method based on the 20% non-voting equity interests held by Natixis. This will no longer be the case once Natixis sells the non-voting equity interests back to the Banques Populaires and the Caisses d'Épargne.

As of 31 December 2012, BPCE SA Group had €75.7 billion of total assets, €28.8 billion of outstanding customer loans and €1.1 billion of consolidated shareholders' equity (€4.7 billion group share). It recorded €2 billion of consolidated net banking income and €1,565 million of consolidated net income attributable to equity holders of the parent, in each case for the year ended 31 December 2012.

Natixis

As mentioned above, Natixis is the wholesale banking, investment management and specialized financial services arm of Groupe BPCE. Its shares are listed on the Paris stock exchange.

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

REGULATORY CAPITAL RATIOS

As of 31 December 2012, the total solvency ratio of Groupe BPCE (based on Basel 2.5 standards, unfloored) was 12.5%, its total Tier 1 ratio was 12.2% and its Core Tier 1 Ratio was 10.7%. As of the same date, the total solvency ratio of the BPCE SA Group (based on the same standards) was 11.7% and its total Tier 1 ratio was 11.8%.

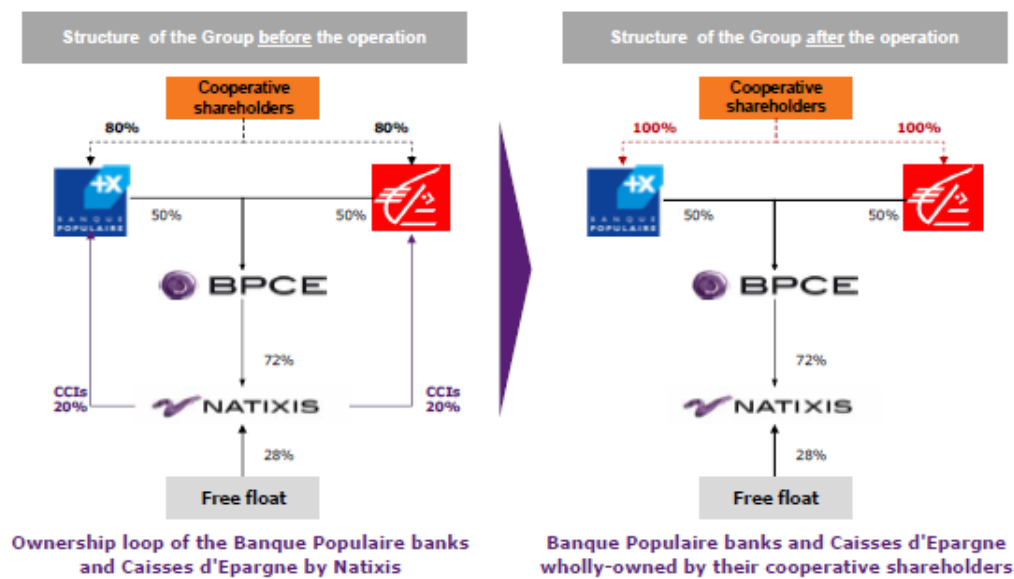
REPURCHASE OF NON-VOTING EQUITY INTERESTS HELD BY NATIXIS

On 17 February 2013, Groupe BPCE and Natixis announced plans to substantially simplify the group's organizational structure. The Banques Populaires and the Caisses d'Épargne will repurchase from

Natixis the non-voting equity interests (known as CCIIs, or *certificats coopératifs d'investissement*) held by Natixis, for an aggregate price of €1.1 billion. Following the cancellation of the non-voting equity interests, these banks will be fully owned by their cooperative shareholders. The repurchase is expected to be accompanied by the unwinding of associated financing agreements and intra-group mechanisms.

The transaction is subject to approval by employee representative bodies of the Banques Populaires and the Caisses d'Épargne, as well as the supervisory boards of the Caisse d'Épargne and the boards of directors of the Banques Populaires, which is expected to take place by August 2013. If it is approved, the transaction is expected to take place by 30 September 2013.

Groupe BPCE's structure before and after the repurchase transaction is illustrated in the following chart:



Natixis has announced that it intends to pay an extraordinary dividend of €2 billion following the completion of the transaction. As the holder of 72.4% of the shares of Natixis, BPCE will receive approximately €1.45 billion of this amount.

In 2012, the non-voting equity interests in the Banques Populaires and the Caisses d'Épargne contributed approximately €34 million to the consolidated net income attributable to equity holders of the parent of BPCE SA Group.

RISK FACTORS

In purchasing the Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes. The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Prior to making an investment decision, prospective investors should consider carefully all the information set out and incorporated by reference in this Prospectus, including in particular the risk factors detailed below, and consult with their own financial and legal advisors as to the risks entailed by an investment in the Notes. The following statements are not exhaustive. In addition, investors should be aware that the risks described may be combined and thus interrelated with one another. Prospective investors should make their own independent evaluations of all investment considerations and should also read the detailed information set out elsewhere in this Prospectus.

Terms defined in "Terms and Conditions of the Notes" below shall have the same meaning where used below.

1. Risks relating to the Issuer

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

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

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

- *Credit Risk.* Credit risk is the risk of financial loss relating to the failure of a counterparty to honor its contractual obligations. The counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. Credit risk arises in lending activities and also in various other activities where Groupe BPCE is exposed to the risk of counterparty default, such as its trading, capital markets, derivatives and settlement activities. With respect to home loans, the degree of credit risk also depends on the value of the home that secures the relevant loan. Credit risk also arises in connection with the factoring businesses of Groupe BPCE, although the risk relates to the credit of the counterparty's customers, rather than the counterparty itself.
- *Market and Liquidity Risk.* Market risk is the risk to earnings that arises primarily from adverse movements of market parameters. These parameters include, but are not limited to, foreign exchange rates, bond prices and interest rates, securities and commodities prices, derivatives prices, credit spreads on financial instruments and prices of other assets such as real estate.

Liquidity is also an important component of market risk. In instances of little or no liquidity, a market instrument or transferable asset may not be negotiable at its estimated value (as was

the case for some categories of assets in the recent disrupted market environment). A lack of liquidity can arise due to diminished access to capital markets, unforeseen cash or capital requirements or legal restrictions.

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

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

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

European markets have recently experienced significant disruptions as a result of concerns regarding the ability of certain countries in the euro-zone to refinance their debt obligations, limited economic growth and political uncertainty in certain countries. These disruptions have caused volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the near-term economic prospects of countries in the European Union as well as the quality of debt obligations of sovereign debtors in the European Union. There has also been an indirect impact on financial markets and economies, in Europe and worldwide.

While Groupe BPCE's holdings of sovereign bonds affected by the crisis has been limited, Groupe BPCE has been indirectly affected by the spread of the euro-zone crisis, which has affected most countries in the euro-zone, including the group's home market of France. The credit ratings of French sovereign obligations were downgraded in 2012, resulting in a downgrading of the credit ratings of French commercial banks, including those of the Groupe BPCE entities. More recently, anti-austerity sentiment has led to political uncertainty in certain European countries.

In addition, the perception of the impact of the European crisis on French banks made certain market participants, such as U.S. money market funds, less willing to extend financing to French banks than they were in the past, affecting the access of French banks, including the Groupe BPCE entities, to liquidity, particularly in U.S. dollars. This situation was particularly severe in 2011, and has remained challenging in certain peripheral European countries throughout 2012. There can be no

assurance that this adverse market environment will not persist or deteriorate.

If economic or market conditions in France or elsewhere in Europe were to deteriorate further, particularly in the context of an exacerbation of the sovereign debt crisis (such as a sovereign default, the perception that a sovereign might withdraw from the euro, the actual withdrawal by a sovereign from the euro, or the expansion of taxation of deposits as a crisis management tool), the markets in which Groupe BPCE operates could be more significantly disrupted, and its business, results of operations and financial condition could be adversely affected.

The global financial crisis, including disruptions in global credit markets, has had an adverse impact on Groupe BPCE's earnings and financial condition, and may continue to have an adverse impact in the future

The activities, earnings and financial condition of the entities in Groupe BPCE were affected by the significant and unprecedented disruptions in the financial markets, in particular in the primary and secondary debt markets, that occurred from 2007 to 2009, and that continue to affect financial markets globally. If adverse market conditions continue or worsen, Groupe BPCE's results of operations could be adversely affected.

During the global financial crisis, reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors reduced or ceased providing funding to borrowers, including to other financial institutions. This market turmoil and the tightening of credit led to an increased level of commercial and consumer delinquencies, a lack of consumer confidence, increased market volatility, steep declines in stock market indices and a widespread reduction of business activity generally. Conditions in the debt markets included reduced liquidity and increased credit risk premiums, which significantly increased the cost of debt funding. The significant disruption of the secondary debt market exacerbated these conditions and reduced the availability of financing for new loan production.

The disruptions to the financial markets included the disappearance of trading markets for many complex assets, particularly those based on subprime mortgage loans. The resulting uncertainty regarding asset values led to substantial write-downs on the books of global financial institutions, including those of Natixis and Groupe BPCE. Natixis has incurred significant losses in recent years, and may continue to post losses, on its portfolio of assets impacted by the financial crisis (known as the Workout Portfolio Management segment, or "GAPC," reflecting its French name). In addition, Groupe BPCE has provided a guarantee to Natixis, under which Groupe BPCE will absorb the large majority of any future losses on the GAPC portfolio.

More generally, other asset categories were affected as institutions sold them to meet liquidity needs. Adverse conditions spread to the economy generally as the lack of liquidity in financial markets affected the cost and availability of financing for businesses. A significant renewal of these market disruptions could have an adverse impact on Groupe BPCE's results of operations and financial condition.

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

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

The new measures that have been or may be adopted include more stringent capital and liquidity

requirements, taxes on financial transactions, limits or taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and investment and ownership in private equity funds and hedge funds), or new ring-fencing requirements relating to certain activities, restrictions on certain types of financial activities or products such as derivatives, mandatory writedown or conversion into equity of certain debt instruments and the creation of new and strengthened regulatory bodies. Some of the new measures are proposals that are under discussion and that are subject to revision and interpretation, and need adapting to each country's framework by national regulators.

As a result of some of these measures, Groupe BPCE has had to significantly adjust, and may continue to adjust, certain of its activities in order to allow it to comply with the new requirements. This has led (and may continue to lead) to reduced net banking income and profits in the affected activities, the reduction or sale of certain operations and asset portfolios, and asset impairment charges.

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

European legislative and regulatory initiatives regarding compensation may have a significant impact on Groupe BPCE's corporate and investment banking activities

Legislative and regulatory initiatives that are currently under consideration in Europe could significantly change the structure and amount of compensation paid to certain employees, particularly in the corporate and investment banking segment. These initiatives would, if adopted in their current form, prohibit the payment of cash bonuses that exceed the fixed compensation of these employees (or two times the compensation of these employees, subject to shareholder approval), as well as placing limits on share-based bonuses. The potential impact of these initiatives is difficult to predict. They could lead to a significant increase in fixed compensation demanded by qualified employees, in which case Groupe BPCE's cost base would become less flexible, potentially resulting in lower net income during market downturns compared to the net income that would be realized with a more variable compensation structure. In addition, these initiatives may make it more difficult to attract qualified employees in the corporate and investment banking segment.

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

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

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

Credit ratings are important to the liquidity of BPCE and its affiliates that are active in financial markets. A downgrade in credit ratings could adversely affect the liquidity and competitive position

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

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

In connection with Groupe BPCE's lending activities, the group periodically establishes asset impairment charges to reflect actual or potential losses in respect of its loan and receivables portfolio, which are recorded in its profit and loss account under "cost of risk". Groupe BPCE's overall level of such asset impairment charges is based upon the group's assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although Groupe BPCE uses its best efforts to establish an appropriate level of asset impairment charges, the group's lending businesses may have to increase their charges for loan losses in the future as a result of increases in non-performing assets or for other reasons, such as deteriorating market conditions of the type that occurred in 2008 and 2009 or factors affecting particular countries. Any significant increase in charges for loan losses or a significant change in the estimate of the risk of loss inherent in Groupe BPCE's portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the charges recorded with respect thereto, could have an adverse effect on Groupe BPCE's results of operations and financial condition.

Adjustments to the carrying value of Groupe BPCE's securities and derivatives portfolios and its own debt could have an impact on net income and shareholders' equity

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

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

Pursuant to the IFRS standards and interpretations currently in force, Groupe BPCE is required to use certain estimates in the preparation of its financial statements, including accounting estimates to determine provisions relating to loans and doubtful debts, provisions relating to possible litigation, and the fair value of certain assets and liabilities. If the values used for these items by Groupe BPCE should prove to be significantly inaccurate, particularly in the event of significant and/or unexpected

market trends, or if the methods by which they are determined should be changed under future IFRS standards or interpretations, Groupe BPCE may be exposed to unexpected losses.

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

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

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

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

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

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

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

The amount of net interest income earned by Groupe BPCE during any given period significantly affects its overall net banking income and profitability for that period. In addition, significant changes in credit spreads, such as the widening of spreads experienced recently, can impact the results of operations of the group. Interest rates are highly sensitive to many factors beyond the control of group entities. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in net interest income from lending

activities. In addition, increases in the interest rates at which short-term funding is available and maturity mismatches may adversely affect the profitability of the groups. Increasing or high interest rates and/or widening credit spreads, especially if such changes occur rapidly, may create a less favorable environment for certain banking businesses.

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

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

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

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

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

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

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

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

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

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

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

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy liable to significantly influence investor decisions, in particular in markets where Groupe BPCE operates;
- general changes in regulatory requirements, notably prudential rules relating to the regulatory capital adequacy framework, such as the modifications being made to the regulations implementing the Basel III requirements;
- changes in rules and procedures relating to internal controls;
- changes in the competitive environment and prices;
- changes in financial reporting rules;
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership rights; and
- any adverse change in the political, military or diplomatic environments creating social instability or an uncertain legal situation capable of affecting the demand for the products and services offered by Groupe BPCE.

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

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

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

The risk management techniques and strategies of Groupe BPCE may not effectively limit its risk exposure in all economic market environments or against all types of risk, including risks that the group fails to identify or anticipate. The group's risk management techniques and strategies may also not effectively limit its risk exposure in all market fluctuations. These techniques and strategies may not be effective against certain risks, particularly those that the group has not previously identified or anticipated. Some of the group's qualitative tools and metrics for managing risk are based upon its use of observed historical market behavior. The group's risk managers apply statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the group did not anticipate or correctly evaluate in its statistical models or from unexpected and unprecedented market movements. This would limit the group's ability to manage its risks. The group's losses could therefore be significantly greater than the historical measures indicate. In addition, the group's quantified modeling does not take all risks into account. The group's qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. In addition, while no material issue has been identified to date, the risk management systems are subject to the risk of operational failure, including fraud. See "Risk Management" and the related sections of the 2012 BPCE Reference Document and its updates for a more detailed discussion of the policies, procedures and methods that group entities use to identify, monitor and manage its risks.

Groupe BPCE's hedging strategies may not prevent losses

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

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

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

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

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

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

Groupe BPCE's ability to carry out its operations could be affected by the financial soundness of other financial institutions and market participants. Financial institutions are closely interconnected as a result, notably, of their trading, clearing, counterparty and financing operations. The default of a sector participant, or even simple rumors or questions concerning one or more financial institutions or the finance industry more generally, have led to a widespread contraction in liquidity in the market and in the future could lead to additional losses or defaults. Groupe BPCE is exposed to

several financial counterparties such as investment service providers, commercial or investment banks, mutual funds and hedge funds, as well as other institutional clients, with which it conducts transactions in the usual manner, thus exposing Groupe BPCE to a risk of insolvency if a group of Groupe BPCE's counterparties or customers should fail to meet their commitments. This risk would be aggravated if the assets held as collateral by Groupe BPCE were unable to be sold or if their price was unable to cover all of Groupe BPCE's exposure relating to loans or derivatives in default.

In addition, fraud or misappropriations committed by financial sector participants may have a significant adverse impact on financial institutions as a result, notably, of interconnections between institutions operating in the financial markets.

The losses that could result from the above-mentioned risks could have a significant bearing on Groupe BPCE's results.

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

Groupe BPCE's reputation is essential in attracting and retaining its customers. The use of inappropriate means to promote and market its products and services, inadequate management of potential conflicts of interest, legal and regulatory requirements, ethical issues, money laundering laws, information security policies and sales and trading practices may damage Groupe BPCE's reputation. Its reputation could also be harmed by any inappropriate employee behavior, fraud or misappropriation of funds committed by participants in the financial sector to which BPCE is exposed, any decrease, restatement or correction of the financial results, or any legal or regulatory action that has a potentially unfavorable outcome. Any damage caused to Groupe BPCE's reputation could be accompanied by a loss of business likely to threaten its results and its financial position.

Inadequate management of these issues could also give rise to additional legal risk for Groupe BPCE and cause an increase in the number of legal proceedings and the amount of damages claimed against Groupe BPCE, or expose Groupe BPCE to sanctions from the regulatory authorities (for further details see section 3.4 ("Legal risks") of the 2012 Registration Document, and in particular the sections 3.4.2 and 3.4.3 on legal and arbitration proceedings).

An extended market decline may reduce the liquidity of assets and make it more difficult to sell them. Such a situation could give rise to significant losses

In some of Groupe BPCE's businesses, a prolonged fall in asset prices could threaten the level of activity or reduce liquidity in the market concerned. This situation would expose Groupe BPCE to significant losses if it was unable to rapidly close out its potentially loss-making positions. This is particularly true in relation to assets that are intrinsically illiquid. Certain assets that are not traded on a stock exchange or on a regulated market, such as derivatives traded between banks, are generally valued using models rather than market prices. Given the difficulty in monitoring changes in prices of these assets, Groupe BPCE could suffer unforeseen losses.

1.2 Risks related to the structure of Groupe BPCE and Natixis

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

As the central body of Groupe BPCE, BPCE guarantees the liquidity and solvency of each of the regional banks (the Caisses d'Épargne and the Banques Populaires), as well as the other members of the affiliated group that are credit institutions subject to regulation in France. The affiliated group includes BPCE affiliates such as Natixis, Crédit Foncier de France and Banque Palatine (a more

complete list is included in the 2012 Registration Document). While each of the regional banks and the other members of the affiliated group are required to provide similar support to BPCE, there can be no assurance that the benefits of the financial solidarity mechanism for BPCE will outweigh its costs.

To assist BPCE in assuming its central body liabilities and to ensure mutual support within Groupe BPCE, three guarantee funds have been established to cover liquidity and solvency risks, with an amount of €1.237 billion as at 31 December 2012. The regional banks and the entities in the affiliated group will be required to make additional contributions to the guarantee funds from their future profits. While the guarantee funds provide a substantial source of resources to fund the financial solidarity mechanism, there can be no assurance that they will be sufficient for this purpose. If the guarantee funds turn out to be insufficient, BPCE will be required to make up the shortfall.

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

BPCE's financial strength is derived in significant part from the regional retail banks, both as a result of the support undertakings in the financial solidarity mechanism, and as a result of BPCE's non-voting equity interest in the regional retail banks (through Natixis, which, as at 31 December 2012, holds 20% non-voting equity interests in the form of CCIs in the regional retail banks). While BPCE has significant powers to monitor and supervise the regional retail banks in its capacity as central body of Groupe BPCE, it currently does not have any voting power in respect of decisions that require the consent of shareholders of the regional banks.

Following the repurchase transaction, BPCE will have no equity interests in the Banques Populaires and the Caisses d'Epargne

The Banques Populaires and Caisses d'Epargne are expected to repurchase the 20% non-voting interests currently held by Natixis. See "Description of the Issuer—Repurchase of Non-Voting Equity Interests Held by Natixis." Following this transaction, BPCE will not hold any direct or indirect interest in the Banques Populaires and Caisses d'Epargne, although it will continue to act as central institution, to centralize Groupe BPCE's funding operations and to manage the group's financial solidarity mechanism.

Following the completion of the repurchase transaction, the Banques Populaires and Caisses d'Epargne will no longer be accounted for under the equity method in the consolidated financial statements of the BPCE SA Group. Historically, the BPCE SA Group's equity share of net income of the Banques Populaires and Caisses d'Epargne has been less volatile than the other sources of net income of the BPCE SA Group. As a result, the completion of the repurchase transaction is likely to increase the volatility of the BPCE SA Group's net income in the future.

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

The mechanism for the appointment of members of the supervisory board and of the management board of BPCE, as well as the implementation of various corporate governance measures is set forth in a protocol originally dated 24 June 2009 (the "BPCE Protocol"). Of the 18 members of the BPCE Supervisory Board, seven have been nominated by the Caisses d'Epargne, seven have been nominated by the Banques Populaires, and four are outside directors. In addition, the BPCE Protocol provides (and the bylaws of BPCE provide) that certain decisions deemed essential require the approval of 15 out of 18 members of the supervisory board (meaning a favorable vote from at least one representative of each of the Caisses d'Epargne and the Banques Populaires and from among the outside directors). These "essential decisions" include the removal of the Chairman of the

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

2. Risks linked to the Notes

Creditworthiness of the Issuer

The principal of the Notes constitutes general unsecured and subordinated contractual obligations of the Issuer and of no other person which will rank junior in priority of payment to the unsubordinated creditors (including depositors and with respect to interest owed on the Notes) of the Issuer, as more fully described in the Terms and Conditions. The Issuer issues a large number of financial instruments on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Notes you are relying upon the creditworthiness of the Issuer.

Subordinated obligations

The Issuer's obligations with respect to the principal of the Notes are unsecured and subordinated and will rank junior in priority of payment to unsubordinated creditors (including depositors and with respect to interest owed on the Notes) of the Issuer, as more fully described in the Terms and Conditions.

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the Holders in respect of the principal of the Notes shall be subordinated to the payment in full of unsubordinated creditors (including depositors and Holders with respect to interest owed on the Notes only). In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the principal of the Notes will be terminated. Holders shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

Although the Notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a substantial risk that investors in subordinated notes such as the Notes will lose all or some of their investment should the Issuer become insolvent.

Loss absorption at the point of non-viability of the Issuer and resolution

On 6 June 2012, the European Commission published a legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the **Draft RRD**). The stated aim of the Draft RRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The powers provided to "resolution authorities" in the Draft RRD include write down/conversion powers to ensure that eligible liabilities and capital instruments (including Tier 2 capital instruments

such as the Notes) fully absorb losses at the point of non-viability of the issuing institution (referred to as the **Bail-In Tool**). Accordingly, the Draft RRD contemplates that resolution authorities may require the write down of such capital instruments in full on a permanent basis, or convert them in full into common equity tier 1 instruments (**RRD Non-Viability Loss Absorption**), before any resolution action is taken (see below). The Draft RRD provides, inter alia, that resolution authorities shall exercise the write down power in a way that results in (i) common equity tier 1 instruments being written down first in proportion to the relevant losses and (ii) thereafter, the principal amount of other capital instruments (including Tier 2 capital instruments such as the Notes) being reduced to zero on a permanent basis. Common Equity Tier one instruments may be issued to holders of other capital instruments that are written down.

The point of non-viability under the Draft RRD is the point at which the national authority determines if the institution meets the condition for resolution, defined as:

- (a) the institution is failing or likely to fail, which means:
 - (i) the institution has incurred/will incur in a near future losses depleting all or substantially all its own funds, and/or
 - (ii) the assets are/will be in a near future less than its liabilities, and/or
 - (iii) the institution is/will be in a near future unable to pay its obligations, and/or
 - (iv) the institutions requires public financial support.
- (b) there is no reasonable prospect that a private action would prevent the failure;
- (c) a resolution action is necessary in the public interest.

Except for the Bail-In Tool with respect to eligible liabilities, which is expected to be implemented by 1 January 2018, it is currently contemplated that the measures set out in the Draft RRD will be implemented with effect from 1 January 2015.

The Draft RRD currently represents the only official proposal at the EU level for the implementation in the European Economic Area of the non-viability requirements set out in the press release dated 13 January 2011 issued by the Basel Committee on Banking Supervision (the **Basel Committee**) entitled “Minimum requirements to ensure loss absorbency at the point of non-viability” (the **Basel III Non-Viability Requirements**). The Basel III Non-Viability Requirements form part of the broader Basel III package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions.

The Basel Committee contemplated implementation of the Basel III reforms as of 1 January 2013. However, Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (**CRD IV**) and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (**CRR**), which were published in the Official Journal of the European Union on 27 June 2013, will be implemented on 1 January 2014. CRR contemplates that the Basel III Non-Viability Requirements will be implemented in the European Economic Area by way of the Draft RRD and the RRD Non-Viability Loss Absorption. If such statutory loss absorption at the point of non-viability is not implemented by 31 December 2015 then CRR indicates that the European Commission shall review and report on whether provision for such a requirement should be contained in CRR and, in light of that review, come forward with appropriate legislative proposals.

It is currently unclear whether RRD Non-Viability Loss Absorption, when implemented, will apply to capital instruments (such as the Notes) that are already in issue at that time or whether certain grandfathering rules will apply. If and to the extent that such provisions, when implemented, apply to the Notes, and/or if the Basel III Non-Viability Requirements become applicable to the Notes at any time, the Notes may be subject to write down or conversion to common equity tier 1 instruments upon the occurrence of the relevant trigger event, which may result in Holders losing some or all of their investment in the Notes, including the principal amount plus any accrued interest, if such loss absorption measures are acted upon. The exercise of any such power or any suggestion or anticipation of such exercise could, therefore, materially adversely affect the value of the Notes.

In addition to RRD Non-Viability Loss Absorption, the Draft RRD provides resolution authorities with broader powers to implement other resolution measures with respect to distressed banks, which may include (without limitation) the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

The Draft RRD is not in final form and changes may be made to it in the course of the legislative process. In addition, as noted above, it is unclear whether the Basel III Non-Viability Requirements could be applied in respect of the Notes ahead of implementation of the Draft RRD. Accordingly, it is not yet possible to assess the full impact of the relevant loss absorption provisions. There can be no assurance that, once implemented, the fact of applicable loss absorption provisions or the taking of any actions currently contemplated or as finally reflected in such provisions would not adversely affect the price or value of a Holder's investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

On 19 December 2012, the French Ministry of Economy and Finance submitted to the French Parliament a draft banking bill (*Projet de loi de séparation et de régulation des activités bancaires*) that, among other things, is designed to set up a resolution regime applicable to French banks. This proposed new banking bill would give resolution powers to a new Resolution Board of the French Banking Regulator which would become the *Autorité de contrôle prudentiel et de résolution*. It provides that the French Resolution Authority may, at its discretion and when the point of non-viability is reached, cancel or reduce share capital, and subsequently if necessary write down or convert Deeply Subordinated Notes and thereafter subordinated instruments (such as Tier 2), but not unsubordinated claims, to absorb losses as estimated in a preliminary valuation. This draft law was discussed and pre-adopted by the French National Assembly on 19 February 2013, discussed and pre-adopted by the French Senate on 22 March 2013 and sent back for a further discussion to the French National Assembly. The French National Assembly pre-adopted a revised draft on 5 June 2013 and sent back to the French Senate for further discussion. The draft bill may be amended before it is submitted to the final vote by the French Parliament. At this stage there is no guarantee that the final law will be substantially similar to the current project.

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

Subject as provided herein, in particular to the provisions of Condition 6.6 (*Conditions to redemption prior to Maturity Date*) the Issuer may, at its option, and in certain circumstances shall be required to, redeem all, but not some only, of the Notes at any time at their outstanding principal amount plus accrued and unpaid interest, upon the occurrence of a Capital Event or a Tax Event.

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

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

No Events of Default

There are no events of default under the Notes which would lead to an acceleration of the Notes if certain events occur. However, if any judgment were issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer were liquidated for any other reason, then the Notes would become immediately due and payable, subject to certain limitations described in Condition 4 (*Status of the Notes*). In the absence of any such judicial liquidation, Holders will have claims only for amounts then due and payable on their Notes.

Modification, waivers and substitution

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

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

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

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

Transactions on the Notes could be subject to a future European financial transaction tax

The European Commission has published a proposal for a Directive for a common financial transaction tax (FTT) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances, at a rate of at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid.

Under the current proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a

participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

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

If the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

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

EU Savings Directive

EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**) requires an EU Member State to provide to the tax authorities of another EU Member State details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual resident in or certain limited types of entity established in, that other EU Member State, except that, for a transitional period, Luxembourg and Austria will instead impose a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The current Luxembourg government has announced its intention to elect out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015. The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. A number of third countries and territories have adopted similar measures to the Savings Directive. See also "*Taxation — EU Savings Directive*".

If a payment under a Note were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any subsequent meeting of the ECOFIN Council on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive or Directives, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as the case may be, as a result of the imposition of such withholding tax. The Issuer is, however, required to maintain a Paying Agent with a specified office in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any subsequent meeting of the ECOFIN Council on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive or Directives.

No active secondary/trading market for the Notes

The Notes will be new securities which may not be widely distributed and for which there may be no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Moreover, although pursuant to Condition 6.4 (*Purchase*) the Issuer can purchase Notes at any moment (subject to regulatory approval), this is not an obligation for the Issuer. Purchases made by

the Issuer could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

Although application has been made for the Notes to be admitted to listing on Euronext Paris, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. As a consequence, investors may not be able to sell Notes readily or at prices that will enable them to realize their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that certain Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant. Noteholders should be aware that they may lose some or all of their initial investment.

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

One or more independent credit rating agencies may assign credit ratings with respect to the Notes. The credit ratings of the Issuer are an assessment of its ability to pay its obligations, including those on the Notes. Consequently, actual or anticipated declines in the credit ratings of the Issuer may affect the market value of the Notes.

The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, the credit rating agencies may change their methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and/or the ratings of the Notes were to be subsequently lowered, revised, suspended or withdrawn, this may have a negative impact on the trading price of the Notes.

Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Holder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. Noteholders should be aware that they may lose some or all of their initial investment. In addition, changes in market interest rates may adversely affect the value of the Notes.

TERMS AND CONDITIONS OF THE NOTES

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

1. Introduction

- 1.1 *Notes*: The issue of the Euro (“**EUR**”) 1,000,000,000 Subordinated 4.625% Notes due 18 July 2023 (the “**Notes**”, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 12 (*Further Issues*) and forming a single series with the Notes) of BPCE (the “**Issuer**”) was decided on 15 July 2013 by Roland Charbonnel, *Directeur des Emissions et de la Communication Financière* of the Issuer, acting pursuant to a resolution of the Management Board (*Directoire*) of the Issuer dated June 3, 2013.
- 1.2 *Issue and Agency Agreement*: The Notes are issued with the benefit of an agency agreement dated on or about the date hereof (as supplemented, amended and/or replaced from time to time, the “**Agency Agreement**”) between the Issuer, BNP Paribas Securities Services as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and BNP Paribas Securities Services as paying agent (the “**Paying Agent**”, which expression includes any successor paying agent appointed from time to time in connection with the Notes). Reference below to the “**Agents**” shall be to the Fiscal Agent and/or the Paying Agent, as the case may be. Copies of the Agency Agreement are available for inspection at the specified offices of the Agents. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

2. Interpretation

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

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

“**Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which the Target System is operating;

“**Capital Event**” means that, by reason of a change in, or the interpretation and/or application by the Relevant Regulator of, the criteria set out in the Applicable Banking Regulations for Tier 2 Capital which was not reasonably foreseeable by the Issuer at the Issue Date, the Notes cease to comply with such criteria and are fully excluded from the Tier 2 Capital of the Issuer, provided that such exclusion is not as a result of any applicable limits on the amount of Tier 2 Capital;

“**Clearstream Luxembourg**” has the meaning given to such term in Condition 3.2 (*Title*);

“**CRD IV Adoption Date**” means the date on which the CRD IV Regulation is deemed to take effect in France according to the terms of the CRD IV Regulation;

“**CRD IV Regulation**” means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as applicable in France and including as amended or replaced;

“**Day Count Fraction**” means, in respect of the calculation of any amount for any period of time, the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last);

“**Euroclear**” has the meaning given to such term in Condition 3.2 (*Title*);

“**Euroclear France**” has the meaning given to such term in Condition 3.2 (*Title*);

“**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;

“**Holders**” or “**Noteholders**” means holders of the Notes from time to time;

“**Interest Payment Date**” means 18 July in each year from (and including) 18 July 2014;

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

“**Issue Date**” means 18 July 2013;

“**Maturity Date**” means 18 July 2023;

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

“**Rate of Interest**” means 4.625 per cent. per annum;

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

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

“**Relevant Regulator**” means the *Secrétariat général de l'Autorité de Contrôle Prudentiel* and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer;

“**Special Event**” means either a Tax Event or a Capital Event;

“**Target System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

“**Tax Event**” has the meaning given to such term in Condition 6.3 (*Redemption upon the occurrence of a Tax Event*); and

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

substitute term applicable pursuant to Applicable Banking Regulations) for the purposes of the Issuer and, until the CRD IV Adoption Date, this shall include all subordinated loans and bonds eligible as upper tier 2 regulatory capital (*fonds propres complémentaires de premier niveau*) as defined in Article 4(c) of the *Comité de la Réglementation Bancaire et Financière* Regulation N° 90-02 of February 23, 1990, as amended, and subordinated loans and bonds eligible as lower tier 2 regulatory capital (*fonds propres complémentaires de deuxième niveau*) as defined in Article 4(d) of the *Comité de la Réglementation Bancaire et Financière* Regulation N° 90-02 of February 23, 1990, as amended.

2.2 *Interpretation*: In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions; and
- (iii) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement.

3. Form, Denomination and Title

3.1 *Form of Notes and denomination*: The Notes are issued in dematerialised bearer form (*au porteur*) in denomination of EUR 100,000.

3.2 *Title*: Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* 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 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**”).

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.

4. Status of the Notes

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

The principal of the Notes constitutes direct, unconditional, unsecured and subordinated obligations of the Issuer and ranks *pari passu* without any preference among themselves and *pari passu* with any other present and future direct, unconditional, unsecured and subordinated obligations of the Issuer with the exception of any present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and deeply subordinated obligations of the Issuer (*engagements dits "super subordonnés" or engagements subordonnés de dernier rang*).

The interest on the Notes constitutes direct, unconditional, unsecured and unsubordinated obligations of the Issuer and ranks *pari passu* without any preference among themselves and *pari passu* with any other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer.

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

In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the principal of the Notes will be terminated.

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

It is the intention of the Issuer that the Notes shall, for supervisory purposes, be treated as Tier 2 Capital and, under the current Applicable Banking Regulations, as lower tier 2 subordinated loan capital (*fonds propres complémentaires de deuxième niveau*) within the meaning of Article 4(d) of the *Comité de la Réglementation Bancaire et Financière* Regulation N° 90-02 of February 23, 1990, as amended, but that the obligations of the Issuer and the rights of the Noteholders under the Notes shall not be affected if the Notes no longer qualify as either such Tier 2 Capital or lower tier 2 subordinated loan capital.

5. Interest

5.1 *Interest rate:* The Notes bear interest at the Rate of Interest from (and including) the Issue Date. Interest shall be payable annually in arrear on each Interest Payment Date, subject in any case as provided in Condition 7 (*Payments*). The amount of interest per Note payable on each Interest Payment Date will be EUR 4,625.

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

- (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder; and
- (ii) the day which is seven days after the Fiscal Agent has notified the Holders in accordance with Condition 13 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

6. Redemption and Purchase

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

- 6.2 *Redemption upon the occurrence of a Capital Event:* Upon the occurrence of a Capital Event, the Issuer may, at its option (but subject to the provisions of Condition 6.6 (*Conditions to redemption prior to Maturity Date*)) at any time and having given not more than 45 nor less than 30 calendar days' notice to the Holders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Redemption Amounts, together with accrued interest (if any) thereon.
- 6.3 *Redemption upon the occurrence of a Tax Event:*
- (i) If by reason of any change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations, or any other change in the tax treatment of the Notes which is required by law or which is requested in writing by a competent tax authority, enacted and becoming effective on or after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer under the Notes that is tax-deductible being reduced, the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 calendar days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the outstanding Notes at their Redemption Amounts together with accrued interest (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes.
 - (ii) If by reason of a change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or any other change in the tax treatment of the Notes which is required by law or which is requested in writing by a competent tax authority, enacted and becoming effective on or 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*), the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the outstanding Notes at their Redemption Amounts together with accrued interest (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
 - (iii) If by reason of any change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations, or any other change in the tax treatment of the Notes which is required by law or which is requested in writing by a competent tax authority, enacted and becoming effective on or after the Issue Date, 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 amount then due and payable (including any additional amounts which would be payable pursuant to Condition 8 (*Taxation*) but for the operation of such French law), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not

less than 10 Business Days' prior notice to the Noteholders in accordance with Condition 13 (*Notices*), redeem all, but not some only, of the outstanding Notes at their Redemption Amounts together with accrued interest (if any) thereon, provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes.

The Issuer will not give notice under this Condition 6.3 unless (i) it has demonstrated to the satisfaction of the Relevant Regulator that the change referred to in paragraphs (i), (ii) or (iii) above is material and was not reasonably foreseeable at the time of issuance of the Notes or (ii) it otherwise complies, to the satisfaction of the Relevant Regulator, with the requirements applicable to redemption for tax reasons under the Applicable Banking Regulations.

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

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

- 6.5 *Cancellation*: All Notes which are redeemed or (subject to the first paragraph of condition 6.4 (*Purchases*) purchased) will forthwith (but subject to the provisions of Condition 6.6 (*Conditions to redemption prior to Maturity Date*)) be cancelled.
- 6.6 *Conditions to redemption prior to Maturity Date*: The Notes may only be redeemed, purchased or cancelled (as applicable) pursuant to Condition 6.2 (*Redemption upon the occurrence of a Capital Event*), Condition 6.3 (*Redemption upon the occurrence of a Tax Event*) or Condition 6.4 (*Purchase*), as the case may be, if:
- (i) the Relevant Regulator has given its prior written approval to such redemption, purchase or cancellation (as applicable); and
 - (ii) in the case of a redemption as a result of a Special Event, the Issuer has delivered a certificate to the Fiscal Agent (with copies thereof being available at the Fiscal Agent's specified office during its normal business hours) not less than five Business Days prior to the date set for redemption that such Special Event has occurred or will occur no more than 90 days following the date fixed for redemption, as the case may be.

7. Payments

- 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 Target System. Such payments shall be made for the benefit of the Noteholders to the Account Holders and all

payments validly made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the 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 and the Noteholder shall not be entitled to any further interest or other sums in respect of any such postponed payment in accordance with Condition 5.1 (*Interest rate*).

7.3 *Fiscal Agent and Paying Agent*: The name and specified office of the initial Fiscal Agent and the name and specified office of the initial Paying Agent are as follows: BNP Paribas Securities Services, 9, rue du Débarcadère, 93500 Pantin, France.

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent and/or appoint a substitute Fiscal Agent, Paying Agent or approve any change in the office through which the Fiscal Agent or the Paying Agent acts, provided that there will at all times be a Fiscal Agent having a specified office in a European city. Any notice of a change in Fiscal Agent, Paying Agent or their specified office shall be given to Noteholders as specified in Condition 13 (*Notices*).

8. Taxation

8.1 *Withholding Tax*

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

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 levied by or on behalf of the Republic of France, 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; except that no such additional amounts shall be payable in relation to any payment in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Republic of France other than the mere holding of such Note; or
- (b) more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amounts on the 30th such day; or
- (c) where such deduction or withholding is imposed on a payment to an individual or to an entity as set out in Article 4(2) of Council Directive 2003/48/EC and is required to be made pursuant to such Directive or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation on

savings income or any subsequent law implementing or complying with, or introduced in order to conform to, such Directive or Directives.

8.3 *Additional Information*

Each Noteholder shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any subsequent meeting of the ECOFIN Council on the taxation on savings income or any subsequent law implementing or complying with, or introduced in order to conform to, such Directive or Directives.

9. **Agents**

In acting under the Agency Agreement and in connection with the Notes, the Fiscal Agent and the Paying Agent act solely as agent of the Issuer and no such Agent assumes any obligations towards or relationship of agency or trust for or with any of the Holders and it shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect of its appointment or incidental thereto.

10. **Event of default**

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

11. **Representation of Noteholders**

The Noteholders will be grouped automatically for the defense of their common interests in a *masse* (the “**Masse**”) and the provisions of the French *Code de commerce* relating to the *Masse* shall apply subject to the below provisions.

The initial representative appointed in respect of the Notes is Sandrine d’Haussy, 69 avenue Gambetta, 94100 Saint Maur des Fossés, France (the “**Representative**”). The alternate representative appointed in respect of the Notes is Sylvain Thomazo, 20 rue Victor Bart, 78000 Versailles, France.

The remuneration of the Representative will be equal to EUR 600 per year.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Noteholders (the “**General Meeting**”).

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings 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 Meeting.

The place where a General Meeting shall be held will be set out in the notice convening such General Meeting.

12. **Further Issues**

The Issuer may from time to time, subject to the prior written approval of the Relevant Regulator 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 defense of their common interests be grouped in a single Masse having legal personality.

13. 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, if the Notes are listed and admitted to trading on NYSE Euronext Paris, if published in a leading daily newspaper having general circulation in France (which is expected to be *Les Echos*). Any such notice shall be deemed to have been given on the date of such delivery or publication or, if delivered or published more than once or on different dates, on the first date on which such delivery or publication is made.

14. Prescription

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

15. Governing Law and Jurisdiction

The Notes, and all non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of the Republic of France.

Any claim in connection with the Notes may exclusively be brought before the competent courts in Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for general corporate purposes.

TAXATION

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

1. EU Savings Directive

Under the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **Savings Directive**), each Member State of the EU is required to provide to the tax authorities of another EU Member State, inter alia, details of interest payments within the meaning of the Savings Directive (including interest, premiums and other similar income) made by a paying agent established within its jurisdiction to, or secured by such a person for the benefit of, an individual resident in or certain limited types of entity established in, that other Member State.

However, for a transitional period, certain Member States (Luxembourg and Austria) will instead apply a withholding system in relation to interest payments, unless during such period they elect otherwise. The beneficial owner of the interest payment may, on meeting certain conditions, request that no tax be withheld and elect instead for an exchange of information procedure. The rate of withholding is 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income. The current Luxembourg government has announced its intention to elect out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015.

A number of third countries and territories have adopted similar measures to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive, once amended, on their investment.

2. The Proposed Financial Transactions Tax

In September 2011, the EU Commission attempted to introduce an EU-wide financial transactions tax. However, not all the Member States were in favour of such a tax and so the tax could not be implemented in all Member States. Subsequently, 11 Member States of the EU requested that the Commission develop a proposal for the introduction of a common financial transactions tax (“**FTT**”) for each of those Member States. The Commission developed such a proposal under the EU's enhanced co-operation procedure which allows nine or more Member States to implement common legislation. In January 2013, the EU Council of Ministers authorised the Commission to proceed with enhanced cooperation for a common FTT and the Commission has now published a draft Directive containing proposals for the FTT. This FTT is intended to be introduced in the 11 participating Member States (Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). Additional Member States may decide to participate.

The proposed FTT imposes a charge on a wide range of financial transactions, including purchases and sales of financial instruments, including bonds; this charge will be levied at not less than 0.1% of the sale price. Material modifications of financial instruments also attract a charge at the applicable

rate. In both cases, the charge is applied separately to each financial institution that is party to a transaction; if a financial institution does not pay the tax then its counterparty will be jointly and severally liable.

A charge to FTT will arise if at least one party to a financial transaction is established in a participating Member State and a financial institution established in (or treated as established in) a participating Member State is a party to the transaction, for its own account, for the account of another person, or if the financial institution is acting in the name of a party to the transaction.

It is important to be aware that a financial institution will be treated as established in a participating Member State if, among other things, its seat is there, it is authorised there (as regards authorised transactions) or it is acting via a branch in that Member State (as regards branch transactions). It may also be treated as established in a participating Member State in relation to a particular transaction, merely because it is entering into the financial transaction with another person who is established in that Member State.

Furthermore, a financial institution which is not otherwise established in a participating Member State will be treated as established in a participating Member State in respect of a financial transaction if it is a party (for its own account or for the account of another person), or is acting in the name of a party, to a financial transaction in respect of a financial instrument issued within that Member State. The other party to such a transaction will, to the extent not otherwise established in a participating Member State, also be treated as established in that Member State.

There are limited exemptions to the proposed FTT and there are no broad exemptions for financial intermediaries or market makers. Therefore, the effective cumulative rate applicable to some dealings in financial instruments could be greatly in excess of the headline rate of the tax.

Even though the FTT is to be introduced only in the participating Member States, it can be seen from what is said above that if the FTT is introduced in the form proposed it could make dealings in financial instruments more costly for persons both inside and outside the 11 participating Member States, and the FTT could be payable in relation to Notes issued under the Prospectus if the FTT is introduced in the form proposed and the conditions for a charge to arise are satisfied.

The proposed FTT is still under review and it may therefore change significantly before it is implemented. It is currently proposed that the FTT should be introduced in the participating Member States on 1 January 2014. Prospective holders of the Notes are strongly advised to seek their own professional advice in relation to the FTT.

3. French Withholding Tax

The following is a basic summary of certain withholding tax considerations that may be relevant to holders of Notes who do not concurrently hold shares of the Issuer. Persons who are in doubt as to their tax position should consult a professional tax adviser.

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

Pursuant to Article 125 A III of the French Code general des impôts, payments of interest and other revenues made by the Issuer with respect to the Notes are not subject to the withholding tax unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non*

coopératif) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**), in which case, a 75 per cent. withholding tax is applicable (subject to exceptions, certain of which are set forth below, and to the more favourable provisions of an applicable double tax treaty). The 75 per cent. withholding tax is applicable irrespective of the tax residence of the holder of the Notes. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

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

Notwithstanding the foregoing, the law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts*, the Deductibility Exclusion nor the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such non-deductibility, to the extent that the relevant interest or revenues relate to genuine transactions and is not an abnormal or exaggerated amount will apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to *Bulletin officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50, BOI-RPPM-RCM-30-10-20-50, BOI-ANX-000364 and BOI-ANX-000366 dated September 12, 2012, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if the Notes are:

- (a) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (b) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (c) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

The Notes which will be admitted to listing and to trading on Euronext Paris and cleared through Euroclear France, will fall under the Exception. Consequently, payments of interest and other revenues made by the Issuer under the Notes are not subject to the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Pursuant to Article 9 of the 2013 French Finance Law (*loi n°2012-1509 du 29 décembre 2012 de finances pour 2013*) subject to certain exceptions, interest received from 1 January 2013 by French tax resident individuals is subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest paid to French tax resident individuals.

SUBSCRIPTION AND SALE

1. Subscription agreement

Pursuant to a subscription agreement dated 16 July 2013 (the **Subscription Agreement**) entered into between Natixis (the **Sole Bookrunner**), Banco Bilbao Vizcaya Argentaria S.A., Barclays Bank PLC, Commerzbank Aktiengesellschaft and J.P. Morgan Securities plc (the **Joint-Lead Managers** and, together with the Sole Bookrunner, the **Managers**) and the Issuer, the Managers have agreed with the Issuer, subject to the satisfaction of certain conditions, to procure subscription and payment for the Notes at an issue price equal to 99.178 per cent. of their principal amount less the commissions agreed between the Issuer and the Managers. The Subscription Agreement entitles, in certain circumstances, the Managers to terminate it prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

2. Selling Restrictions

Each of the Managers has represented and agreed that it will not offer, sell or deliver, directly or indirectly, any Note to any of the following:

- (i) the Issuer, its shareholders (Banques Populaires and Caisses d'Epargne) or its subsidiaries;
- (ii) an undertaking in which the Issuer has participation in the form of ownership, direct or by way of control, of 20 % or more of the voting rights or capital of that undertaking.

2.1 United States

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

Each of the Managers has agreed that it has not offered or sold, and will not offer or sell, the Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after completion of the distribution of the Notes as determined, and certified to the Issuer by the Managers, in the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons, substantially to the following effect:

“The Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act (**Regulation S**). Terms used above have the meanings given to them by Regulation S.”

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

In addition, until forty (40) calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if the sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Terms used in this section 2.1 and not otherwise defined in the Prospectus have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

2.2 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each of the Managers has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Managers; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any of the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

2.3 United Kingdom

Each of the Managers has represented, warranted and agreed that (in connection with the initial distribution of the Notes only):

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Notes which are the subject of the offering contemplated by this Prospectus (the “**Offer Notes**”) in circumstances in which Section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and

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

2.4 France

Each of the Managers has represented and agreed that (in connection with the initial distribution of the Notes only) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

2.5 Italy

The offering of the Notes has not been cleared by the *Commissione Nazionale per la Società e la Borsa* (**CONSOB**) pursuant to Italian securities legislation. Accordingly, each of the Managers has represented and agreed that it has not offered, sold or delivered, directly or indirectly, any Notes to the public in the Republic of Italy.

For the purposes of this provision, the expression “**offer of Notes to the public**” in Italy means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, including the placement through authorised intermediaries.

Each of the Managers has represented and agreed that it will not offer, sell or deliver, directly or indirectly, any Note or distribute copies of this Prospectus or of any other document relating to the Notes in the Republic of Italy except:

- (i) to qualified investors (*investitori qualificati*), as defined under Article 100 of the Legislative Decree No. 58 of February 24, 1998, as amended (the **Italian Financial Act**), as implemented by Article 26, paragraph 1(d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended (**Regulation No. 16190**), pursuant to Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of May 14, 1999, as amended (**Regulation No. 11971**); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Act and its implementing CONSOB regulations including Regulation No. 11971.

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

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Act, Regulation No. 16190, Legislative Decree No. 385 of September 1, 1993 as amended (the **Banking Act**) and any other applicable laws or regulation;

- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer, sale, delivery or resale of the Notes by such investor occurs in compliance with applicable Italian laws and regulations.

2.6 Spain

This offering of Notes has not been registered with the *Comisión Nacional del Mercado de Valores* (the **CNMV**) and therefore the Notes may not be offered or sold or distributed in Spain except in circumstances which do not qualify as a public offer of securities in Spain in accordance with article 30 bis of the Securities Market Act (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated, or pursuant to an exemption from registration in accordance with Royal Decree 1310/2005 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) as amended and restated.

2.7 Portugal

Each Manager has represented and agreed that:

- (i) no document, circular, advertisement or any offering material in relation to the Notes has been or will be subject to approval by, nor notified to, the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, the **CMVM**);
- (ii) it has not directly or indirectly taken any action or offered, advertised or sold or delivered and has not and will not directly or indirectly collect investment intentions, offer, advertise or carry on any prospecting activity, sell, re-sell, re-offer or deliver any Notes in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code (*Código dos Valores Mobiliários*, the **CVM**), or in circumstances which could (a) qualify the issue of the Notes as an issue or public placement of securities in the Portuguese market, or (b) which could establish the Portuguese authorities as having jurisdiction as competent authority under the CVM;
- (iii) it has not, directly or indirectly, in whole or in part, distributed, reproduced or disclosed its content by any means, and will not, directly or indirectly, in whole or in part, distribute to the public or to undetermined addresses in Portugal the Offering Circular or any document, circular, advertisements or any other offering material relating to the Notes;
- (iv) all offers, sales and distributions of the Notes have been and will only be made in Portugal in circumstances that, pursuant to the CVM, qualify as a private placement of Notes (*oferta particular*), all in accordance with the CVM; in particular the Notes will only be offered, advertised, sold or delivered in Portugal to qualified investors, as defined in the CVM;
- (v) pursuant to the CVM, the private placement in Portugal or near Portuguese residents of Notes by public companies (*sociedades abertas*) or by companies that are issuers of securities listed on a market needs to be notified to the CMVM for statistical purposes;

- (vi) it will comply with all applicable provisions of the CVM and any applicable CMVM Regulations, as applicable, and all relevant Portuguese laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Notes by it in Portugal;
- (vii) any potential investor shall ensure that he/she/it is capable of understanding and assuming the risks associated with such as investment decision and shall seek appropriate investment advice; and
- (viii) for the avoidance of any doubt, Madeira and Azores fall within the jurisdiction of Portugal.

Each Manager has agreed that it shall comply with all applicable laws and regulations in force in Portugal and with the Directive 2003/71/EC, as amended from time to time, regarding the placement of any Notes in the Portuguese jurisdiction or to any entities which are resident or established in Portugal, including the publication of a prospectus, when applicable, and that such placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

2.8 Germany

Any transaction under this Prospectus is not a public offering of securities in the Federal Republic of Germany. The Notes may be offered and sold in the Federal Republic of Germany only in accordance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) (the **German Securities Prospectus Act**) and any other applicable German law. Consequently, in Germany, the Notes will only be available to, and this Prospectus and any other offering material in relation to the Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the German Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the German Securities Prospectus Act and other applicable laws. The Issuer has not, and does not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (**BaFin**) or obtain a notification to BaFin from another competent authority of a Member State of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17(3) of the German Securities Prospectus Act.

2.9 The Netherlands

The Notes are not and may not be offered in The Netherlands other than to persons or entities who or which are qualified investors as defined in Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (which incorporates the term “qualified investors” as used in the Prospectus Directive).

2.10 Norway

This Prospectus has not been approved by or registered with the Oslo Stock Exchange, the Norwegian Register of Business Enterprises or any other body or agency of the Kingdom of Norway.

Each of the Managers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in the Kingdom of Norway any Notes other than (i) to “professional investors” as defined in § 7-1 of the Norwegian Securities Regulation of 29 June 2007 no. 876 (**Professional Investors**); (ii) to fewer than 150 natural or legal persons (other than Professional Investors) in Norway or (iii) in reliance on the exemption provided by § 7-4 no. 10 of the Norwegian Securities Trading Act of 29 June 2007 no. 75.

2.11 Sweden

Each of the Managers has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*).

2.12 Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange Ltd. or on any other exchange or regulated trading facility in Switzerland. This Prospectus is being communicated in or from Switzerland to a small number of selected investors only. Each copy of this Prospectus is addressed to a specifically named recipient and may not be passed on to third parties. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a Prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd. or of any other regulated trading facility in Switzerland, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

2.13 General

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes. Neither the Issuer nor the Managers represents that Notes may at any time lawfully be resold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such resale.

Each of the Managers has agreed that it will, to the best of its knowledge, comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any other offering material relating to the Notes and obtain any consent, approval or permission required for the purchase, offer or sale of the Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and the Issuer shall have no responsibility therefore.

3. Potential Conflicts of Interest

All or some of the Managers and their affiliates have and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of Groupe BPCE. They have or may (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of Groupe BPCE or (iii) act as financial advisers to the Issuer or other companies of Groupe BPCE. In the context of these transactions, certain of such Managers have or may hold shares or other securities issued by entities of Groupe BPCE. Where applicable, they have or will receive customary fees and commissions for these transactions.

4. Legality of purchase

None of the Issuer, the Managers or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg), Euroclear (1, boulevard du Roi Albert II, 1210 Bruxelles, Belgium) and Euroclear France (115 rue Réaumur, 75081 Paris cedex 02, France) with the common code 095392954. The International Securities Identification Number (ISIN) code for the Notes is FR0011538222.
2. The issue of the Notes was decided by Roland Charbonnel, *Directeur des Emissions et de la Communication Financière* of the Issuer, on 15 July 2013, acting pursuant to a resolution of the Management Board of the Issuer dated June 3, 2013.
3. Application has been made for the Notes to be listed and admitted to trading on Euronext Paris on 18 July 2013.
4. For the sole purpose of the admission to trading of the Notes on Euronext Paris, and pursuant to Articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the AMF and received visa no. 13-366 dated 16 July 2013.
5. The total expenses related to the admission to trading of the Notes are estimated to €13,000 (including AMF fees).
6. The members of the Management Board (*Directoire*) of the Issuer have their business addresses at the registered office of the Issuer.
7. The statutory auditors of the Issuer for the period covered by the historical financial information are PricewaterhouseCoopers AUDIT (63, rue de Villiers, 92208 Neuilly-sur-Seine, Cedex, – France), Mazars (Exaltis, 61, rue Henri Regnault, 92075 La Défense Cedex – France) and KPMG Audit, a department of KPMG S.A. (1, Cours Valmy – 92923 Paris La Défense Cedex – France). They have audited and rendered unqualified audit reports on the financial statements of the Issuer for each of the financial years ended 31 December 2011 and 31 December 2012.
8. The yield of the Notes is 4.730 per cent. *per annum*, as calculated at the Issue Date on the basis of the issue price of the Notes. It is not an indication of future yield.
9. Save for any fees payable to the Managers, as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue of the Notes.
10. There has been no significant change in the financial or trading position of the Issuer, BPCE SA Group or Groupe BPCE since 31 December 2012.
11. There has been no material adverse change in the prospects of the Issuer, BPCE SA Group and/or Groupe BPCE since 31 December 2012.
12. Save as disclosed in item 11.6 of the cross-reference table on page 10 of the Prospectus, there have been no governmental, legal or arbitration proceedings of which the Issuer is aware (including any such proceedings which are pending or threatened) which, to the Issuer's knowledge, may have, or have had, significant effects on the Issuer, BPCE SA Group and/or Groupe BPCE's financial position or profitability during the period of twelve (12) months prior to the date of this Prospectus.
13. For so long as any of the Notes are outstanding, copies of this Prospectus, the Documents Incorporated by Reference, the Agency Agreement, and the *statuts* (by-laws) of the Issuer will be available for inspection and copies of the most recent annual financial statements of the Issuer will

be obtainable, free of charge, at the specified offices for the time being of the Paying Agent during normal business hours. This Prospectus and all the Documents Incorporated by Reference are also available (i) on the website of the AMF (www.amf-france.org) and (ii) on the Issuer's website (www.bpce.fr).

ISSUER

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